



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

ANGLICAN FUNDS GRAFTON DIOCESE BOARD MEETING
Thursday 13th February 2020
AGENDA

1. **9am** - Opening Prayer
2. Acknowledgement of Country
We, the Board of Anglican Funds Grafton Diocese, acknowledge the Bundjalung, Arakwal, Yaegl, Githabul, Gumbayngirr, Dunghutti and Birpai peoples, traditional custodians of these lands on which this Diocese is based; and we pay tribute and respect to the elders of these nations and peoples, past, present and emerging and acknowledge their connection with and care for this country.
3. Confirm attendees and apologies
4. 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)
 - Blaine Fitzgerald – Head of Anglican Funds South Australia
5. Confirmation of Minutes
 - Meeting of 28 November 2019
 - Flying Minute 16 December 2019 Lindisfarne Anglican Grammar School Capital Projects and Funding
 - Flying Minute 14 January 2020 Salary Change Annette Dent
6. Call for additional agenda items and close of agenda
7. Financial and performance reports
 - a) Finance reports
 - b) Audit update
8. Matters for discussion and/or decision
 - a) AFSA/AFGD Service Agreement client update from Blaine Fitzgerald includes;
 - Schools updates
 - Liquidity Management
 - Capital Adequacy position
 - Interest Rate Risk Management includes lending rate review
 - b) Development Funds – Capital Adequacy
 - c) AFSA/AFGD Consultation & Work Programme – desired outcomes and AFGD Board position to be presented to AFSA.
 - d) AFGD Client Survey Results – Corporate Trustees resolution 'Request that the AFGD Board provides a cost-benefit analysis of the non-investment benefits provided by AFGD'.
 - e) AFGD Contribution to the Anglican Diocese of Grafton 2021.
 - f) Ord Minnett – Hybrids & Lending Substitution

9. Matters for noting and status updates

- a) CVAS Subordinated Debt Meeting held at Registry Office Wednesday 5 February 2020 – summary from AFGD rep John Adlington.

10. Correspondence

In:

- 27 November 2019 from Alison Perrott Ord Minnett re Hybrids & Lending Substitution

Out:

- 19 December 2019 from Chair David Ford to Brett Dinsdale Business Manager Lindisfarne Anglican Grammar School re Letter of Support Capital Projects & Land Purchase Funding
- 22 January 2020 from Chair David Ford to Brett Dinsdale Business Manager Lindisfarne Anglican Grammar School re Finance approval for purchase 72 Maher's Lane Terranora

11. Next meeting scheduled for 30 April 2020.

12. Meeting close



BOARD MEETING DATE:

13/02/2020

No 5 Confirmation of Minutes

- Meeting of 28 November 2019
- Flying Minute 16/12/19 LAGS Capital Projects & Funding
- Flying Minute 14/01/20 Salary Change

No of Pages. 27 incl Header



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

AFGD Board Flying Minute - Salary Change

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

14 January 2020 at 10:32

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

Dear AFGD Board Members,

As per recent emails examining Annette Dent's current salary, the Banking Finance and Insurance Award 2010 and changes to Annette Dent's duties under the Expanded Services Agreement, I seek your response to the following draft resolution. Please use Reply All to indicate whether you support or oppose this draft resolution.

That the AFGD Board, in recognition of the extra duties performed by Mrs Annette Dent under the Expanded Services Agreement and without an AFGD Fund Manager, approves that Mrs Dent be offered a salary of \$[REDACTED] per annum that would be effective from 1 January 2020 and associated with a change of her job description to formally recognise the additional duties and a change of job title to AFGD Office Manager. All other employment conditions for Mrs Dent will remain as per current arrangements.

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Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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

Minutes
Thursday 28 November 2019
Registry Conference Room, Grafton

- 1. Opening** Meeting opened at 9.02am.
- 2. Attendees:** Mr David Ford (Chair), Mr Phil Crandon, Mr Ted Clarke, Mr Gary Boyd, Bishop Murray Harvey.
Non-members: Mr Chris Nelson, Mr Blaine Fitzgerald (AFSA Head).

Apologies: Mr John Adlington.

3. Prayers and Acknowledgement of Country

The Chair opened the meeting with prayer.

The attendees read together the Acknowledgement of Country as printed in the meeting agenda.

4. 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 and Director of Anglican Insurance and Risk Services (AIRS)
- David Ford – Chair of Bishop Druitt College Council
- Ted Clarke – Agreement with Clarence Valley Anglican School
- Blaine Fitzgerald – Head of Anglican Funds South Australia (AFSA)

No new or changed declarations were required.

5. Confirmation of Minutes

That the minutes of the meeting of 26 September 2019 be accepted as true and correct.

Moved: Mr Phil Crandon

Seconded: Mr Ted Clarke CARRIED

The Board noted that the Flying Minute of 9 October 2019 regarding the AFSA Service Agreement was withdrawn.

On 14 October 2019, the following resolution was agreed to by Flying Minute:

“That the AFGD Board approves a drop of 75 bps in the AFGD Cheque Account interest rate to 0.25%, effective immediately.”

That the Flying Minute on Cheque Account Interest Rates dated 14 October 2019 be ratified.

Moved: Mr Ted Clarke

Seconded: Bp Murray Harvey CARRIED

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

Moved: Mr Gary Boyd

Seconded: Mr Phil Crandon CARRIED

6. Call for additional Agenda items and close of Agenda

The Board noted that there were late papers from Mr Blaine Fitzgerald concerning finance for

purchase of an adjoining property to be added to the discussion at 8b.
The Board agreed to discuss the recent reports of adverse corporate governance at Westpac Bank (8f).

7. Financial and Performance Reports

a. Finance reports

Mr Blaine Fitzgerald and Mr Chris Nelson spoke to the Finance Report. Favourable performance relative to budget was noted.

That the AFGD Board receives the financial reports for the period to 31 October 2019.

Moved: Mr Ted Clarke

Seconded: Mr Phil Crandon CARRIED

b. Audit Update

The Audit Update report was noted and discussed. It was also noted that several action points can now be progressed as the Service Agreement with AFSA had been signed. Mr Chris Nelson and Mr Blaine Fitzgerald were asked to initiate action prior to the next meeting.

8. Matters for Discussion and or Decision:

a. AFSA/AFGD Service Agreement Update

Mr Blaine Fitzgerald provided an update on various administrative and fund management support actions provided to AFGD as part of the Service Agreement. (See resolution under 8b)

The Board considered a proposed consultation and work program that will allow AFGD and AFSA to explore moving to a single fund arrangement. It was noted that if the program is accepted by AFSA the preparation under the first action point "AFGD and AFSA submit an outline of "Desired Outcomes"; "Downsides to Avoid" and possible models relative to the prospect of combining the two funds" would need to be progressed by email prior to the next AFGD Board meeting.

Blaine Fitzgerald highlighted that this project will need to consider, among other things:

- How to preserve existing banking exemptions; and
- Most appropriate legal structure.

That the AFGD Board accepts the consultation and work program as drafted and requests the Registrar to forward this program to AFSA for their consideration.

Moved: Mr Ted Clarke

Seconded: Mr Phil Crandon CARRIED

b. Schools Update

Mr Blaine Fitzgerald provided an update on project activities and business issues at Lindisfarne Anglican Grammar School, Emmanuel Anglican College and Bishop Druitt College.

The AFGD Board accepts Mr Blaine Fitzgerald's report relative to the AFSA Service Agreement and AFGD's Schools' business.

Moved: Mr Phil Crandon

Seconded: Mr David Ford CARRIED

Mr Blaine Fitzgerald spoke to his report on Bishop Druitt College consideration of an opportunity that has arisen to purchase an adjoining property and the finance requirements of that project. Mr David Ford offered to leave the meeting for this discussion however other Board members expressed that it was not necessary in this case.

That, with regard to Bishop Druitt College seeking a loan facility of \$1 million to fund the purchase and conversion of an adjoining property, the AFGD Board:

- consents to the new facility being sought and the provision of a letter of consent to Westpac to enable them to advance the funds sought within their existing cap of \$6m;
- requests Mr Blaine Fitzgerald liaise with solicitors Fishburn Watson O'Brien seeking confirmation on the adding of the new property purchase as a security item to the existing *Pari Passu* agreement; and
- this is conditional upon Bishop Druitt College providing evidence of Grafton Anglican School Commission and Bishop-in-Council approval to proceed with the purchase.

Moved: Bp Murray Harvey

Seconded: Mr Ted Clarke

CARRIED

Mr David Ford abstained from the vote due to a conflict of interest.

c. Lending and Term Investment Rate Review

The Board discussed the current investment interest rates and noted that while they are appropriate at this time, there was a reasonable chance of needing an amendment during Q1 2020.

That the AFGD Board asks the Registrar and the Senior Customer Support Officer, with the assistance of the AFSA Head, to review on a fortnightly basis the comparative data on investment interest rates and if conditions require a change in the AFGD investment interest rates, a recommendation should be put to the AFGD Board and a Flying Minute should be used where the scheduling of the next Board meeting is not timely.

Moved: Mr Phil Crandon

Seconded: Mr Ted Clarke

CARRIED

The Board discussed the current published AFGD loan rates and noted that while the current settings are satisfactory, there will downward pressure that will be felt when current loans are due for renewal.

That the AFGD Board confirms the loan interest rates from 1 January 2020 remain unchanged, however the Board will review this decision at its meeting on 13 February 2020.

Moved: Mr Gary Boyd

Seconded: Bp Murray Harvey

CARRIED

d. Draft 2020 Budget

An amended version of the 2020 Budget was presented to the Board which decreased the projected deficit from \$45,816 as per the distributed meeting papers to \$9,279. This change was achieved through the reduction of some budgeted expenditures and a reduction in the contribution to the Diocese of Grafton.

Contribution to the Diocese of Grafton was budgeted at \$125,000 plus an expense "Registry Support" of \$22,305 giving a total of \$147,305. As this is less than the \$175,000 target, the actual contribution will be reviewed late in 2020 based on actual figures.

The income assumptions were not adjusted due to uncertainty.

That the AFGD Board accepts the amended budget for 2020 as presented projecting an expected deficit of \$9,279 for 2020.

Moved: Mr Ted Clarke

Seconded: Mr Phil Crandon

CARRIED

e. Corporate Trustees and AFGD benefits

The Board considered the Corporate Trustees request regarding the “non-investment benefits provided by AFGD” and the proposed survey drafted by the Registrar. The Board while accepting the draft survey had concerns about the suitability of questions 7 and 8 as proposed.

That the AFGD Board approves of the proposed survey of clients and stakeholders, amended with the exclusion of questions 7 and 8 and the inclusion of a general comments field, and requests the Registrar and AFGD Senior Customer Support Officer to implement this survey as soon as practicable.

Moved: Bp Murray Harvey
Seconded: Mr Phil Crandon CARRIED

f. Westpac Corporate Governance Failures

The Board considered the recent news reports concerning Westpac Bank and their alleged failure to implement money laundering protection measures that have allowed many cases of insufficiently tracked cross-border transactions that have facilitated child exploitation and money laundering. The Board viewed those failures as serious.

The Board considered what action it should take considering the seriousness of the reports and noted that if a switch to another financial institution was to be contemplated, the Board would need to find out whether it was moving to an institution that was better performing in this regard, and noted that because of the integration with Westpac systems, a change would take at least a year as an intensive project to implement.

That the AFGD Board requests its Chair to write to the board of Westpac Bank expressing that AFGD views the alleged breaches of the money laundering protections as a serious issue that cannot continue and to seek assurances on the bank’s response to these matters. The AFGD Board also requests Mr Blaine Fitzgerald to request that the Diocesan Financial Advisory Task Force (DFATF) make representation to Westpac Bank on behalf of Anglican Church Development Funds generally.

Moved: Mr David Ford
Seconded: Bp Murray Harvey CARRIED

9. Matters for noting and status updates

Nil

10. Correspondence

In: Letter from Clarence Valley Anglican School to Mr Chris Nelson “Request for Meeting re Subordinated Debt” – 24 September 2019

Out: Nil

That the inwards correspondence be received and that the AFGD Board endorses participation in discussions with CVAS regarding their subordinated debt and appoints Mr John Adlington as its representative in those discussions.

Moved: Mr Gary Boyd
Seconded: Mr David Ford CARRIED

Mr Blaine Fitzgerald left the meeting at 12.26pm.

11. Further Matters

The Board noted reports that Ms Linda Butler performed well while Ms Annette Dent was on annual leave and welcomed the Chair’s decision to provide a floral gift. The Chair reported that there has been a recommendation that Ms Butler receive higher remuneration for that period. The Registrar will investigate and report to the Board.

The Board noted a request from Ms Annette Dent for a review of her remuneration in consideration that the increased remuneration for higher duties will cease at 31 December 2019. The Chair will further discuss details with Ms Dent so that this request can be adequately considered.

12. Next Meeting:

13 February 2020

13. Meeting Close

The meeting closed at 12.36pm and was followed by lunch.

CONFIRMED as a true and correct record of proceedings of Anglican Funds Grafton Diocese Board meeting of 28 November 2019.

Chair – David Ford



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

AFGD Board Flying Minute - Lindisfarne Anglican Grammar School Capital Projects and Funding

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

16 December 2019 at 14:59

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

Cc: Annette Dent <office@afgd.com.au>, Blaine Fitzgerald <afsahead@adelaideanglicans.com>

Dear AFGD Board Members,

Please find attached a report from Blaine Fitzgerald concerning Lindisfarne Anglican Grammar School and the following proposed resolution.

That the AFGD Board, noting Lindisfarne Anglican Grammar School's request for finance for a development of its Middle School (\$6M of \$8M), development of pre-school and kindergarten at Sunshine Avenue (\$3.45M of \$4M), development of the Senior Centre (\$1.5M of \$3M) and purchase of land at Mahers Lane (\$3.1M of \$3.1M) approves, subject to relevant approvals from the Grafton Anglican Schools Commission and Bishop-in-Council, that:

- 1. A letter of support will be provided for the above projects;**
- 2. Pari Passu facilities increase to \$24M in 2020;**
- 3. AFGD will finance the purchase of land at Mahers Lane; and**
- 4. Fishburn Watson O'Brien Lawyers will be engaged to include the above land purchase as security on the existing Pari Passu agreement.**

Could you please consider and respond by Reply All email whether you support (or otherwise) the proposed resolution?

A prompt response will be appreciated as Lindisfarne will need to respond with regard to their land purchase on 20 December.

--

Regards,

Chris Nelson


General Manager/Registrar

Anglican Diocese of Grafton

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2 attachments

 **191211 Lindisfarne Credit Submission.pdf**
1240K

 **191211 AFGD Executive summary - Lindisfarne Credit Submission.pdf**
562K

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

Purpose of advices: Executive Summary

Formal request via Brett Dinsdale Business Manager Lindisfarne to commit to funding on four keep projects commencing in 2020 and concluding in 2021.

Projects that commence late in 2021 through to 2025 including a new Junior Campus will be assessed during the back half of 2020.

Over the past three weeks discussions with the joint funding partners AFGD & Westpac via a Pari Passu Deed, with all supporting documents supplied by Brett Dinsdale, have occurred to plan out logistics and discuss the split of funding sought.

- Westpac to take on construction projects as they are better aligned to control these projects and eliminates AFGD being involved in progress claim apportionment, which would get messy.
- AFGD with the simplified Business model to take on the Berger Land Bank opportunity with some solid term debt finance.

Looking forward:

The school is commencing an aggressive growth strategy backed by a surging local population and demand which has been recognised by state and federal government with the awarding of major infrastructure funding over the next 4 years of \$6m.

In addition, the land positioned alongside the senior campus on Mahers Lane known as the Berger Land has been offered to the school first prior to release to the market. Strategically the land is integral to the school's growth plans as it solves significant access and parking issues associated with the school and will link perfectly the new Junior campus at Mahers Lane, Middle school the sports fields and the Senior campus. A significant premium is to be paid to acquire this asset.

Further major infrastructure funding and construction will occur at the same time as the Berger Land creating a number of projects that will need to be managed simultaneously. The school has recruited a Project Manager - Nicole Bold to mitigate this risk.

The Schools Architects have also appointed a Quantity Surveyor – Construction Cost Associates to assess and sign off on progress claims associated with the project.

Project timelines and finance required between 31/12/19 and 31/12/2021: Westpac

Project name:	Middle School – close to contract
Total Project Cost:	\$8.00m
Gov't Funding:	<u>\$2.00m</u>
Borrow:	\$6.00m
Commencement Date:	January 2020
Completion Date:	January 2021

Project name:	Pre-school/Kindergarten Sunshine Avenue – close to contract
Total Project Cost:	\$4.00m
Gov't Funding:	<u>\$0.55m</u>
Borrow:	\$3.45m
Commencement Date:	March 2020
Completion Date:	January 2021

Project name:	Senior Centre – tender by end of Feb 2020 to Commence in June 2020
Total Project Cost:	\$3.00m
Gov't Funding:	<u>\$1.50m</u>
Borrow:	\$1.50m
Commencement Date:	June 2020
Completion Date:	June 2021
Total New Borrowings Westpac	\$10.95m

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS) Date: 12/12/19

AFGD

Project name: Berger Land
Total Project Cost: \$3.10m
Gov't Funding: \$0.00m
Borrow: **\$3.10m**
Commencement Date: June 2020
Completion Date: June 2020

Total New Borrowings AFGD \$3.10m

Key timelines on Berger Land Purchase:

- 20/12/19 -Diocesan Consent
- 28/1/20 – Finance & 10% non-refundable deposit
- 30/6/20 or earlier for settlement.

Project timelines and finance required between 30/06/21 and 31/12/2025

Project name: Mahers Lane – Second Junior Campus P-4 Stage 1- Stakeholder engagement process
Total Project Cost: \$4.00m
Gov't Funding: \$2.50m
Borrow: **\$1.50m**
Commencement Date: Jan 2021
Completion Date: Jan 2022

Project name: Mahers Lane – Second Junior Campus P-4 Stage 2
Total Project Cost: \$4.00m
Gov't Funding: \$0.00m
Borrow: **\$4.00m**
Commencement Date: Jan 2022
Completion Date: Jan 2023

Project name: Mahers Lane – Second Junior Campus P-4 Stage 3
Total Project Cost: \$4.00m
Gov't Funding: \$0.00m
Borrow: **\$4.00m**
Commencement Date: Jan 2023
Completion Date: Dec2023

Total New Borrowings \$9.50m financier to be determined

Elective projects & timing

Sportsfields	\$3.00m	July 2021
Eco Science Centre	\$1.50m	July 2024
STEM Precinct Expansion	\$4.00m	July 2024

Total New Borrowings \$8.50m No commitment to fund

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

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
 - 6 yr rolling forecast from 2020 to 2025 including construction funding held.
 - Major Capital Expenditure expansion plans and approved by GASC and B-i-C have also been provided.
 - Berger Land Purchase \$3.1m consent by GASC and B-i-C will be decided at last sitting for the year 19/12/20.
 - Correspondence from the Diocese to LAGS has confirmed support for the projects, excluding Berger Land, to proceed on the basis that funding parcels at each stage are assessed by the financiers AFGD and Westpac for approval.

How is the information being presented.

The information is provided in 4 stages

1. Historical Performance covering the period 2015 to 2018 provided for information purposes only.
2. LAGS projections covering 2019 to 2025. These projections are supported by P&L and Balance Sheet numbers indicating actual drawn debt.
3. Projections based on known project timing and calculations of peak borrowings that would need to be assessed in that period to accommodate all the construction projects. (analytics completed by AFSA)
4. To support assumptions at point 3 above a year by year time banded summary from 2019 to 2025 of peak borrowings required to accommodate the construction projects has been provided.

What is AFGD being asked to do.

1. **Provide a letter of support to accompany B-i-C and GASC's consent to commence major infrastructure projects to 31/12/2021 including the Berger Land Purchase for \$3.1m by 20/12/19.**
2. **Approve Pari Passu joint total approved facilities as documented:**
 - 2020 \$24,000,000
 - 2021 \$26,500,000**Note:** this could be provided at same time as Berger land unconditional approval is provided.
3. **Approve Berger Land Purchase for \$3.1m as an AFGD facility.**
 - AFGD letter of support 20/12/20.
 - Unconditional approval required by 28/1/20.
 - Settlement 30/6/20 or sooner.
4. AFGD to liaise with solicitors Fishburn Watson O'Brien seeking confirmation on the adding of the new property purchase as a security item to the existing Pari Passu agreement.

Disclaimer

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Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

1. 2015 to 2018 Audited results Information provided is of historical nature only and was confirmed in the half yearly review.

LAGS (\$000's)	2015 Audited	2016 Audited	2017 Audited	2018 Audited	
Student Numbers*	959	953	980	1100	
Staff FTE*	88	88	93	97	
Non Teaching	36	36	38	46	
Current Assets	\$ 443	\$ 665	\$ 664	\$ 1,178	
Cash	\$ 165	\$ 206	\$ 190	\$ 517	
Trade	\$ 206	\$ 266	\$ 363	\$ 411	
other	\$ 72	\$ 193	\$ 111	\$ 250	
Non-Current Assets	\$ 25,336	\$ 25,235	\$ 28,550	\$ 28,979	
Property P&E	\$ 25,336	\$ 25,235	\$ 28,550	\$ 28,979	
Total Assets	\$ 25,779	\$ 25,900	\$ 29,214	\$ 30,157	
Current Liabilities	\$ 4,365	\$ 4,222	\$ 10,538	\$ 10,212	
Trade	\$ 998	\$ 903	\$ 1,246	\$ 1,689	
Borrowings	\$ 1,544	\$ 1,201	\$ 6,969	\$ 6,167	
Other	\$ 1,823	\$ 2,118	\$ 2,323	\$ 2,356	
Non- Current Liabilities	\$ 3,426	\$ 2,813	\$ 63	\$ 789	
Borrowings	\$ 3,289	\$ 2,745	\$ -	\$ 670	
other	\$ 137	\$ 68	\$ 63	\$ 119	
Non Interest Loan Diocese					
Net Asset/Total equity	\$ 17,988	\$ 18,865	\$ 18,613	\$ 19,156	
Net Assets Ex Loans	\$ 22,821	\$ 22,811	\$ 25,582	\$ 25,993	
Income					
Fees	\$ 7,304	\$ 7,313	\$ 7,678	\$ 8,823	
Gov Grants	\$ 10,468	\$ 10,102	\$ 10,857	\$ 12,777	
Govt Subsidy - Interest on borrowings					
Capital Grants					
Preschool Fees	\$ 352	\$ 419	\$ 442	\$ 527	
Interest Income					
Other	\$ 298	\$ 325	\$ 356	\$ 367	
Other Revenue	\$ 273	\$ 231	\$ 363	\$ 905	
Donations -	\$ 49	\$ 182	\$ 111	\$ 96	
Total Revenue	\$ 18,744	\$ 18,572	\$ 19,807	\$ 23,495	
Expenses					
Staff Costs Teaching and Support	\$ 12,231	\$ 12,765	\$ 14,458	\$ 16,643	
Restructure to achieve 75% of RI					
Other staff costs super etc					
Other operating costs	\$ 3,075	\$ 3,497	\$ 4,061	\$ 4,588	
Depreciation	\$ 1,076	\$ 1,181	\$ 1,234	\$ 1,374	
Interest & leasing charges	\$ 358	\$ 252	\$ 306	\$ 346	
Total Expenses	\$ 16,740	\$ 17,695	\$ 20,059	\$ 22,951	
Operating Surplus	\$ 2,004	\$ 877	-\$ 252	\$ 544	
	\$ 1,955	\$ 695	-\$ 363	\$ 448	
EBIT	\$ 2,313	\$ 947	-\$ 57	\$ 794	
EBITDA	\$ 3,438	\$ 2,128	\$ 1,177	\$ 2,168	
Ratio Analysis					Benchmarks
Return on Investment	8.6%	3.0%	-1.4%	1.7%	> 5%
Interest Cover (EBITDA/Interest)	9.6	8.4	3.8	6.3	>2.0x
Debt EBITD	1.4	1.9	5.9	3.2	< 5.5x
Net Operating Margin	19.1%	12.1%	6.2%	9.6%	> 10%
Debt per student	\$ 5.0	\$ 4.1	\$ 7.1	\$ 6.2	< \$10K
Fee income per student	\$ 10.9	\$ 10.6	\$ 11.1	\$ 11.6	\$8K
Teachers Salary per student	\$ 12.8	\$ 13.4	\$ 14.8	\$ 15.1	
Students/Staff	10.9	10.8	10.5	11.3	>11
Salaries/Net Income %	65.25%	68.73%	72.09%	70.84%	< 75%
Salaries/Total Expenses %	73.06%	72.14%	72.08%	72.52%	

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

Capacity to service/repay - Historical audited results

- 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.

Capacity to pay - Actual debt	2015	2016	2017	2018
	Audited	Audited	Audited	Audited
Operating surplus	\$ 1,955	\$ 695	-\$ 363	\$ 448
Plus addbacks				
Depreciation	\$ 1,076	\$ 1,181	\$ 1,234	\$ 1,374
Interest	\$ 358	\$ 252	\$ 306	\$ 346
Other -				
EBITDA	\$ 3,389	\$ 2,128	\$ 1,177	\$ 2,168
Less Commitments				
Loan Liabilities as per balance sheet	\$ 4,833	\$ 3,946	\$ 6,969	\$ 6,837
Interest cost based on average rate over 5 years as at 31.1.	\$ 314	\$ 256	\$ 453	\$ 444
Annual amortisation required Parri Passu	\$ 342	\$ 450	\$ 450	\$ 450
	\$ 656	\$ 706	\$ 903	\$ 894
Net Surplus/Deficit	\$ 2,733	\$ 1,422	\$ 274	\$ 1,274
Capacity to pay - sensitised total liabilities \$12M	\$ 3,389	\$ 2,128	\$ 1,177	\$ 2,168
EBITDA				
Less Commitments				
\$12,000,000 @ 7.00% P&I 15 yrs	\$ 1,294	\$ 1,294	\$ 1,294	\$ 1,294
Net Surplus/Deficit	\$ 2,095	\$ 834	-\$ 117	\$ 874

Conclusion:

- Historical performance confirming the schools ability to meet its financial commitments demonstrated.
- Improving trends by invigorated culture of the school is being reflected in its financial performance.

2. LAGS Financial Projections 2019 to 2025 – (incorporates all projects including Berger Land)

- The school has completed its annual projections for funding requirements on a cash flow basis including
 - Opening and closing cash at bank
 - Capital costs and timing of projects and
 - retained earnings carried forward each year.
- Using this method borrowings through this process peak at \$20m.
- Projected financial performance using this methodology is summarised below
- Independent Schools core underwriting benchmarks satisfied.
- AFSA’s conservative model assessed each project timing, current approved facilities including undrawn, presenting a very different outcome for peak borrowings. **Refer point 3.**

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

LAGS (5000's)	2019 Budget	2020 Budget	2021 Projection	2022 Projection	2023 Projection	2024 Projection	2025 Projection	
Student Numbers*	1190	1335	1440	1566	1681	1738	1790	
Staff FTE*	101	107	117	129	137	141	144	
Non Teaching	52	57	60	66	69	71	73	
Current Assets	\$ 1,170	\$ 1,380	\$ 1,140	\$ 1,220	\$ 1,250	\$ 1,270	\$ 1,280	
Cash	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
Trade	\$ 400	\$ 490	\$ 360	\$ 400	\$ 420	\$ 430	\$ 440	
other	\$ 270	\$ 390	\$ 280	\$ 320	\$ 330	\$ 340	\$ 340	
Non-Current Assets	\$ 29,527	\$ 42,639	\$ 47,274	\$ 51,983	\$ 56,360	\$ 59,201	\$ 59,867	
Property P&E	\$ 29,527	\$ 42,639	\$ 47,274	\$ 51,983	\$ 56,360	\$ 59,201	\$ 59,867	
Total Assets	\$ 30,697	\$ 44,019	\$ 48,414	\$ 53,203	\$ 57,610	\$ 60,471	\$ 61,147	
Current Liabilities	\$ 10,797	\$ 18,067	\$ 19,351	\$ 21,466	\$ 24,569	\$ 25,772	\$ 24,664	
Trade	\$ 1,740	\$ 2,330	\$ 2,502	\$ 3,065	\$ 4,082	\$ 4,508	\$ 4,684	
Borrowings	\$ 6,588	\$ 13,068	\$ 13,892	\$ 15,131	\$ 16,487	\$ 16,865	\$ 15,179	
Other	\$ 2,469	\$ 2,669	\$ 2,957	\$ 3,270	\$ 4,000	\$ 4,400	\$ 4,800	
Non- Current Liabilities	\$ 120	\$ 3,220	\$ 3,320	\$ 3,500	\$ 3,700	\$ 3,900	\$ 4,100	
Borrowings	\$ -	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	\$ 3,100	
other	\$ 120	\$ 120	\$ 220	\$ 400	\$ 600	\$ 800	\$ 1,000	
Non Interest Loan Diocese								
Net Asset/Total equity	\$ 19,780	\$ 22,731	\$ 25,743	\$ 28,237	\$ 29,341	\$ 30,799	\$ 32,383	
Net Assets Ex Loans	\$ 26,369	\$ 38,899	\$ 42,735	\$ 46,468	\$ 48,929	\$ 50,764	\$ 50,662	
Income								
Fees	\$ 9,815	\$ 11,388	\$ 12,845	\$ 14,680	\$ 16,555	\$ 17,890	\$ 19,111	
Gov Grants	\$ 14,193	\$ 16,337	\$ 18,192	\$ 20,490	\$ 22,765	\$ 24,365	\$ 25,978	
Govt Subsidy - Interest on borrowings								
Capital Grants		\$ 2,000	\$ 2,000	\$ 2,000				
Preschool Fees	\$ 569	\$ 716	\$ 737	\$ 811	\$ 835	\$ 861	\$ 886	
Interest Income								
Other	\$ 648	\$ 708	\$ 718	\$ 729	\$ 740	\$ 751	\$ 762	
Other Revenue	\$ 707	\$ 861	\$ 920	\$ 991	\$ 1,056	\$ 1,090	\$ 1,120	
Donations -	\$ 162	\$ 65	\$ 70	\$ 76	\$ 82	\$ 84	\$ 87	
Total Revenue	\$ 26,094	\$ 32,074	\$ 35,483	\$ 39,777	\$ 42,034	\$ 45,041	\$ 47,945	
Expenses								
Staff Costs Teaching and Support	\$ 18,371	\$ 20,964	\$ 23,079	\$ 26,330	\$ 28,874	\$ 30,822	\$ 32,741	
Other operating costs	\$ 5,255	\$ 5,965	\$ 6,554	\$ 7,456	\$ 8,237	\$ 9,066	\$ 9,988	
Depreciation	\$ 1,511	\$ 1,613	\$ 1,990	\$ 2,521	\$ 2,765	\$ 2,689	\$ 2,865	
Interest & leasing charges	\$ 333	\$ 581	\$ 849	\$ 976	\$ 1,054	\$ 1,106	\$ 1,067	
Total Expenses	\$ 25,470	\$ 29,123	\$ 32,472	\$ 37,283	\$ 40,930	\$ 43,683	\$ 46,661	
Operating Surplus	\$ 624	\$ 2,951	\$ 3,011	\$ 2,494	\$ 1,104	\$ 1,358	\$ 1,284	
	\$ 624	\$ 951	\$ 1,011	\$ 494	\$ 1,104	\$ 1,358	\$ 1,284	
EBIT	\$ 957	\$ 1,532	\$ 1,861	\$ 1,470	\$ 2,158	\$ 2,464	\$ 2,351	
EBITDA	\$ 2,468	\$ 3,145	\$ 3,851	\$ 3,991	\$ 4,924	\$ 5,153	\$ 5,215	
Ratio Analysis								Benchmarks
Return on Investment	2.4%	2.4%	2.4%	1.1%	2.3%	2.7%	2.5%	> 5%
Interest Cover (EBITDA/Interest)	7.4	5.4	4.5	4.1	4.7	4.7	4.9	>2.0x
Debt EBITD	2.7	5.1	4.4	4.6	4.0	3.9	3.5	< 5.5x
Net Operating Margin	10.0%	11.0%	12.0%	11.0%	12.2%	11.9%	11.3%	> 10%
Debt per student	\$ 9.3	\$ 12.1	\$ 11.8	\$ 11.6	\$ 11.7	\$ 11.5	\$ 10.2	<\$10K
Fee income per student	\$ 8.2	\$ 8.5	\$ 8.9	\$ 9.4	\$ 9.8	\$ 10.3	\$ 10.7	\$8K
Teachers Salary per student	\$ 15.4	\$ 15.7	\$ 16.0	\$ 16.8	\$ 17.2	\$ 17.7	\$ 18.3	
Students/Staff	7.8	8.1	8.1	8.0	8.2	8.2	8.2	>11
Salaries/Net Income %	70.40%	65.36%	65.04%	66.19%	68.69%	68.43%	68.29%	< 75%
Salaries/Total Expenses %	72.13%	71.98%	71.07%	70.62%	70.54%	70.56%	70.17%	

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

Capacity to service/repay – School assessed peak debt requirements

- Based on the schools cash-flow projections and peak debt requirements capacity to service can be demonstrated.
- Further a sensitised calculation based on a peak of \$20m P&I over 15 years at 7.00% capacity to service can be demonstrated.

Capacity to pay - Actual debt	2019	2020	2021	2022	2023	2024	2025
	Budget	Budget	Projection	Projection	Projection	Projection	Projection
Operating surplus	\$ 624	\$ 951	\$ 1,011	\$ 494	\$ 1,104	\$ 1,358	\$ 1,284
Plus addbacks							
Depreciation	\$ 1,511	\$ 1,613	\$ 1,990	\$ 2,521	\$ 2,765	\$ 2,689	\$ 2,865
Interest	\$ 333	\$ 581	\$ 849	\$ 976	\$ 1,054	\$ 1,106	\$ 1,067
Other -							
EBITDA	\$ 2,468	\$ 3,145	\$ 3,851	\$ 3,991	\$ 4,924	\$ 5,153	\$ 5,215
Less Commitments							
Loan Liabilities as per balance sheet	\$ 6,588	\$ 16,168	\$ 16,992	\$ 18,231	\$ 19,587	\$ 19,965	\$ 18,279
Interest cost 2019 to 2021 5.5% then 2022 ro 2025 7.00%	\$ 333	\$ 581	\$ 849	\$ 976	\$ 1,054	\$ 1,106	\$ 1,067
Annual amortisation required Parri Passu	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450	\$ 450
	\$ 783	\$ 1,031	\$ 1,299	\$ 1,426	\$ 1,504	\$ 1,556	\$ 1,517
Net Surplus/Deficit	\$ 1,685	\$ 2,114	\$ 2,551	\$ 2,565	\$ 3,420	\$ 3,597	\$ 3,699
Capacity to pay - sensitised total liabilities \$1	\$ 2,468	\$ 3,145	\$ 3,851	\$ 3,991	\$ 4,924	\$ 5,153	\$ 5,215
EBITDA							
Less Commitments							
\$20,000,000 @ 7.00% P&I 15 yrs	\$ 1,992	\$ 1,992	\$ 1,992	\$ 1,992	\$ 1,992	\$ 1,992	\$ 1,992
Net Surplus/Deficit	\$ 476	\$ 1,153	\$ 1,859	\$ 1,999	\$ 2,932	\$ 3,161	\$ 3,223

Conclusion:

- LAGS projections confirm project feasibility without placing too much stress on financial performance and core underwriting standards.
- Sufficient working capital headroom is also evident allowing for timing mis-matches on projects.

3. AFSA Financial Projections 2019 to 2025 – (incorporates all projects including Berger Land based on approved limits)

- This presents a different outcome to that of **point 2**.
- Total approved limits year by year vary based on each project’s timing through its construction phase, to fully drawn and then commencing P&I reductions.
- No assumptions made regarding annual retained earnings reducing core debt.
- Concern is that debt/EBIT falls outside benchmarks this can be revisited each year at review to determine corrective action.

Key points to note:

- Total approved facility limits to cover annual peaks during construction
 - 2019 \$12.0m
 - 2020 \$24.0m
 - 2021 \$26.5m
 - 2022 \$30.0m
 - 2023 \$33.5m
 - 2024 \$33.5m
 - 2025 \$32.5m

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

LAGS (\$'000's)	2019 Budget	2020 Budget	2021 Projection	2022 Projection	2023 Projection	2024 Projection	2025 Projection	
Student Numbers*	1190	1335	1440	1566	1681	1738	1790	
Staff FTE*	101	107	117	129	137	141	144	
Non Teaching	52	57	60	66	69	71	73	
Current Assets	\$ 1,170	\$ 1,380	\$ 1,140	\$ 1,220	\$ 1,250	\$ 1,270	\$ 1,280	
Cash	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
Trade	\$ 400	\$ 490	\$ 360	\$ 400	\$ 420	\$ 430	\$ 440	
other	\$ 270	\$ 390	\$ 280	\$ 320	\$ 330	\$ 340	\$ 340	
Non-Current Assets	\$ 29,527	\$ 42,639	\$ 47,274	\$ 51,983	\$ 56,360	\$ 59,201	\$ 59,867	
Property P&E	\$ 29,527	\$ 42,639	\$ 47,274	\$ 51,983	\$ 56,360	\$ 59,201	\$ 59,867	
Total Assets	\$ 30,697	\$ 44,019	\$ 48,414	\$ 53,203	\$ 57,610	\$ 60,471	\$ 61,147	
Current Liabilities	\$ 16,209	\$ 28,999	\$ 31,959	\$ 36,335	\$ 41,582	\$ 42,408	\$ 41,984	
Trade	\$ 1,740	\$ 2,330	\$ 2,502	\$ 3,065	\$ 4,082	\$ 4,508	\$ 4,684	
Borrowings	\$ 12,000	\$ 24,000	\$ 26,500	\$ 30,000	\$ 33,500	\$ 33,500	\$ 32,500	
Other	\$ 2,469	\$ 2,669	\$ 2,957	\$ 3,270	\$ 4,000	\$ 4,400	\$ 4,800	
Non- Current Liabilities	\$ 120	\$ 120	\$ 220	\$ 400	\$ 600	\$ 800	\$ 1,000	
Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
other	\$ 120	\$ 120	\$ 220	\$ 400	\$ 600	\$ 800	\$ 1,000	
Non Interest Loan Diocese	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Asset/Total equity	\$ 14,369	\$ 14,899	\$ 16,235	\$ 16,468	\$ 15,429	\$ 17,264	\$ 18,162	
Net Assets Ex Loans	\$ 26,369	\$ 38,899	\$ 42,735	\$ 46,468	\$ 48,929	\$ 50,764	\$ 50,662	
Income								
Fees	\$ 9,815	\$ 11,388	\$ 12,845	\$ 14,680	\$ 16,555	\$ 17,890	\$ 19,111	
Gov Grants	\$ 14,193	\$ 16,337	\$ 18,192	\$ 20,490	\$ 22,765	\$ 24,365	\$ 25,978	
Govt Subsidy - Interest on borrowings								
Capital Grants		\$ 2,000	\$ 2,000	\$ 2,000				
Preschool Fees	\$ 569	\$ 716	\$ 737	\$ 811	\$ 835	\$ 861	\$ 886	
Interest Income								
Other	\$ 648	\$ 708	\$ 718	\$ 729	\$ 740	\$ 751	\$ 762	
Other Revenue	\$ 707	\$ 861	\$ 920	\$ 991	\$ 1,056	\$ 1,090	\$ 1,120	
Donations -	\$ 162	\$ 65	\$ 70	\$ 76	\$ 82	\$ 84	\$ 87	
Total Revenue	\$ 26,094	\$ 32,074	\$ 35,483	\$ 39,777	\$ 42,034	\$ 45,041	\$ 47,945	
Expenses								
Staff Costs Teaching and Support	\$ 18,371	\$ 20,964	\$ 23,079	\$ 26,330	\$ 28,874	\$ 30,822	\$ 32,741	
Other operating costs	\$ 5,255	\$ 5,965	\$ 6,554	\$ 7,456	\$ 8,237	\$ 9,066	\$ 9,988	
Depreciation	\$ 1,511	\$ 1,613	\$ 1,990	\$ 2,521	\$ 2,765	\$ 2,689	\$ 2,865	
Interest & leasing charges	\$ 660	\$ 1,320	\$ 1,458	\$ 1,800	\$ 2,010	\$ 2,010	\$ 1,950	
Total Expenses	\$ 25,797	\$ 29,863	\$ 33,080	\$ 38,107	\$ 41,886	\$ 44,587	\$ 47,544	
Operating Surplus	\$ 297	\$ 2,212	\$ 2,403	\$ 1,670	\$ 148	\$ 454	\$ 401	
	\$ 297	\$ 212	\$ 403	\$ 330	\$ 148	\$ 454	\$ 401	
EBIT	\$ 957	\$ 1,532	\$ 1,861	\$ 1,470	\$ 2,158	\$ 2,464	\$ 2,351	
EBITDA	\$ 2,468	\$ 3,145	\$ 3,851	\$ 3,991	\$ 4,924	\$ 5,153	\$ 5,215	
Ratio Analysis								Benchmarks
Return on Investment	1.1%	0.5%	0.9%	-0.7%	0.3%	0.9%	0.8%	> 5%
Interest Cover (EBITDA/Interest)	3.7	2.4	2.6	2.2	2.4	2.6	2.7	>2.0x
Debt EBITD	4.9	7.6	6.9	7.5	6.8	6.5	6.2	< 5.5x
Net Operating Margin	10.0%	11.0%	12.0%	11.0%	12.2%	11.9%	11.3%	> 10%
Debt per student	\$ 10.1	\$ 18.0	\$ 18.4	\$ 19.2	\$ 19.9	\$ 19.3	\$ 18.2	<\$10K
Fee Income per student	\$ 8.2	\$ 8.5	\$ 8.9	\$ 9.4	\$ 9.8	\$ 10.3	\$ 10.7	\$8K
Teachers Salary per student	\$ 15.4	\$ 15.7	\$ 16.0	\$ 16.8	\$ 17.2	\$ 17.7	\$ 18.3	
Students/Staff	7.8	8.1	8.1	8.0	8.2	8.2	8.2	>11
Salaries/Net Income %	70.40%	65.36%	65.04%	66.19%	68.69%	68.43%	68.29%	< 75%
Salaries/Total Expenses %	71.21%	70.20%	69.77%	69.09%	68.93%	69.13%	68.87%	

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

Capacity to service/repay – Total approved facilities peak

- AFSA’s assessment based on total approved limits demonstrates capacity to service.
- Further a sensitised calculation based on annual peak approved limits with P&I reductions over 15 years at 7.00% demonstrates the facilities can be repaid.

Capacity to pay - Total approved facilities	2019	2020	2021	2022	2023	2024	2025
	Budget	Budget	Projection	Projection	Projection	Projection	Projection
Operating surplus	\$ 297	\$ 212	\$ 403	-\$ 330	\$ 148	\$ 454	\$ 401
Plus addbacks							
Depreciation	\$ 1,511	\$ 1,613	\$ 1,990	\$ 2,521	\$ 2,765	\$ 2,689	\$ 2,865
Interest	\$ 660	\$ 1,320	\$ 1,458	\$ 1,800	\$ 2,010	\$ 2,010	\$ 1,950
Other -							
EBITDA	\$ 2,468	\$ 3,145	\$ 3,851	\$ 3,991	\$ 4,924	\$ 5,153	\$ 5,215
Less Commitments							
Loan Liabilities as per balance sheet	\$ 12,000	\$ 24,000	\$ 26,500	\$ 30,000	\$ 33,500	\$ 33,500	\$ 32,500
Interest cost 2019 to 2021 5.5% then 2022 to 2025 7.00%	\$ 660	\$ 1,320	\$ 1,458	\$ 1,800	\$ 2,010	\$ 2,010	\$ 1,950
Annual amortisation required Parri Passu	\$ 450	\$ 450	\$ 1,000	\$ 1,000	\$ 1,500	\$ 1,500	\$ 1,500
	\$ 1,110	\$ 1,770	\$ 2,458	\$ 2,800	\$ 3,510	\$ 3,510	\$ 3,450
Net Surplus/Deficit	\$ 1,358	\$ 1,375	\$ 1,393	\$ 1,191	\$ 1,414	\$ 1,643	\$ 1,765
EBITDA	\$ 2,468	\$ 3,145	\$ 3,851	\$ 3,991	\$ 4,924	\$ 5,153	\$ 5,215
Less Commitments							
Annual Pari Passu peak @ 7.00% P&I 15 yr	\$ 1,304	\$ 2,391	\$ 2,640	\$ 2,989	\$ 3,337	\$ 3,337	\$ 3,237
Net Surplus/Deficit	\$ 1,164	\$ 754	\$ 1,211	\$ 1,002	\$ 1,587	\$ 1,816	\$ 1,978

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

4. To support assumptions at point 3 a year by year summary from 2019 to 2025 of peak borrowings within maximum approved limits required to accommodate the construction projects has been provided.

2019

- Summary of current facilities as at 31/12/19.
- Brett Dinsdale has indicated LAGS will require between now and the end of the year \$2,500,000. They will likely draw down \$1,000,000 from AFGD and the balance from Westpac.

LAGS		December	
Westpac		2019	
Subsidised Loans Variable - Nil			
		\$ -	
Subsidised Loans Fixed			
97578 - 0022413	9.57		
97597 - 0022412	9.57	\$ -	
97682 - 0022411	9.57	\$ -	
97682.1 - 0022410	9.57	\$ -	Feb-20
98059-0022409	9.57	\$ 106,902	\$ 11,878
98263- 0022408	9.57	\$ 294,727	\$ 18,417
		\$ 401,629	
Non - subsidised Line of Credit			
	3.73	\$ 4,856,500	\$ 2,025,032 \$ 132,000
Includes line fee	1.10%		
			\$ 2,831,468 Available for re-draw
Westpac Total		\$ 5,258,129	
AFGD			
Non - subsidised Facilities e			
TBA	3.73	\$ 6,000,000	\$ 3,385,831
Includes line fee	1.10%		
			\$ 2,614,169 Unused limit.
			\$ 5,445,637 Head room
AFSA Total		\$ 6,000,000	
Total Facilities - includes OD		\$ 11,258,129	
Maximum Outstandings at any point in time		\$ 12,000,000	
Variance		\$ 741,871	

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

2020

Key points

- Westpac will review repayment terms to current and future facilities in early 2020 when working through approval conditions of new funding.
- Feb 2020 Middle School Building construction commences - Westpac
- April 2020 Pre- school & Kindy Sunshine Avenue construction and upgrade commences - Westpac
- June 2020 Berger Land acquisition \$3.1m – AFGD
- July 2020 Senior Centre construction commences – Westpac

Timelines on Berger Land Purchase:

- 20/12/19 -Diocesan Consent
- 28/1/20 – Finance & 10% non-refundable deposit
- 30/6/20 or earlier settlement.

LAGS	31-12-19	January	February	March	April	May	June	July	August	September	October	November	December	Annual Reduction
Westpac														
Subsidised Loans Variable - Nil														
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subsidised Loans Fixed														
97578 - 0022413	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97597 - 0022412	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97682 - 0022411	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97882.1 - 0022410	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
98059-0022409	9.57	\$ 106,902	\$ 106,902	\$ 95,024	\$ 95,024	\$ 95,024	\$ 83,146	\$ 83,146	\$ 83,146	\$ 71,268	\$ 71,268	\$ 71,268	\$ 59,390	\$ 59,390
98263- 0022406	9.57	\$ 294,727	\$ 294,727	\$ 276,310	\$ 276,310	\$ 276,310	\$ 257,893	\$ 257,893	\$ 257,893	\$ 239,476	\$ 239,476	\$ 239,476	\$ 221,059	\$ 221,059
Westpac Total		\$ 401,629	\$ 401,629	\$ 371,334	\$ 371,334	\$ 371,334	\$ 341,039	\$ 341,039	\$ 341,039	\$ 310,744	\$ 310,744	\$ 310,744	\$ 280,449	\$ 280,449
														\$ 121,180
Non - subsidised Line of Credit														
3.73	\$ 4,856,500	\$ 4,856,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	??
Includes line fee	1.10%													
Middle School Building	20 yrs	5.50%	\$ 6,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	\$ 300,000	\$ 300,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 6,000,000	\$ 6,000,000
Preschool & Kindy	20 yrs	5.50%	\$ 3,450,000		\$ 500,000	\$ 500,000	\$ 1,250,000	\$ 1,250,000	\$ 2,000,000	\$ 2,000,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
Senior Centre	15 yrs	5.50%	\$ 1,500,000					\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Westpac Total		\$ 16,208,129	\$ 5,258,129	\$ 6,595,834	\$ 6,595,834	\$ 7,095,834	\$ 8,565,539	\$ 6,615,539	\$ 7,115,539	\$ 12,035,244	\$ 12,035,244	\$ 13,035,244	\$ 14,504,949	\$ 14,504,949
AFGD														
Non - subsidised Loan - Variable														
TBA	3.73	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
includes line fee	1.10%													
Berger Land Purchase	Indicative	4.47%	\$ 3,100,000				\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000
AFGD Total		\$ 9,100,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000
Total Facilities - includes OD		\$ 25,308,129	\$ 11,258,129	\$ 12,595,834	\$ 12,595,834	\$ 13,095,834	\$ 14,565,539	\$ 15,715,539	\$ 16,215,539	\$ 21,135,244	\$ 21,135,244	\$ 22,135,244	\$ 23,604,949	\$ 23,604,949
Maximum Outstandings at any point in time		\$ 12,000,000	\$ 15,000,000	\$ 13,000,000	\$ 13,500,000	\$ 15,000,000	\$ 16,000,000	\$ 16,500,000	\$ 21,500,000	\$ 21,500,000	\$ 22,500,000	\$ 24,000,000	\$ 24,000,000	
Variance		\$ 741,871	\$ 2,404,166	\$ 404,166	\$ 404,166	\$ 434,461	\$ 284,461	\$ 284,461	\$ 364,756	\$ 364,756	\$ 364,756	\$ 395,051	\$ 395,051	\$ 121,180
														\$ 121,180

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

2021

Key points

- Feb 2021 Middle School Building construction complete - principal and interest reductions to commence - Westpac terms generally 20 yrs on buildings.
- April 2021 Pre- school & Kindy Sunshine Avenue construction complete- principal and interest reductions to commence - Westpac terms generally 20 yrs on buildings.
- July 2020 Senior Centre construction complete- principal and interest reductions to commence - Westpac terms 15 yrs.
- Berger Land acquisition \$3.1m – to remain interest only AFGD.
- Maher Lane new junior campus stage 1 construction to commence \$1.5m finance required. At this point in time approval and financier to be determined.

LAGS Westpac		January	February	March	April	May	June	July	August	September	October	November	December	Annual Reduction	
Subsidised Loans Variable - Nil		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subsidised Loans Fixed															
97576 - 0022413	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
97591 - 0022412	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
97682 - 0022411	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
97682.1 - 0022410	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
98259-0022409	9.57	\$ 59,390	\$ 59,390	\$ 47,512	\$ 47,512	\$ 47,512	\$ 35,634	\$ 35,634	\$ 35,634	\$ 23,756	\$ 23,756	\$ 11,878	\$ 11,878	47,512	
98263 - 0022408	9.57	\$ 221,059	\$ 221,059	\$ 202,642	\$ 202,642	\$ 202,642	\$ 184,225	\$ 184,225	\$ 184,225	\$ 155,808	\$ 155,808	\$ 147,391	\$ 147,391	73,668	
		\$ 280,449	\$ 280,449	\$ 250,154	\$ 250,154	\$ 250,154	\$ 219,859	\$ 219,859	\$ 198,564	\$ 189,564	\$ 189,564	\$ 159,269	\$ 159,269	\$ 121,180	
														Actual reduction \$ 121,180	
Non - subsidised Line of Credit															
	2.75	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500		
	Includes line fee														
	1.10%														
Middle School Building	20 yrs	\$ 6,000,000	\$ 6,000,000	\$ 5,985,057	\$ 5,971,886	\$ 5,957,735	\$ 5,943,433	\$ 5,928,156	\$ 5,912,724	\$ 5,900,228	\$ 5,888,762	\$ 5,875,133	\$ 5,860,538	\$ 5,846,775	\$ 153,225 Feb 2021 Commence P&I
Preschool & Kindy	20 yrs	\$ 3,450,000	\$ 3,450,000	\$ 3,441,428	\$ 3,431,835	\$ 3,421,698	\$ 3,410,949	\$ 3,400,640	\$ 3,402,117	\$ 3,394,356	\$ 3,386,038	\$ 3,378,202	\$ 3,369,810	\$ 3,361,896	\$ 88,134 Feb 2021 Commence P&I
Senior Centre	15 yrs	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,444,789	\$ 1,489,354	\$ 1,484,065	\$ 1,478,779	\$ 1,473,741	\$ 1,467,904	\$ 32,036 July 2021 Commence P&I
Westpac Total		\$ 15,954,949	\$ 15,454,949	\$ 15,401,119	\$ 15,080,375	\$ 15,050,067	\$ 15,006,841	\$ 15,704,355	\$ 15,757,989	\$ 16,388,202	\$ 15,772,929	\$ 15,646,178	\$ 15,987,359	\$ 15,560,344	\$ 273,425
AFGD															
Non - subsidised Loan - Variable															
	3.75	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000		
	Includes line fee														
	1.10%														
Berger Land Purchase		\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000		
AFGD Total		\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000		
Financier to be determined															
Mahers Lane Stage 1	20 yrs	\$ 1,500,000	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,500,000	\$ 1,500,000	
Mahers Lane Stage 2	20 yrs	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Mahers Lane Stage 3	20 yrs	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New Junior Campus Mahers Lane		\$ 9,500,000	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,500,000	\$ 1,500,000	
Electives *Not calculated in drawn facilities															
Sportsfields		\$ 1,000,000													
Seco Centre		\$ 1,500,000													
STEM Precinct Exp		\$ 4,000,000													
Total Facilities - includes DD does not include elective		\$ 34,554,949	\$ 34,554,949	\$ 25,001,119	\$ 25,480,375	\$ 25,450,067	\$ 25,906,841	\$ 25,884,355	\$ 25,857,989	\$ 20,738,202	\$ 26,122,929	\$ 25,996,178	\$ 26,187,359	\$ 26,150,344	
Maximum Outstandings at any point in time		\$ 25,000,000	\$ 25,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	
Variance		\$ 445,051	\$ -	\$ 1,119	\$ 518,625	\$ 541,813	\$ 93,119	\$ 115,045	\$ 142,021	\$ 3,762,798	\$ 377,071	\$ 503,822	\$ 112,641	\$ 339,655	\$ 394,905
														Total Annual Reduction	

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

2022

Key points

- Small subsidised Westpac facility cleared in full January 2022
- Middle School Building principal and interest reductions - Westpac continues
- Pre- school & Kindy Sunshine Avenue principal and interest reductions - Westpac continues
- July 2020 Senior Centre principal and interest reductions - Westpac continues
- Berger Land acquisition \$3.1m – to remain interest only AFGD
- Maher Lane new junior campus stage 1 to commence principal and interest reductions.
- Maher Lane new junior campus stage 2 construction to commence \$3.0m finance required. At this point in time approval and financier to be determined.

LAGS Westpac		January	February	March	April	May	June	July	August	September	October	November	December	Annual Reduction	
Subsidised Loans Variable - Nil		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Subsidised Loans Fixed															
97518 - 0022413	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
97597 - 0022412	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
97682 - 0022411	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
97682.L - 0022410	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
98059-0022409	9.57	\$ 11,878	\$ 11,878											11,878	
98263-0022408	9.57	\$ 147,391	\$ 147,391	\$ 128,974	\$ 128,974	\$ 128,974	\$ 110,557	\$ 110,557	\$ 110,557	\$ 92,140	\$ 92,140	\$ 92,140	\$ 73,723	73,723	
		\$ 159,269	\$ 159,269	\$ 128,974	\$ 128,974	\$ 128,974	\$ 110,557	\$ 110,557	\$ 110,557	\$ 92,140	\$ 92,140	\$ 92,140	\$ 73,723	\$ 85,546	
														Annual reduction	
														\$ 85,546	
Non - subsidised Line of Credit															
	3.75	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500		
	1.10%														
	includes line fee														
Middle School Building	20 yrs	\$ 6,000,000	\$ 5,832,946	\$ 5,816,367	\$ 5,802,395	\$ 5,787,466	\$ 5,773,336	\$ 5,758,293	\$ 5,744,045	\$ 5,729,729	\$ 5,714,466	\$ 5,700,010	\$ 5,684,610	\$ 5,670,012	\$ 162,994
Preschool & Kindy	20 yrs	\$ 3,450,000	\$ 3,363,945	\$ 3,344,712	\$ 3,326,378	\$ 3,307,793	\$ 3,289,680	\$ 3,271,019	\$ 3,252,826	\$ 3,234,595	\$ 3,216,819	\$ 3,227,506	\$ 3,258,651	\$ 3,281,257	\$ 103,688
Senior Centre	15 yrs	\$ 1,500,000	\$ 1,462,541	\$ 1,456,780	\$ 1,451,063	\$ 1,445,388	\$ 1,439,928	\$ 1,434,212	\$ 1,428,589	\$ 1,423,140	\$ 1,417,345	\$ 1,411,744	\$ 1,405,898	\$ 1,400,241	\$ 33,371
Westpac Total		\$ 15,833,769	\$ 15,540,201	\$ 15,471,333	\$ 15,443,310	\$ 15,414,131	\$ 15,388,023	\$ 15,358,581	\$ 15,310,617	\$ 15,264,104	\$ 15,234,271	\$ 15,205,900	\$ 15,157,882	\$ 15,128,733	\$ 300,593
AFGD															
Non - subsidised Loan - Variable															
TBA	3.75	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000		
	1.10%														
	includes line fee														
Berger Land Purchase		\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000		
AFGD Total		\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000		
Financier to be determined															
Mahers Lane Stage 1	20 yrs	\$ 1,500,000	\$ 1,500,000	\$ 1,496,034	\$ 1,492,741	\$ 1,489,203	\$ 1,485,878	\$ 1,482,388	\$ 1,478,950	\$ 1,475,576	\$ 1,471,959	\$ 1,468,551	\$ 1,464,902	\$ 1,461,461	Feb 2022 Commence P&I
Mahers Lane Stage 2	20 yrs	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000		
Mahers Lane Stage 3	20 yrs	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000		
		\$ 9,500,000	\$ 9,500,000	\$ 2,496,034	\$ 2,482,741	\$ 2,469,203	\$ 2,455,878	\$ 2,442,388	\$ 2,428,950	\$ 2,415,576	\$ 2,401,959	\$ 2,388,551	\$ 2,374,902	\$ 2,361,461	
Electives *Not calculated in down facilities															
Sportfields		\$ 3,000,000													
Seco Centre		\$ 1,500,000													
STEM Predict Exp.		\$ 4,000,000													
Total Facilities - includes OD does not include elec		\$ 34,433,769	\$ 26,143,201	\$ 27,047,367	\$ 27,036,051	\$ 27,003,334	\$ 27,953,899	\$ 27,920,889	\$ 27,889,567	\$ 28,839,680	\$ 28,806,230	\$ 28,774,451	\$ 29,722,284	\$ 29,690,134	
Maximum Outstandings at any point in time															
		\$ 26,500,000	\$ 27,500,000	\$ 27,500,000	\$ 27,500,000	\$ 28,000,000	\$ 28,000,000	\$ 28,000,000	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000	\$ 30,000,000	\$ 30,000,000	Total Annual Reduction	
Variance		\$ 356,799	\$ 437,033	\$ 463,949	\$ 496,666	\$ 46,101	\$ 79,111	\$ 110,433	\$ 160,320	\$ 193,720	\$ 225,546	\$ 277,716	\$ 309,806	\$ 386,139	

2023

"Commercial in confidence"

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

Key points

- Small subsidised Westpac facility cleared in full November 2023
- Middle School Building principal and interest reductions - Westpac continues
- Pre- school & Kindy Sunshine Avenue principal and interest reductions - Westpac continues
- July 2020 Senior Centre principal and interest reductions - Westpac continues
- Berger Land acquisition \$3.1m – to remain interest only AFGD
- Maher Lane new junior campus stage 1 to principal and interest reductions continue.
- Maher Lane new junior campus stage 2 to principal and interest reductions to commence.
- Maher Lane new junior campus stage 3 construction to commence \$3.0m finance required. At this point in time approval and financier to be determined.

LAGS Westpac		January	February	March	April	May	June	July	August	September	October	November	December	Annual Reduction
Subsidised Loans Variable - Nil		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subsidised Loans Fixed		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97578 - 0022413	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97597 - 0022412	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97682 - 0022411	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97682.1 - 0022410	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98059 - 0022409	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98263 - 0022408	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 73,723	\$ 73,723	\$ 55,306	\$ 55,306	\$ 55,306	\$ 36,889	\$ 36,889	\$ 36,889	\$ 18,472	\$ 18,472	\$ 18,472	\$ 18,472	\$ 73,723
		\$ 73,723	\$ 73,723	\$ 55,306	\$ 55,306	\$ 55,306	\$ 36,889	\$ 36,889	\$ 36,889	\$ 18,472	\$ 18,472	\$ 18,472	\$ 18,472	\$ 73,723
														Annual reduction \$ 73,723
Non - subsidised Line of Credit		\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500
Includes line fee	3.7%													
Mahers Lane Stage 1	20 yrs 5.50%	\$ 6,000,000	\$ 5,655,345	\$ 5,638,004	\$ 5,623,185	\$ 5,607,433	\$ 5,592,458	\$ 5,576,575	\$ 5,560,281	\$ 5,543,175	\$ 5,524,844	\$ 5,498,594	\$ 5,498,594	\$ 5,483,111
Mahers Lane Stage 2	20 yrs 8.50%	\$ 3,490,000	\$ 3,251,824	\$ 3,241,853	\$ 3,233,322	\$ 3,224,274	\$ 3,215,670	\$ 3,206,531	\$ 3,197,842	\$ 3,189,112	\$ 3,179,852	\$ 3,171,036	\$ 3,161,692	\$ 3,152,790
Mahers Lane Stage 3	20 yrs 8.50%	\$ 1,500,000	\$ 1,394,557	\$ 1,388,204	\$ 1,382,463	\$ 1,376,482	\$ 1,370,696	\$ 1,364,951	\$ 1,358,798	\$ 1,352,918	\$ 1,346,801	\$ 1,340,854	\$ 1,334,692	\$ 1,328,697
Westpac Total		\$ 15,748,223	\$ 15,099,949	\$ 15,047,887	\$ 15,018,786	\$ 14,997,995	\$ 14,940,213	\$ 14,900,146	\$ 14,864,310	\$ 14,815,177	\$ 14,784,469	\$ 14,753,466	\$ 14,719,478	\$ 14,689,100
														\$ 307,120
AFGD														
Non - subsidised Loan - Variable		\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
TBA	3.7%													
includes line fee	1.10%													
Berger Land Purchase		\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000
AFGD Total		\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000
Financed / to be determined		\$ 1,500,000	\$ 1,458,004	\$ 1,453,899	\$ 1,450,366	\$ 1,446,633	\$ 1,443,106	\$ 1,439,340	\$ 1,435,777	\$ 1,432,198	\$ 1,428,382	\$ 1,424,768	\$ 1,420,918	\$ 1,417,258
Mahers Lane Stage 1		\$ 1,500,000	\$ 1,458,004	\$ 1,453,899	\$ 1,450,366	\$ 1,446,633	\$ 1,443,106	\$ 1,439,340	\$ 1,435,777	\$ 1,432,198	\$ 1,428,382	\$ 1,424,768	\$ 1,420,918	\$ 1,417,258
Mahers Lane Stage 2		\$ 4,000,000	\$ 4,000,000	\$ 3,990,038	\$ 3,981,257	\$ 3,971,823	\$ 3,962,955	\$ 3,953,437	\$ 3,944,482	\$ 3,935,484	\$ 3,925,841	\$ 3,916,755	\$ 3,907,025	\$ 3,897,849
Mahers Lane Stage 3		\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
		\$ 9,500,000	\$ 9,458,004	\$ 9,443,897	\$ 9,431,623	\$ 9,418,456	\$ 9,406,061	\$ 9,392,777	\$ 9,380,259	\$ 9,367,682	\$ 9,354,223	\$ 9,341,523	\$ 9,327,943	\$ 9,315,117
														\$ 142,887
Electives *Not calculated in drawn facilities		\$ 3,000,000												
Sportsfields		\$ 3,000,000												
Saco Centre		\$ 1,500,000												
STDM Preduct Exp		\$ 4,000,000												
Total Facilities - includes OD does not include elec		\$ 34,348,223	\$ 29,657,953	\$ 30,591,764	\$ 30,550,409	\$ 30,506,451	\$ 31,446,274	\$ 31,401,923	\$ 31,344,569	\$ 32,282,859	\$ 32,238,692	\$ 32,194,989	\$ 33,147,421	\$ 33,104,217
Maximum Outstandings at any point in time		\$ 30,000,000	\$ 31,000,000	\$ 31,000,000	\$ 31,000,000	\$ 31,500,000	\$ 31,500,000	\$ 31,500,000	\$ 32,500,000	\$ 32,500,000	\$ 32,500,000	\$ 33,500,000	\$ 33,500,000	\$ 33,500,000
Variance		\$ 342,647	\$ 408,236	\$ 449,591	\$ 493,546	\$ 53,726	\$ 98,077	\$ 155,431	\$ 217,141	\$ 261,308	\$ 305,011	\$ 352,279	\$ 395,783	\$ 523,830
														Total Annual Reduction

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

2024

Key points

- Middle School Building principal and interest reductions - Westpac continues
- Pre- school & Kindy Sunshine Avenue principal and interest reductions - Westpac continues
- July 2020 Senior Centre principal and interest reductions - Westpac continues
- Berger Land acquisition \$3.1m – to remain interest only AFGD
- Maher Lane new junior campus stage 1 principal and interest reductions continue.
- Maher Lane new junior campus stage 2 1 principal and interest reductions continue.
- Maher Lane new junior campus stage 3 principal and interest reductions continue.

LAGS Westpac		January	February	March	April	May	June	July	August	September	October	November	December	Annual Reduction	
Subsidised Loans Variable - Nil															
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subsidised Loans Fixed															
97578 - 0022413	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97597 - 0022412	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97682 - 0022411	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97682.1 - 0022410	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
98059-0022409	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
98263- 0022408	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
														Annual reduction	\$ -
Non - subsidised Use of Credit															
3.75		\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	
includes II	1.10%														
Middle School Building	20 yrs 5.50%	\$ 6,000,000	\$ 5,467,559	\$ 5,449,413	\$ 5,433,499	\$ 5,417,076	\$ 5,401,208	\$ 5,384,436	\$ 5,368,413	\$ 5,352,314	\$ 5,335,117	\$ 5,319,061	\$ 5,301,912	\$ 5,285,497	\$ 180,067
Preschool & Kindy	20 yrs 5.50%	\$ 3,450,000	\$ 3,143,847	\$ 3,133,413	\$ 3,124,377	\$ 3,114,829	\$ 3,105,695	\$ 3,096,851	\$ 3,088,388	\$ 3,077,581	\$ 3,067,808	\$ 3,058,440	\$ 3,048,599	\$ 3,039,161	\$ 104,586
Senior Centre	15 yrs 5.50%	\$ 1,500,000	\$ 1,322,674	\$ 1,316,013	\$ 1,309,929	\$ 1,303,815	\$ 1,297,473	\$ 1,291,102	\$ 1,284,900	\$ 1,278,668	\$ 1,272,211	\$ 1,265,920	\$ 1,259,404	\$ 1,253,051	\$ 38,051
Westpac Total		\$ 15,674,500	\$ 14,658,500	\$ 14,623,389	\$ 14,587,305	\$ 14,550,211	\$ 14,512,876	\$ 14,476,889	\$ 14,441,651	\$ 14,413,063	\$ 14,389,836	\$ 14,367,941	\$ 14,338,415	\$ 14,302,209	\$ 334,799
AFGD															
Non - subsidised Loan - Variable															
TBA	3.75	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	
Includes II	1.10%														
Berger Land Purchase		\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	
AFGD Total		\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	
Financier to be determined															
Mahers Lane Stage 1	20 yrs 5.50%	\$ 1,500,000	\$ 1,411,601	\$ 1,420,482	\$ 1,425,778	\$ 1,431,841	\$ 1,398,101	\$ 1,394,128	\$ 1,390,351	\$ 1,386,556	\$ 1,382,530	\$ 1,378,698	\$ 1,374,637	\$ 1,370,787	\$ 42,834
Mahers Lane Stage 2	20 yrs 5.50%	\$ 4,000,000	\$ 3,888,632	\$ 3,877,578	\$ 3,866,263	\$ 3,854,110	\$ 3,844,903	\$ 3,838,362	\$ 3,829,363	\$ 3,819,819	\$ 3,809,644	\$ 3,800,006	\$ 3,789,739	\$ 3,780,008	\$ 106,624
Mahers Lane Stage 3	20 yrs 5.50%	\$ 4,000,000	\$ 4,000,000	\$ 3,990,038	\$ 3,981,257	\$ 3,971,823	\$ 3,962,955	\$ 3,953,437	\$ 3,944,482	\$ 3,935,484	\$ 3,925,841	\$ 3,916,755	\$ 3,907,025	\$ 3,897,849	\$ 102,151 Feb 2024 Commence
		\$ 9,500,000	\$ 9,302,233	\$ 9,277,098	\$ 9,255,298	\$ 9,231,974	\$ 9,209,959	\$ 9,186,427	\$ 9,164,196	\$ 9,141,859	\$ 9,118,015	\$ 9,095,459	\$ 9,071,401	\$ 9,048,634	\$ 253,609
Electives *Not calculated in drawn facilities															
Sportsfields		\$ 3,000,000													
Seco Centre		\$ 1,500,000													
STEM Predict Bxp		\$ 4,000,000													
Total Facilities - includes OD does not in		\$ 34,274,500	\$ 33,060,813	\$ 33,000,437	\$ 32,947,603	\$ 32,892,185	\$ 32,838,835	\$ 32,785,316	\$ 32,728,847	\$ 32,674,922	\$ 32,617,851	\$ 32,563,400	\$ 32,505,816	\$ 32,450,833	
Maximum Outstandings at any point in time		\$ 33,500,000	\$ 33,500,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	\$ 33,000,000	
Variance		\$ 495,187	\$ 499,563	\$ 32,777	\$ 107,815	\$ 161,185	\$ 216,684	\$ 271,253	\$ 325,078	\$ 382,149	\$ 436,600	\$ 494,184	\$ 549,187	\$ 578,408	
														Total Annual Reduction	\$ 578,408

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer:

Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

2025

Key points

- Middle School Building principal and interest reductions - Westpac continues
- Pre- school & Kindy Sunshine Avenue principal and interest reductions - Westpac continues
- July 2020 Senior Centre principal and interest reductions - Westpac continues
- Berger Land acquisition \$3.1m – to remain interest only AFGD
- Maher Lane new junior campus stage 1 principal and interest reductions continue.
- Maher Lane new junior campus stage 2 1 principal and interest reductions continue.
- Maher Lane new junior campus stage 3 principal and interest reductions to commence.

LAGS		January	February	March	April	May	June	July	August	September	October	November	December	Annual Reduction	
Westpac															
Subsidised Loans Variable - Nil															
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subsidised Loans Fixed															
97578 - 0022413	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97577 - 0022412	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97682 - 0022411	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
97683.L - 0022410	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
98099-0022409	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
98265 - 0022408	9.57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
														Annual reduction	
														\$ -	
Non - subsidised line of credit															
Includes line fee	3.73	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	\$ 4,724,500	
Middle School Bu 20 yrs	5.50%	\$ 6,000,000	\$ 5,269,004	\$ 5,250,816	\$ 5,234,159	\$ 5,216,619	\$ 5,199,000	\$ 5,182,101	\$ 5,165,119	\$ 5,148,055	\$ 5,130,120	\$ 5,112,890	\$ 5,094,794	\$ 5,077,396	
Preschool & Kind 20 yrs	5.50%	\$ 3,450,000	\$ 3,029,678	\$ 3,019,220	\$ 3,009,642	\$ 2,999,557	\$ 2,989,855	\$ 2,979,709	\$ 2,969,944	\$ 2,960,132	\$ 2,949,819	\$ 2,939,912	\$ 2,929,507	\$ 2,919,503	
Senior Centre 15 yrs	5.50%	\$ 1,500,000	\$ 1,246,669	\$ 1,239,873	\$ 1,233,428	\$ 1,226,763	\$ 1,220,255	\$ 1,213,530	\$ 1,206,960	\$ 1,200,358	\$ 1,193,541	\$ 1,186,876	\$ 1,179,997	\$ 1,173,268	
Westpac Total		\$ 15,674,500	\$ 14,269,851	\$ 14,234,409	\$ 14,201,729	\$ 14,167,449	\$ 14,134,410	\$ 14,099,842	\$ 14,066,523	\$ 14,033,045	\$ 13,997,980	\$ 13,964,178	\$ 13,928,798	\$ 13,894,667	
														Annual reduction	
														\$ 342,045	
AFGD															
Non - subsidised Loan - Variable															
TBA	3.73	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	
Includes line fee	1.10%														
Berger Land Purchase		\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	
AFGD Total		\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	\$ 9,100,000	
Financier to be determined															
Mahers Lane Stag	20 yrs	5.50%	\$ 1,500,000	\$ 1,366,879	\$ 1,367,344	\$ 1,358,416	\$ 1,354,361	\$ 1,350,294	\$ 1,346,103	\$ 1,342,098	\$ 1,338,074	\$ 1,333,835	\$ 1,329,762	\$ 1,325,476	\$ 1,321,373
Mahers Lane Stag	20 yrs	5.50%	\$ 4,000,000	\$ 3,770,229	\$ 3,758,669	\$ 3,748,790	\$ 3,738,288	\$ 3,728,312	\$ 3,717,716	\$ 3,707,642	\$ 3,697,520	\$ 3,686,781	\$ 3,676,563	\$ 3,665,729	\$ 3,655,408
Mahers Lane Stag	20 yrs	5.50%	\$ 4,000,000	\$ 3,888,632	\$ 3,877,578	\$ 3,868,263	\$ 3,858,110	\$ 3,848,903	\$ 3,838,862	\$ 3,829,363	\$ 3,819,819	\$ 3,809,644	\$ 3,800,006	\$ 3,789,739	\$ 3,780,008
			\$ 9,500,000	\$ 8,025,740	\$ 8,006,591	\$ 8,005,469	\$ 8,005,839	\$ 8,002,509	\$ 8,002,681	\$ 8,009,103	\$ 8,005,413	\$ 8,003,252	\$ 8,006,331	\$ 8,006,944	\$ 8,006,789
Electives *Not calculated in drawn facilities															
Sportfields		\$ 3,000,000													
Seco Centre		\$ 1,500,000													
STEM Precinct Exp		\$ 4,000,000													
Total Facilities - includes OD does not incl		\$ 34,274,500	\$ 32,395,591	\$ 32,333,000	\$ 32,277,198	\$ 32,218,308	\$ 32,161,919	\$ 32,102,523	\$ 32,045,626	\$ 31,988,458	\$ 31,928,232	\$ 31,870,509	\$ 31,809,742	\$ 31,751,456	
Maximum Outstandings at any point in time		\$ 32,500,000	\$ 32,500,000	\$ 32,500,000	\$ 32,500,000	\$ 32,500,000	\$ 32,500,000	\$ 32,500,000	\$ 32,500,000	\$ 32,000,000	\$ 32,000,000	\$ 32,000,000	\$ 32,000,000	\$ 32,000,000	
Variance		\$ 104,499	\$ 167,000	\$ 222,802	\$ 281,691	\$ 338,081	\$ 397,477	\$ 454,374	\$ 511,542	\$ 571,768	\$ 629,491	\$ 689,258	\$ 749,991	\$ 810,544	
														Total Annual Reduction	
														\$ 610,396	

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

Security/Safety Assessment

- To be updated and established at each stage.

Insurance Confirmation:

- The 2018/2019 schedule is in place with cover provided by the Diocese Insurance programme.
- 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 \$??? To be determined 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 <5.5x 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.

Conditions precedent on new facilities:

2020 Project commencement – Middle School, Preschool and Kindergarten and Senior Study Centre.

- LAGS obtaining all necessary approvals from the Diocesan Anglican Schools Commission.
- Provision of all planning approval consents including local council.
- Provision of 2020 LAGS school council approved operating budget including additional borrowings. (held)
- Copy of a fixed price building contract by the successful tenderer, confirming project costs of \$8 million with a time banded construction timeline provided.
- Progress claims to be paid against evidence of expenditure as approved by Westpac approval conditions.
- Any cost overruns to be met from school funds.
- Adequate construction risk insurance to be in place during period of construction and confirmation of amended insurance cover at finalisation of the project is in place.

2020 Berger Land Purchase

- LAGS obtaining all necessary approvals from the Diocesan Schools Commission
- Contract of sale confirming MOU terms to be provided.
- Satisfactory bank valuation for mortgage security purposes to be provided
- Proposed Settlement date 30/06/2020 or sooner.

Further conditions:

Credit Memorandum for the Corporate Trustees of the Diocese of Grafton Investment Fund trading as Anglican Funds Grafton Diocese ABN 42 489 753 905 (AFGD) of Level 1, 50 Victoria Street, Grafton, NSW 2460

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

- “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:

- Refer to executive summary.

Grafton Customer: Lindisfarne Anglican Grammar School (LAGS)

Date: 12/12/19

Disclaimer

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BOARD MEETING DATE:

13/02/2020

No 7 Financial and performance reports

Item: a

Title: Finance reports

No of Pages. 15 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	YTD	Budget	Variance
4-0000															
Income															
Interest Recd - Investments	10,440	20,851	15,828	19,943	12,085	10,083	12,400	12,852	15,524	13,336	12,502	8,585	164,430	154,000	10,430
Interest Recd - Borrowers	72,392	49,379	64,939	59,130	71,545	81,225	79,377	77,970	79,469	82,076	72,124	82,286	871,911	1,000,000	(38,690)
Sundry Income - Other Asset classes and Ser	29,490	29,490	72,782	29,490	29,490	83,097	29,497	17,128	91,642	18,044	18,044	77,582	525,776	564,920	(39,144)
Total Income	112,322	99,720	153,549	108,563	113,120	174,404	121,273	107,950	186,636	113,456	102,670	168,453	1,562,117	1,718,920	(41,378)
5-0000															
Cost Of Sales															
Total Interest Paid to Investors	62,930	54,652	59,547	58,244	58,199	60,894	68,571	67,125	65,230	63,640	52,809	47,487	719,329	808,000	88,671
Gross Profit	49,393	45,068	94,002	50,320	54,920	113,509	52,703	40,825	121,405	49,816	49,861	120,966	842,788	910,920	(68,132)
6-0000															
Expenses															
Total Employee Benefits	7,347	9,047	9,004	8,317	9,004	9,200	8,945	9,264	7,538	8,471	9,179	9,937	105,254	107,920	2,666
Total Professional fees	1,825	2,485	1,825	1,825	1,825	1,825	3,040	1,840	1,840	2,470	2,470	1,840	25,110	46,755	21,645
Total Banking and Indue Costs	15,309	14,024	13,781	28,338	13,977	11,977	16,618	21,025	17,680	15,987	19,774	16,425	204,915	220,595	15,680
Total insurance costs	677	620	673	658	673	656	676	678	663	713	1,117	1,118	8,923	20,890	11,967
Total General Operations costs	767	905	1,113	2,206	1,585	769	3,739	2,264	1,008	739	1,730	1,724	18,549	26,935	8,386
Total Expenses	25,924	27,080	26,396	41,344	27,064	24,427	33,019	35,072	28,729	28,381	34,271	31,044	362,751	423,095	60,344
Total Net Profit	23,468	17,988	67,606	8,976	27,857	89,083	19,684	5,753	92,676	21,435	15,591	89,922	480,037	487,825	(7,788)
9-0000															
Distribution to Diocese															
Total Other Expenses	14,600	14,600	14,600	14,600	14,600	14,600	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	53,006	-5,624	13,257	74,483	5,084	-8,847	78,076	6,835	991	75,522	305,037	312,825	(7,788)

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	June Actual	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	YTD Actual	Budget	Variance
4-0000 Income															
4-1010 4-1010 Interest Received - Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	154,000	(154,000)
4-1011 4-1011 Interest Received - NAB	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	8,021	6,324	9,692	6,056	4,557	6,171	82,874	0	82,874
4-1013 4-1013 Interest Recd - Melb CF7963	6,081	10,145	4,789	7,310	4,884	3,875	4,199	6,242	5,984	6,717	7,810	2,273	70,308	0	70,308
4-1014 4-1014 Interest recd - WBC	2,022	2,237	2,530	2,423	622	259	180	285	-151	563	135	142	11,248	0	11,248
4-1015 4-1015 Interest Recd - AMP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Interest Recd - Investments	10,440	20,851	15,828	19,943	12,085	10,083	12,400	12,852	15,524	13,336	12,502	8,585	164,430	154,000	10,430
4-1020 4-1020 Overdraft/LOC INT INC	20,419	4,739	16,193	12,513	24,127	36,002	33,737	33,067	37,214	38,973	31,240	40,507	328,730	1,000,000	(671,270)
4-1021 4-1021 Interest Only Loans INT INC	21,498	19,412	21,491	20,798	21,491	20,798	21,048	21,048	20,080	20,703	19,939	20,593	248,900	0	248,900
4-1022 4-1022 Princ & Int Loans INT INC	30,475	25,229	27,255	25,819	25,926	24,425	24,592	23,855	22,176	22,400	20,945	21,186	294,282	0	294,282
Interest Recd - Borrowers	72,392	49,379	64,939	59,130	71,545	81,225	79,377	77,970	79,469	82,076	72,124	82,286	871,911	1,000,000	(128,089)
4-1055 4-1055 Ord Min List Interest Income	4,527	4,527	4,462	4,527	4,527	4,811	4,527	2,735	5,554	3,631	3,631	3,930	51,390	54,324	(2,934)
4-1056 4-1056 Ord Min U/List Interest Income	24,963	24,963	24,695	24,963	24,963	24,346	24,963	14,373	27,449	14,413	14,413	15,021	259,524	290,946	(31,422)
4-1057 4-1057 Proceeds on Sale of Bonds	0	0	0	0	0	-4,685	0	0	0	0	0	0	-4,685	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	-
4-2000 4-2000 Service Fees Received	0	0	0	0	0	0	0	0	0	0	0	0	0	150	(150)
4-2100 4-2100 Line Fee Income	0	0	43,625	0	0	58,625	0	0	58,625	0	0	58,625	219,500	219,500	-
4-3000 4-3000 Sundry Income	0	0	1	0	0	0	7	20	14	0	0	6	47	0	47
Sundry Income - Other Asset classes and Service Fee	29,490	29,490	72,782	29,490	29,490	83,097	29,497	17,128	91,642	18,044	18,044	77,582	525,776	564,920	(39,144)
Total Income	112,322	99,720	153,549	108,563	113,120	174,404	121,273	107,950	186,636	113,456	102,670	168,453	1,562,117	1,718,920	(156,803)
5-2100 5-2100 Interest Paid to Investors	62,930	54,652	59,547	58,244	58,199	60,894	68,571	67,125	65,230	63,640	52,809	47,487	719,329	808,000	88,671
Total Cost Of Sales	62,930	54,652	59,547	58,244	58,199	60,894	68,571	67,125	65,230	63,640	52,809	47,487	719,329	808,000	88,671
Gross Profit	49,393	45,068	94,002	50,320	54,920	113,509	52,703	40,825	121,405	49,816	49,861	120,966	842,788	910,920	(68,132)
6-0000 6-0000 Expenses															
6-1100 6-1100 Provision for Annual Leave	-1,355	462	462	-370	462	599	189	474	-1,516	-3,220	474	-347	-3,685	0	3,685
6-1200 6-1200 Provision Long Service Leave	0	0	0	0	0	0	0	0	0	0	0	1,469	1,469	1,200	(269)
6-1300 6-1300 Salaries and Wages	7,964	7,840	7,800	7,946	7,800	7,855	8,000	8,028	8,299	10,734	7,951	8,050	98,267	96,000	(2,267)
6-1500 6-1500 Superannuation	737	745	741	741	741	746	755	763	755	958	755	765	9,203	9,120	(83)
6-1600 6-1600 Staff Traing	0	0	0	0	0	0	0	0	0	0	0	0	0	1,600	1,600
6-1700 6-1700 Fund Manager Vehicle	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	8,945	9,264	7,538	8,471	9,179	9,937	105,254	107,920	2,666
6-4200 6-4200 Advertising	0	127	0	0	0	0	1,200	0	0	0	630	0	1,957	2,950	993
6-4300 6-4300 Audit Fees	1,825	1,825	1,825	1,825	1,825	1,825	1,840	1,840	1,840	1,840	1,840	1,840	21,990	28,905	6,915
6-4360 6-4360 Legal Fees	0	533	0	0	0	0	0	0	0	630	0	0	1,163	14,900	13,737
Total Professional fees	1,825	2,485	1,825	1,825	1,825	1,825	3,040	1,840	1,840	2,470	2,470	1,840	25,110	46,755	21,645
6-4400 6-4400 WBC Bank Charges	469	498	502	523	540	538	480	508	552	505	557	543	6,216	6,724	508
6-4402 6-4402 Indue Fees	138	14	54	23	15	37	38	76	26	191	44	25	681	586	(95)
6-4410 6-4410 Consultancy Fees	2,333	2,333	2,333	19,033	2,333	2,333	0	0	0	0	0	0	30,700	51,600	20,900
6-4412 6-4412 Donations	0	0	0	0	0	0	0	0	0	0	2,500	0	2,500	5,000	2,500
6-4440 6-4440 WBC Line of Credit Charges	868	292	0	0	0	0	0	0	0	0	0	0	1,160	0	(1,160)
6-4442 6-4442 Ord Minnett Brokerage/Advice	2,500	2,500	2,500	121	2,000	685	1,600	1,600	1,600	135	1,333	947	17,522	30,000	12,478
6-4445 6-4445 ASFA Line of Credit Charges	0	0	0	0	0	0	0	2,924	417	417	417	417	4,592	5,000	408
6-4450 6-4450 AFSA Service Agreement Fees	9,000	8,387	8,382	8,637	9,088	8,383	14,500	15,917	15,084	14,739	14,923	14,492	141,543	121,685	(19,858)
Total Banking Costs	15,309	14,024	13,781	28,338	13,977	11,977	16,618	21,025	17,680	15,987	19,774	16,425	204,915	220,595	15,680
6-4510 6-4510 Insurance - Workers Comp	118	115	115	117	115	115	118	120	122	155	117	118	1,444	1,602	158
6-4530 6-4530 Insurance - General	559	505	559	541	559	541	559	559	541	559	1,000	1,000	7,479	19,288	11,809
Total insurance costs	677	620	673	658	673	656	676	678	663	713	1,117	1,118	8,923	20,890	11,967
6-4425 6-4425 Depreciation Expense	0	0	369	123	123	123	123	123	123	123	123	131	1,484	816	(668)

6-4600	6-4600	Meeting Expenses	0	0	0	0	18	9	0	0	20	0	0	55	102	842	740
6-4610	6-4610	Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
6-4700	6-4700	Postage	0	95	82	88	79	92	53	77	83	77	187	158	1,072	2,080	1,008
6-4800	6-4800	Printing & Stationery	140	8	50	842	7	10	1,089	0	18	9	242	659	3,073	2,145	(928)
6-4900	6-4900	Rent/Victoria Street	433	433	433	433	433	433	433	433	433	433	433	433	5,200	5,200	0
6-5000	6-5000	PC Repairs and Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	400	400
6-5100	6-5100	Telephone	193	187	179	100	270	102	99	106	109	97	108	114	1,865	2,390	725
6-5200	6-5200	Travel & Accommodation - Board	0	182	0	619	654	0	1,779	630	0	0	637	125	4,626	10,676	6,050
6-5300	6-5300	Travel & Accommodation - AFGD	0	0	0	0	0	0	894	222	0	0	0	1,116	1,750	634	
6-5310	6-5310	AFGD Staff Expenses Other	0	0	0	0	0	163	0	0	0	0	50	213	636	423	
		Total General Operations costs	767	905	1,113	2,206	1,585	769	3,739	2,264	1,008	739	1,730	1,724	18,549	26,935	8,386
		Total Expenses	25,924	27,080	26,396	41,344	27,064	24,427	33,019	35,072	28,729	28,361	34,271	31,044	362,751	423,095	60,344
		Total Net Profit	23,468	17,988	67,606	8,976	27,857	89,083	19,684	5,753	92,676	21,435	15,591	89,922	480,037	487,825	(7,788)
9-2200	9-2200	Contribution to Diocese	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,400	175,000	175,000	-	
		Total Other Expenses	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,400	175,000	175,000	0	
		Net Profit/(Loss) after distribution	8,868	3,388	53,006	-5,624	13,257	74,483	5,084	-8,847	78,076	6,835	991	75,522	305,037	312,825	(7,788)

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street
Grafton 2460
NSW

Balance Sheet

As of December 2019

Account No.				
1-0000	Assets			
1-1000	Current Assets			
1-1105	WBC 032537 247819 Operating Ac	\$7,765.74		
1-1110	WBC 032537 120455 Client Chq	\$150,485.27		
1-1130	AFSA Float SAV00000202	\$177,633.55		
1-1131	AFSA MIA SAV00041173	\$1,505,658.21		
1-1137	Daily Txns Unproc'd in Phoenix	(\$517,195.56)		
1-1160	WBC 032537 163017 Cash Managem	\$224,432.35		
1-1170	Accrued Int Receivable Investm	\$28,608.16		
1-2700	Furniture & Fixtures			
1-2710	Furniture & Fixtures Orig Cost	\$4,852.56		
1-2720	Furniture & Fixtures Accum Dep	(\$1,813.82)		
1-2800	Plant & Equipment			
1-2810	Computer Hardware	\$26,730.39		
1-2820	Acc Depn Computer Hardware	(\$26,313.65)		
1-2900	Intangible Assets			
1-2910	Computer Software	\$60,500.00		
1-2920	Acc Depn - Compnr Software	(\$60,500.00)		
1-3000	Financial Assets - Current			
1-3114	AFSA Term Investment	\$1,000,000.00		
1-3120	AFSA Security Dep SAV00000203	\$251,554.50		
1-3130	WBC Term Invested Funds	\$100,000.00		
1-3145	Ord Minnett-Listed Investments	\$1,166,574.00		
1-3147	Ord Minnett-Global Cash Trust	\$22,015.00		
1-3148	Ord Minn-Global Investments	\$4,614,670.00		
1-3150	Loan Assets			
1-3155	Line of Credit - O/D	\$16,235,744.56		
1-3160	Loan Advances	\$4,457,898.63		
1-3170	Loan Advances - P & I	\$4,887,586.94		
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			\$34,316,886.83
2-0000	Liabilities			
2-1000	Current Liabilities			
2-1004	Audit Costs	\$18,110.00		
2-1200	Accounts payable		\$1,874.98	
2-1221	2243310 Term 90 Days INT PAY		\$9,120.14	
2-1222	2243320 Term 180 days INT PAY		\$47,579.68	
2-1223	2243330 Term 365 days INT PAY		\$81,411.05	
2-1700	Investor Funds Fin Liab Curren			
2-1710	2103300 Access Accounts	\$172,233.35		
2-1715	2103310 Institution Access	\$148,440.81		
2-1725	2103330 Parish Provider Access	\$5,123.65		
2-1730	2103350 Interest Free Deposits	\$9,356.95		
2-1735	2103370 Chq Acc Parishes	\$956,912.81		
2-1740	2103380 Chq Acc Ministry	\$2,707,319.87		
2-1745	2103400 Anglican Affiliates	\$3,098,779.72		
2-1750	139 Parishes CMA	\$782,991.85		
2-1755	2183310 Term Inv 90 days	\$7,616,791.28		
2-1756	2103420 Clergy Access Account	\$233,059.21		
2-1760	2183320 Term Inv 180 days	\$9,050,323.87		
2-1765	2183330 Term Inv 365 days	\$7,631,782.39		
2-1900	Other Current Liabilities			
2-1910	Accrued Annual Leave	\$1,682.23		
2-1911	Accrued Long Service Leave	\$10,957.10		
2-1915	Accrued Expenses	\$19,419.15		
2-3030	GST from purchases		(\$759.00)	
2-9999	Westpac Unknown transactions		\$223.68	
	Total Liabilities			\$32,602,734.77
	Net Assets			\$1,714,152.06
3-0000	Equity			
3-7000	Revaluation Financial Assets		(\$31,394.96)	
3-8000	Retained Earnings		\$1,440,509.90	
3-9000	Current Earnings		\$305,037.12	
	Total Equity			\$1,714,152.06

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

Balance Sheet [Multi-Period]

January 2019 To December 2019

Account No.	Account Name	January	February	March	April	May	June	July	August	September	October	November	December
	Assets												
	Current Assets												
		1,075,297	1,290,336	1,287,869	1,240,029	311,482	270,754	253,619	1,935,737	337,942	317,103	247,211	280,266
		11,470,780	9,060,173	7,465,838	6,243,028	3,734,830	3,503,432	8,438,041	6,129,712	5,299,769	8,618,521	7,732,787	1,642,083
		7,509,199	7,509,199	7,502,323	7,502,323	7,502,323	7,496,156	7,496,156	5,796,156	5,763,901	5,763,901	5,763,901	5,781,244
		27,518	26,072	17,401	44,461	24,507	15,065	13,347	16,534	25,683	40,971	43,618	28,608
	Fixed Assets	4,939	4,939	4,570	4,447	4,324	4,201	4,078	3,955	3,832	3,709	3,586	3,455
	Loan Assets	14,271,797	14,739,617	16,354,357	17,059,329	20,921,029	24,959,892	20,535,097	22,551,090	25,261,090	20,672,373	21,553,904	26,581,230
		0	0	0	0	0	0	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	36,740,338	36,433,183	36,692,218	35,416,579	35,345,007	34,316,887
	Liabilities												
	Current Liabilities												
		46,209	42,493	48,417	29,716	24,582	26,798	29,379	50,829	36,742	35,784	39,524	39,404
		86	169	256	343	435	0	96	203	304	391	473	0
		201,967	188,112	207,987	195,691	198,272	215,156	228,152	255,170	246,671	227,036	176,242	138,111
	Investor Funds Fin Liab Current	7,998,130	6,271,934	6,138,343	5,705,890	6,595,435	4,697,225	5,826,176	5,540,624	6,202,144	6,598,604	7,745,401	8,114,218
		24,658,258	24,669,031	24,734,147	24,664,932	24,166,686	29,723,697	29,065,255	29,002,855	28,578,474	26,923,747	25,750,430	24,298,898
	Sundry Liabilities	13,403	13,731	12,214	11,676	14,459	14,996	14,568	15,637	14,197	10,496	11,426	11,880
2-9999	Westpac Unknown transactions	224	224	224	224	224	224	224	224	224	224	224	224
		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	35,163,850	34,865,542	35,078,756	33,796,282	33,723,720	32,602,735
	Net Assets	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405	1,576,488	1,567,641	1,613,462	1,620,297	1,621,287	1,714,152
	Total Equity	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405	1,576,488	1,567,641	1,613,462	1,620,297	1,621,287	1,714,152

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

Balance Sheet [Multi-Period]

January 2019 To December 2019

Account No.	Account Name	January	February	March	April	May	June	July	August	September	October	November	December
Assets													
Current Assets													
1-1105	WBC 032537 247819 Operating Ac	8,743	14,510	7,865	7,258	15,966	10,203	24,275	774	58,747	23,452	21,704	7,766
1-1110	WBC 032537 120455 Client Chq	158,441	142,963	169,848	122,616	135,170	76,123	129,343	112,730	159,194	173,649	121,687	150,485
1-3130	WBC Term Invested Funds	900,000	1,100,000	1,100,000	1,100,000	100,000	100,000	100,000	100,000	100,000	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	0	1,722,234	20,002	20,002	3,820	22,015
		1,075,297	1,290,336	1,287,869	1,240,029	311,482	270,754	253,619	1,935,737	337,942	317,103	247,211	280,266
1-1130	AFSA Float SAV00000202	7,325	1,797	876	948	93	133	59	-343	1,073	767	342	177,634
1-1131	AFSA MIA SAV00041173	5,001,781	3,727,715	4,068,415	3,084,906	2,142,207	2,396,809	4,890,353	1,873,149	1,482,938	3,631,748	3,196,144	1,505,658
1-1137	Daily Txns Unproc'd in Phoenix	-116,754	-178,363	-28,619	-1,388,465	44,916	100,896	-646,321	2,655	11,200	-439,476	705,570	-517,196
1-1160	WBC 032537 163017 Cash Managem	330,234	260,466	176,202	296,283	297,882	255,532	443,594	503,652	53,725	174,406	79,420	224,432
1-1165	Melb DIF 30 day term	6,000,000	5,000,000	3,000,000	4,000,000	1,000,000	500,000	3,500,000	3,500,000	3,500,000	5,000,000	3,500,000	0
1-3120	AFSA Security Dep SAV00000203	248,194	248,559	248,964	249,357	249,732	250,062	250,356	250,598	250,833	251,076	251,311	251,555
		11,470,780	9,060,173	7,465,838	6,243,028	3,734,830	3,503,432	8,438,041	6,129,712	5,299,769	8,618,521	7,732,787	1,642,083
1-3145	Ord Minnett-Listed Investments	1,192,879	1,192,879	1,179,040	1,179,040	1,179,040	1,180,298	1,180,298	1,180,298	1,155,251	1,155,251	1,155,251	1,166,574
1-3148	Ord Minn-Global Investments	6,316,320	6,316,320	6,323,283	6,323,283	6,323,283	6,315,858	6,315,858	4,615,858	4,608,650	4,608,650	4,608,650	4,614,670
		7,509,199	7,509,199	7,502,323	7,502,323	7,502,323	7,496,156	7,496,156	5,796,156	5,763,901	5,763,901	5,763,901	5,781,244
1-1170	Accrued Int Receivable Investm	32,203	26,520	13,544	25,519	26,826	12,848	19,565	28,436	25,124	34,120	44,374	28,608
1-1171	Ord Min List Accrued Int Rec	-8,989	-4,462	0	4,527	-4,811	0	-8,289	-5,554	0	-7,561	-3,930	0
1-1172	Ord Min U/List Accrued Int Rec	-616	-402	0	11,098	-265	0	413	-7,448	0	14,413	3,174	0
1-1400	Prepaid Insurance	4,920	4,416	3,857	3,316	2,758	2,217	1,658	1,099	559	0	0	0
		27,518	26,072	17,401	44,461	24,507	15,065	13,347	16,534	25,683	40,971	43,618	28,608
Fixed Assets													
1-2710	Furniture & Fixtures Orig Cost	4,853	4,853	4,853	4,853	4,853	4,853	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	-1,639	-1,673	-1,707	-1,741	-1,775	-1,814
1-2810	Computer Hardware	26,730	26,730	26,730	26,730	26,730	26,730	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	-25,866	-25,955	-26,044	-26,133	-26,222	-26,314
1-2910	Computer Software	60,500	60,500	60,500	60,500	60,500	60,500	60,500	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	-60,500	-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	4,078	3,955	3,832	3,709	3,586	3,455

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	1,000,000	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	9,487,814	11,657,680	14,625,778	10,242,581	11,343,077	16,235,745
1-3160	Loan Advances	4,558,070	4,555,984	4,558,064	4,557,370	4,558,064	4,557,370	4,557,620	4,557,620	4,481,390	4,482,014	4,457,245	4,457,899
1-3170	Loan Advances - P & I	6,453,822	6,292,611	6,133,044	5,958,179	5,815,980	5,617,350	5,489,662	5,335,789	5,153,922	4,947,779	4,753,582	4,887,587
	Loan Assets	14,271,797	14,739,617	16,354,357	17,059,329	20,921,029	24,959,892	20,535,097	22,551,090	25,261,090	20,672,373	21,553,904	26,581,230
1-3199	Financial Assets Current - Adj	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-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	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496
		0	0	0	0	0	0	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	36,740,338	36,433,183	36,692,218	35,416,579	35,345,007	34,316,887
Liabilities													
Current Liabilities													
2-1004	Audit Costs	23,715	25,540	5,895	7,720	9,545	11,370	13,210	15,050	16,890	18,730	20,570	18,110
2-1200	Accounts payable	10,994	2,953	26,022	10,996	2,364	2,359	69	17,579	52	721	288	1,875
2-1915	Accrued Expenses	11,500	14,000	16,500	11,000	12,673	13,069	16,100	18,200	19,800	16,333	18,666	19,419
		46,209	42,493	48,417	29,716	24,582	26,798	29,379	50,829	36,742	35,784	39,524	39,404
2-1101	2243130 Access Acc INT PAY	17	32	43	55	68	0	17	36	54	72	84	0
2-1102	2243131 Inst Acc INT PAY	39	76	122	166	213	0	51	110	164	215	268	0
2-1104	2243133 Parish Prov INT PAY	31	61	90	121	153	0	28	57	86	105	122	0
		86	169	256	343	435	0	96	203	304	391	473	0
2-1221	2243310 Term 90 Days INT PAY	18,134	15,351	28,098	23,857	13,686	25,625	26,659	31,970	25,000	22,096	21,945	9,120
2-1222	2243320 Term 180 days INT PAY	53,722	68,709	63,536	56,708	62,883	60,139	63,600	86,009	69,581	82,846	75,747	47,580
2-1223	2243330 Term 365 days INT PAY	130,110	104,052	116,353	115,127	121,703	129,392	137,893	137,191	152,090	122,095	78,550	81,411
		201,967	188,112	207,987	195,691	198,272	215,156	228,152	255,170	246,671	227,036	176,242	138,111
Investor Funds Fin Liab Current													
2-1710	2103300 Access Accounts	115,186	104,147	92,529	90,433	88,932	102,407	129,032	111,906	110,257	108,163	100,027	172,233
2-1715	2103310 Institution Access	118,882	126,448	137,093	130,709	135,893	144,994	147,246	160,657	135,589	136,716	147,481	148,441
2-1725	2103330 Parish Provider Access	4,614	3,916	5,211	4,539	4,938	4,397	4,808	5,426	3,956	4,619	4,971	5,124
2-1730	2103350 Interest Free Deposits	8,874	8,844	8,222	8,124	8,257	8,553	8,631	8,662	9,364	8,814	8,712	9,357
2-1735	2103370 Chq Acc Parishes	862,557	819,096	795,470	797,810	837,806	814,942	900,184	870,789	920,562	999,519	1,032,608	956,913
2-1740	2103380 Chq Acc Ministry	3,636,377	2,864,729	2,565,341	2,793,792	3,497,545	1,846,847	2,319,837	2,409,004	1,608,773	1,668,029	2,203,874	2,707,320
2-1745	2103400 Anglican Affiliates	2,436,365	1,563,922	1,727,809	1,065,036	1,182,763	928,292	1,487,015	1,122,774	2,534,597	2,779,215	3,351,677	3,098,780
2-1750	139 Parishes CMA	572,582	581,551	605,604	604,944	618,239	627,060	604,950	641,701	660,451	651,726	655,673	782,992
2-1756	2103420 Clergy Access Account	242,693	199,281	201,063	210,503	221,062	219,732	224,474	209,706	218,594	241,803	240,379	233,059
	Investor Funds Fin Liab Current	7,998,130	6,271,934	6,138,343	5,705,890	6,595,435	4,697,225	5,826,176	5,540,624	6,202,144	6,598,604	7,745,401	8,114,218

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	9,494,167	9,322,128	9,274,074	6,891,766	6,852,580	7,616,791
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	10,555,675	10,748,168	10,292,690	10,944,310	11,201,019	9,050,324
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	9,015,413	8,932,559	9,011,710	9,087,671	7,696,831	7,631,782
		24,658,258	24,669,031	24,734,147	24,664,932	24,166,686	29,723,697	29,065,255	29,002,855	28,578,474	26,923,747	25,750,430	24,298,898
	Sundry Liabilities												
2-1910	Accrued Annual Leave	4,013	4,475	4,937	4,567	5,029	5,629	5,818	6,292	4,776	1,556	2,029	1,682
2-1911	Accrued Long Service Leave	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	9,488	10,957
2-3030	GST from purchases	-98	-232	-2,211	-2,380	-58	-121	-738	-143	-67	-548	-91	-759
	Sundry Liabilities	13,403	13,731	12,214	11,676	14,459	14,996	14,568	15,637	14,197	10,496	11,426	11,880
2-9999	Westpac Unknown transactions	224	224	224	224	224	224	224	224	224	224	224	224
		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	35,163,850	34,865,542	35,078,756	33,796,282	33,723,720	32,602,735
	Net Assets	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405	1,576,488	1,567,641	1,613,462	1,620,297	1,621,287	1,714,152
	Equity												
3-7000	Revaluation Financial Assets	-8,125	-8,125	-15,001	-15,001	-15,001	-16,483	-16,483	-16,483	-48,738	-48,738	-48,738	-31,395
3-8000	Retained Earnings	1,440,510	1,440,510	1,440,510	1,440,510	1,440,510	1,440,510	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	152,461	143,614	221,690	228,525	229,515	305,037
	Total Equity	1,441,253	1,444,641	1,490,771	1,485,147	1,498,404	1,571,405	1,576,488	1,567,641	1,613,462	1,620,297	1,621,287	1,714,152

Capital Adequacy (4.4.2): (Target > 10% of Risk Weighted Assets)					
Assets	Weighting	Asset Value	RWA		
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 3,439,545	\$ 343,954		
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%	\$ 32,135,486	\$ 24,101,614	Note: includes undrawn facility limits	
Secured Residential	50%	\$ -	\$ -	Note Adelaide utilise drawn facilities only.	
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%	\$ 5,815,204	\$ 2,907,602		
Rating BB+ to B-	100%		\$ -		
Rating CCC to D	200%		\$ -		
Unrated	400%		\$ -		
Other Investments/assets and Equities	400%		\$ -		
Total Assets		41,390,234	\$ 27,353,171		
Risk Concentration:					
To the extent an External loans exceeds 5% of Total Assets					
	Limit	Total Assets:	Limit Amount:	Number	
	5%	\$ 41,390,234	\$ 2,069,512		
	Loans > 5% of TA		\$ -	400%	\$ -
					\$ -
To the extent an Internal loans exceeds 30% of Total Assets					
	Limit	Total Assets:	Limit Amount:		
	30%	\$ 41,390,234	\$ 12,417,070		
	Loans > 30% of TA			200%	\$ -
					\$ -
				Total Risk Weighted Assets	\$ 27,353,171
				8% of risk weighted assets	\$ 2,188,254
				+ 2.5% Buffer	\$ 683,829
				Required Capital 10.5%	\$ 2,872,083
Equity:					
			Accumulated Funds		\$ 1,745,547
			Asset Reserves		-\$ 31,395
			Total Equity		\$ 1,714,152
			"Surplus" Capital		-\$ 1,157,931
			Actual Capital Adequacy ratio		6.27%
Comments should actual Capital Adequacy ratio be < 10.5%					

Liquidity (4.1): (> 10% of Total Assets):					
Total Assets:			\$ 41,390,234		
Minimum Liquidity requirement	10%				\$ 4,139,023
Actual position:					
Cash			\$ 3,439,545		
Undrawn Bank OD Facility			\$ 1,000,000		
Total Actual Liquidity					\$ 4,439,545
"Surplus" Liquidity					\$ 300,521
Actual Liquidity Ratio					10.7%
Comments should actual Liquidity ratio be < 10%					

4.3 Depositors in excess of 5% of Liabilities					
Total depositors in excess of 5% of Liabilities	\$ 16,106,048		\$ 16,106,048		49.7%
Total liabilities			\$ 32,413,116		
Comments on large depositors					
The number of accounts/clients with balances in excess of 5% is:	1	Corporate Trustees			

Capital Adequacy (4.4.2): (Target > 10% of Risk Weighted Assets)					
Assets	Weighting	Asset Value	RWA		
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 3,439,545	\$	343,954	
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%	\$ 25,581,230	\$	19,185,923	Note: excludes available for re-draw & undrawn facility limits
Secured Residential	50%	\$ -	\$	-	
External Loans - Secured Residential Property	75%		\$	-	Note Adelaide utilise drawn facilities only.
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%	\$ 5,815,204	\$	2,907,602	
Rating BB+ to B-	100%		\$	-	
Rating CCC to D	200%		\$	-	
Unrated	400%		\$	-	
Other Investments/assets and Equities	400%		\$	-	
Total Assets		34,835,979	\$	22,437,479	
Risk Concentration:					
To the extent an External loans exceeds 5% of Total Assets					
		Total Assets:	Limit Amount:	Number	
Limit	5%	\$ 34,835,979	\$ 1,741,799		
Loans > 5% of TA		-	\$ -	400%	\$ -
					\$ -
To the extent an Internal loans exceeds 30% of Total Assets					
		Total Assets:	Limit Amount:		
Limit	30%	\$ 34,835,979	\$ 10,450,794		
Loans > 30% of TA				200%	\$ -
					\$ -
				Total Risk Weighted Assets	\$ 22,437,479
				8% of risk weighted assets	\$ 1,794,998
				+ 2.5% Buffer	\$ 560,937
				Required Capital 10.5%	\$ 2,355,935
Equity:					
				Accumulated Funds	\$ 1,745,547
				Asset Reserves	-\$ 31,395
				Total Equity	\$ 1,714,152
				"Surplus" Capital	-\$ 641,783
				Actual Capital Adequacy ratio	7.64%
Comments should actual Capital Adequacy ratio be < 10.5%					

Liquidity (4.1): (> 10% of Total Assets):					
Total Assets:				\$ 34,835,979	
Minimum Liquidity requirement		10%			\$ 3,483,598
Actual position:					
Cash				\$ 3,439,545	
Undrawn Bank OD Facility				\$ 1,000,000	
Total Actual Liquidity					\$ 4,439,545
"Surplus" Liquidity					\$ 955,947
Actual Liquidity Ratio					12.7%
Comments should actual Liquidity ratio be < 10%					

4.3 Depositors in excess of 5% of Liabilities					
Total depositors in excess of 5% of Liabilities		\$ 16,106,048		\$ 16,106,048	49.7%
Total liabilities				\$ 32,413,116	
Comments on large depositors					
The number of accounts/clients with balances in excess of 5% is:	1	Corporate Trustees			

Loan Book Data	31-Dec-19	Loan Balance	Unsecured	Limits	Unutilised/Not Drawn	Rate	Open Date	Amount Borrowed	Loan Expiry Date
COM 730 436032770 Secondary Campus Stage 2	Clarence Valley Anglican School	\$ 1,767,872.55				6.10%	10/05/2005	\$ 1,758,979.66	31/12/2037
COM 730 436040020 Stage 3 Building Loan	Emmanuel Anglican College	\$ 89,909.53				5.41%	30/04/2013	\$ 257,533.50	30/04/2022
COM 730 436040021 Stage 4 Building Loan	Emmanuel Anglican College	\$ 1,150,904.57				5.41%	30/04/2013	\$ 1,672,479.06	30/04/2025
COM 730 436040019 Stage 2 Building Loan	Emmanuel Anglican College	\$ 144,248.93				5.41%	30/04/2013	\$ 405,163.30	30/04/2021
COM 730 436040173 Construction Learning Spaces	Emmanuel Anglican College	\$ 752,673.75				4.19%	23/11/2018	\$ 750,000.00	23/11/2034
COM 730 436040136 Stanley St Unit Purchase	M Smedley	\$ 552,489.30				5.34%	25/01/2017	\$ 550,000.00	25/01/2047
COM 731 436040139 Refinance 10 Cotswold Close	Coffs Harbour Anglican Parish	\$ 7,608.57				4.85%	19/04/2017	\$ 174,000.00	19/04/2037
COM 731 436040069 6 McLean St, Coffs Harbour NSW	Coffs Harbour Anglican Parish	\$ 56,793.68				4.85%	01/12/2015	\$ 194,000.00	01/12/2031
COM 731 436040129 Administration & Classrooms	Emmanuel Anglican College	\$ 2,170,669.74				5.56%	03/01/2017	\$ 2,500,000.00	03/01/2032
COM 731 436040059 Principal and interest loan	Anglicare North Coast	\$ 14,086.00				5.50%	18/12/2014	\$ 1,200,000.00	18/12/2026
COM 731 436040113 Rectory Loan	South Grafton Anglican Parish	\$ 124,892.96				4.85%	23/08/2016	\$ 157,534.35	23/08/2031
COM 731 436040011 Middle School Stage 4	St Columba Anglican School Council Incor	\$ 397,335.15				4.98%	02/04/2013	\$ 1,003,682.80	02/05/2023
COM 731 436040012 Stage 5	St Columba Anglican School Council Incor	\$ 187,376.78				4.98%	02/04/2013	\$ 432,389.82	02/11/2023
COM 731 436040013 Stage 6	St Columba Anglican School Council Incor	\$ 545,522.21				4.98%	02/04/2013	\$ 1,209,360.63	02/03/2024
COM 731 436040015 Building Loan Stage 7	St Columba Anglican School Council Incor	\$ 615,507.92				4.98%	02/04/2013	\$ 959,563.76	10/12/2027
COM 731 436040014 Admin Building Stage 5b.1	St Columba Anglican School Council Incor	\$ 473,760.32				4.98%	02/04/2013	\$ 786,598.41	02/01/2027
COM 731 436040166 CCELC Purchase	St Columba Anglican School Council Incor	\$ 195,806.72				4.98%	05/05/2018	\$ 1,777,000.00	05/03/2026
COM 731 436040146 Clergy Car Loan	M Smedley	\$ 24,826.57				5.85%	22/08/2017	\$ 43,532.00	22/08/2022
COM 731 436040170 Ridge Clergy Car Loan	M A Ridge	\$ 16,797.06				5.85%	04/10/2018	\$ 21,660.00	04/10/2023
COM 731 436040149 Clergy Car Loan	M B Jones	\$ 6,839.19				5.85%	28/11/2017	\$ 13,450.00	28/11/2021
COM 731 436040071 Clergy Car Loan	B A Blackbell	\$ 2,880.47				6.00%	15/01/2016	\$ 20,000.00	15/02/2021
COM 731 436040143 Clergy Car Loan - Jenks	G C Jenks	\$ 21,518.87				5.85%	13/06/2017	\$ 40,000.00	13/06/2022
COM 731 436040145 Clergy Car Loan	D Snyman	\$ 20,566.91				5.85%	11/08/2017	\$ 36,000.00	11/08/2022
COM 731 436040161 Clergy Car Loan Toyota Corolla	D Snyman	\$ 4,797.82				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	\$ 450,000.00				
OD 535 438040004 Line of Credit	Clarence Valley Anglican School	\$ 224,280.34	\$ -	\$ 850,000.00	\$ 625,719.66				
OD 535 438040015 Working Capital & Residual Fun	Emmanuel Anglican College	\$ 906,654.80	\$ -	\$ 3,100,000.00	\$ 2,193,345.20				
OD 535 438040010 Working Capital	Anglicare North Coast	\$ -	\$ -	\$ 200,000.00	\$ 200,000.00				
OD 535 438040008 Line of Credit	St Columba Anglican School Council Incor	\$ 7,035,872.91	\$ -	\$ 8,000,000.00	\$ 964,127.09				
OD 535 438040017 Line of Credit	Camfar Properties Pty Ltd	\$ -	\$ -	\$ 190,000.00	\$ 190,000.00				
OD 535 438040018 Line of Credit	Lindisfarne Anglican School	\$ 3,409,890.08	\$ -	\$ 6,000,000.00	\$ 2,590,109.92				
OD 535 438040025 Working Capital Requirements	Bishop Druitt College Council	\$ 4,303,918.40	\$ -	\$ 3,450,000.00	\$ 853,918.40				
OD 535 438040026 Information Computer Technolog	Bishop Druitt College Council	\$ 355,129.03	\$ -	\$ 550,000.00	\$ 194,871.97				
		\$ 25,581,230.13	\$ -	\$ 22,790,000.00	\$ 6,554,255.44				

Largest exposure
St Columba Anglican School
includes full OD limit
\$ 10,415,309.10

Balance of OD only
\$ 9,451,182.01

Total Loan Book assets

Excludes redraw \$ 32,135,485.57

Loans only \$ 9,345,485.57

Overdrafts only	Facility Limit	Annual Line Fee \$	Rate	Line Fee %
Anglican Diocese of Grafton	\$ 450,000.00	\$ -	4.85%	0.00%
St Columba Anglican School Council Incor	\$ 8,000,000.00	\$ 80,000.00	3.29%	1.00%
Camfar Properties Pty Ltd	\$ 190,000.00	\$ -	5.53%	0.00%
Clarence Valley Anglican School	\$ 850,000.00	\$ 4,250.00	6.10%	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	3.44%	0.75%
Lindisfarne Anglican School	\$ 6,000,000.00	\$ 66,000.00	2.6278%	1.10%
Bishop Druitt College Council	\$ 5,450,000.00	\$ 54,500.00	4.36%	1.00%
Bishop Druitt College Council	\$ 550,000.00	\$ 5,500.00	4.36%	1.00%
	\$ 24,790,000.00	\$ 234,600.00	3.56%	0.99%

Average return **3.505%** **4.50%**
refer balance by rate end of month for benchmark

Loan Book Data		31-Jan-20	Loan Balance	Unsecured	Limits	Unutilised/Not Drawn	Rate	Open Date	Amount Borrowed	Loan Expiry Date
COM 730	436032770 Secondary Campus Stage 2	Clarence Valley Anglican School	\$ 1,767,672.55				6.10%	10/05/2005	\$ 1,758,979.66	31/12/2037
COM 730	436040020 Stage 3 Building Loan	Emmanuel Anglican College	\$ 89,817.77				5.41%	30/04/2013	\$ 257,533.50	30/04/2022
COM 730	436040021 Stage 4 Building Loan	Emmanuel Anglican College	\$ 1,149,732.46				5.41%	30/04/2013	\$ 1,672,479.06	30/04/2025
COM 730	436040019 Stage 2 Building Loan	Emmanuel Anglican College	\$ 100,356.17				5.41%	30/04/2013	\$ 405,163.30	30/04/2021
COM 730	436040136 Stanley St Unit Purchase	M Smedley	\$ 552,469.30				5.34%	25/01/2017	\$ 550,000.00	25/01/2047
COM 731	436040139 Refinance 10 Catswold Close	Coffs Harbour Anglican Parish	\$ 25,988.41				4.85%	19/04/2017	\$ 174,000.00	19/04/2037
COM 731	436040069 6 McLean St, Coffs Harbour NSW	Coffs Harbour Anglican Parish	\$ 55,524.88				4.85%	01/12/2015	\$ 194,000.00	01/12/2031
COM 731	436040129 Administration & Classrooms	Emmanuel Anglican College	\$ 2,160,315.19				5.56%	03/01/2017	\$ 2,500,000.00	03/01/2032
COM 731	436040202 Construction Learning Spaces	Emmanuel Anglican College	\$ 752,587.50				4.19%	02/01/2020	\$ 750,000.00	02/01/2035
COM 731	436040059 Principal and interest loan	Anglicare North Coast	\$ 14,152.03				5.50%	18/12/2014	\$ 1,200,000.00	18/12/2026
COM 731	436040113 Rectory Loan	South Grafton Anglican Parish	\$ 123,453.45				4.85%	23/08/2016	\$ 157,534.35	23/08/2031
COM 731	436040011 Middle School Stage 4	St Columba Anglican School Council Incor	\$ 398,211.05				4.98%	02/04/2013	\$ 1,003,682.80	02/05/2023
COM 731	436040012 Stage 5	St Columba Anglican School Council Incor	\$ 183,684.80				4.98%	02/04/2013	\$ 432,369.82	02/11/2023
COM 731	436040013 Stage 6	St Columba Anglican School Council Incor	\$ 535,498.35				4.98%	02/04/2013	\$ 1,209,360.63	02/03/2024
COM 731	436040015 Building Loan Stage 7	St Columba Anglican School Council Incor	\$ 610,320.05				4.98%	02/04/2013	\$ 959,563.76	10/12/2027
COM 731	436040014 Admin Building Stage 6b 1	St Columba Anglican School Council Incor	\$ 469,001.27				4.98%	02/04/2013	\$ 786,598.41	02/01/2027
COM 731	436040166 CCELC Purchase	St Columba Anglican School Council Incor	\$ 1,054.93				4.98%	05/06/2018	\$ 1,777,000.00	05/03/2026
COM 731	436040146 Clergy Car Loan	M Smedley	\$ 24,109.97				5.85%	22/08/2017	\$ 43,532.00	22/08/2022
COM 731	436040170 Ridge Clergy Car Loan	M A Ridge	\$ 16,462.27				5.85%	04/10/2018	\$ 21,660.00	04/10/2023
COM 731	436040149 Clergy Car Loan	M B Jones	\$ 6,557.91				5.85%	28/11/2017	\$ 13,450.00	28/11/2021
COM 731	436040071 Clergy Car Loan	B A Blackbell	\$ 2,494.80				6.00%	15/01/2016	\$ 20,000.00	15/02/2021
COM 731	436040143 Clergy Car Loan - Jenks	G C Jenks	\$ 20,852.83				5.85%	13/06/2017	\$ 40,000.00	13/06/2022
COM 731	436040145 Clergy Car Loan	D Snyman	\$ 19,973.22				5.85%	11/08/2017	\$ 36,000.00	11/08/2022
COM 731	436040161 Clergy Car Loan Toyota Corolia	D Snyman	\$ 4,466.22				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	\$ 450,000.00				
OD 535	438040004 Line of Credit	Clarence Valley Anglican School	\$ 488.92	\$ -	\$ 850,000.00	\$ 849,511.08				
OD 535	438040015 Working Capital & Residual Fun	Emmanuel Anglican College	\$ -	\$ -	\$ 3,100,000.00	\$ 3,100,000.00				
OD 535	438040010 Working Capital	Anglicare North Coast	\$ -	\$ -	\$ 200,000.00	\$ 200,000.00				
OD 535	438040008 Line of Credit	St Columba Anglican School Council Incor	\$ 1,022,249.27	\$ -	\$ 8,000,000.00	\$ 6,977,750.73				
OD 535	438040017 Line of Credit	Camfar Properties Pty Ltd	\$ -	\$ -	\$ 190,000.00	\$ 190,000.00				
OD 535	438040018 Line of Credit	Lindisfarne Anglican School	\$ 3,417,606.60	\$ -	\$ 6,000,000.00	\$ 2,582,393.40				
OD 535	438040025 Working Capital Requirements	Bishop Druitt College Council	\$ 1,315,273.67	\$ -	\$ 3,450,000.00	\$ 2,134,726.33				
OD 535	438040026 Information Computer Technolog	Bishop Druitt College Council	\$ 356,438.09	\$ -	\$ 550,000.00	\$ 193,561.91				
			\$ 15,186,833.83	\$ -	\$ 22,790,000.00	\$ 16,677,943.45				
Total Loan Book assets		Excludes redraw	\$ 31,864,777.38							
		Loans only	\$ 9,074,777.38							
		Overdrafts only	\$ 6,112,056.55							
					Facility Limit	Annual Line Fee \$	Rate	Line Fee %		
		Anglican Diocese of Grafton			\$ 450,000.00	\$ -	4.85%	0.00%		
		St Columba Anglican School Council Incor			\$ 8,000,000.00	\$ 80,000.00	3.29%	1.00%		
		Camfar Properties Pty Ltd			\$ 190,000.00	\$ -	5.53%	0.00%		
		Clarence Valley Anglican School			\$ 850,000.00	\$ 4,250.00	6.10%	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	3.44%	0.75%		
		Lindisfarne Anglican School			\$ 6,000,000.00	\$ 66,000.00	2.67%	1.10%		
		Bishop Druitt College Council			\$ 5,450,000.00	\$ 54,500.00	4.36%	1.00%		
		Bishop Druitt College Council			\$ 550,000.00	\$ 5,500.00	4.36%	1.00%		
					\$ 24,790,000.00	\$ 234,500.00	3.57%	0.99%		
							Average return	3.236%	4.23%	
							refer balances by rate end of month for benchmark			

ORD MINNETT

PORTFOLIO VALUATION

Portfolio Details as at: 31 December 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												
AU3FN0032710	AAI LTD FRN 06/10/2022 - 2042 BBSW+3.20%	2,000,000	1.0605	2,120,940.00	1.044	2,088,320.00	35.99	2.36	82,300.00			2.36
AU3FN0033668	BENDIGO FRN 09/12/2021-2026 BBSW+2.80%	1,000,000	1.0319	1,031,930.00	1.029	1,028,670.00	17.73	2.06	36,911.00			2.06
AU3FN0037917	AMPAUS FRN 01/12/2022 - 2027 BBSW+1.80%	500,000	1.0045	502,260.00	0.980	489,020.00	8.43	3.42	13,425.00			3.42
AU3FN0039426	CHALLENGER LIFE CO LTD FRN 24/11/2022 -2042 BBSW+2.10%	500,000	1.0000	500,000.00	1.011	505,540.00	8.71	2.50	14,921.50			2.50
AU3FN0048716	AUSWIDE BANK LTD FRN 12/06/2024 - 2029 BBSW+3.2%	500,000	1.0000	500,000.00	1.006	503,120.00	8.67	3.92	20,440.50			3.92
Sub Total				4,655,130.00		4,614,670.00	79.52		167,998.00			
HYBRID SECURITIES												
AYUHB	AUSTRALIAN UNITY LTD	11,437	101.4317	1,160,074.15	102.000	1,166,574.00	20.10	4.15	48,410.53			4.15
Sub Total				1,160,074.15		1,166,574.00	20.10		48,410.53			
CASH												
PERSHING_AUD	PERSHING AUSTRALIAN DOLLARS	22,015	1.0000	22,015.00	1.000	22,015.00	0.38					
Sub Total				22,015.00		22,015.00	0.38					
TOTAL PORTFOLIO				5,837,219.15		5,803,259.00	100.00	3.73	216,408.53			3.73

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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ORD MINNETT

PORTFOLIO VALUATION

Portfolio Details as at: 31 January 2020

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												
AU3FN0032710	AAI LTD FRN 06/10/2022 - 2042 BBSW+3.20%	2,000,000	1.0605	2,120,940.00	1.045	2,089,220.00	36.14	2.36	82,300.00			2.36
AU3FN0033668	BENDIGO FRN 09/12/2021-2026 BBSW+2.80%	1,000,000	1.0319	1,031,930.00	1.029	1,029,390.00	17.81	2.06	36,911.00			2.06
AU3FN0037917	AMPAUS FRN 01/12/2022 - 2027 BBSW+1.80%	500,000	1.0045	502,260.00	0.980	490,070.00	8.48	3.42	13,425.00			3.42
AU3FN0039426	CHALLENGER LIFE CO LTD FRN 24/11/2022 -2042 BBSW+2.10%	500,000	1.0000	500,000.00	1.013	506,585.00	8.76	2.50	14,921.50			2.50
AU3FN0048716	AUSWIDE BANK LTD FRN 12/06/2024 - 2029 BBSW+3.2%	500,000	1.0000	500,000.00	1.007	503,325.00	8.71	3.92	20,440.50			3.92
Sub Total				4,655,130.00		4,618,590.00	79.90		167,998.00			
HYBRID SECURITIES												
AYUHB	AUSTRALIAN UNITY LTD	11,437	101.4317	1,160,074.15	101.600	1,161,999.20	20.10	4.17	48,410.53			4.17
Sub Total				1,160,074.15		1,161,999.20	20.10		48,410.53			
TOTAL PORTFOLIO				5,815,204.15		5,780,589.20	100.00	3.74	216,408.53			3.74

Adviser Name: Alison Perrott
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Note: Estimate information based on rolling 12 months actual data.

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BOARD MEETING DATE:

13/02/2020

No 7 Financial and performance reports

Item: b

Title: Audit update

No of Pages. 2 incl Header

Status of Issues from the Financial Audit of Anglican Funds Grafton Diocese Year Ended 31/12/2017 & Year Ended 31/12/2018

Reference / Meeting Date	Issue	Issue Detail / Assessment of Action Taken	Risk Assessment	Comments and/or Status	Proposed Action / Responsibility
Audit YE 31/12/2017	Accounting Policies	Accounting policy and procedure manual still in its draft stage undergoing review	Low	From discussions with management, we anticipate the accounting policy to be finalised in 2019 and we will review and consider during the 2019 audit	Accountant - Terence Luce
Audit YE 31/12/2017	Risk Management Framework	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.	Moderate	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.	13/02/2020 - 'Risk Management Framework Policy' review and update in progress by Annette Dent in consultation with Chris Nelson & Blaine Fitzgerald using 'draft' AFGD policy document and current AFSA policy as guide/comparison. 28/11/2019 - Review & update to be conducted with consultation as part of AFSA Expanded Service Agreement
Audit YE 31/12/2017	Liquidity Management	* This matter has not yet been addressed. The Fund still has a maturity mismatch in place. The development of a policy has been delayed until the Board confirm the Fund's strategic direction. * We will monitor the progress of the Board's review of the strategic direction of the Fund and will re-assess the implementation of this recommendation once a decision has been reached.	High	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.	13/02/2020 - 'Liquidity Management Policy' review and update in progress by Annette Dent in consultation with Chris Nelson & Blaine Fitzgerald using 'draft' AFGD policy document and current AFSA policy as guide/comparison. 28/11/2019 - Review & update to be conducted with consultation as part of AFSA Expanded Service Agreement
Audit YE 31/12/2017	Capital Adequacy	* 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.	Moderate	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.	13/02/2020 - 'Capital Adequacy Policy' review and update in progress by Annette Dent in consultation with Chris Nelson & Blaine Fitzgerald using 'draft' AFGD policy document and current AFSA policy as guide/comparison. 28/11/2019- Review & update to be conducted with consultation as part of AFSA Expanded Service Agreement
Audit YE 31/12/2018	Information Technology (IT) Policies and Procedures	* 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. * Lack of defined IT policies and procedures may result in inconsistent or ineffective practices to appropriately safeguard information resources. * 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).	Moderate	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.	Registrar to organise a IT policy and procedure review and establish a program for addressing important gaps in policy and procedure suite. Review to be completed by 30 November 2019. Priority procedures in place by 31 March 2020. Annette Dent, AFGD Customer Support Officer to determine relevant AFSA and DA policies and procedures - by 30 September 2019
Audit YE 31/12/2018	IT Disaster Recovery Plan	* 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). * 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. * 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.	High	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.	Registrar to organise a Registry-wide Disaster Recovery Planning session. DRP to be written as an output of that planning. Planning session to be completed by 30 November 2019. DRP written by 29 February 2020. Annette Dent, AFGD Customer Support Officer to obtain information from AFSA and DA regarding their DRP relative to AFGD information and services. By 30 September 2019.



BOARD MEETING DATE:

13/02/2020

No 8 Matters for discussion and/or decision

Item: a

**Title: AFSA/AFGD Service Agreement client update from
Blaine Fitzgerald**

No of Pages. 29 incl Header

Executive Summary

Confidential Urgent

Date: 05/02/20 **File number:**
To: Anglican Funds Grafton **From:** AFSA Head
Diocese (AFGD) Board
CC:
Subject: **Expanded Service Agreement – update**

The agreement was formally signed off 25/11/2019. Prior from 1/7/19 to 25/11/2019 the tasks required to be undertaken by AFSA were completed under a Memorandum of Understanding (MOU).

The eligible customers listed in the agreement, mainly Grafton Anglican Schools have required varied levels of support as historically December and January are quieter months.

Below is a summary of the activities undertaken for each entity:

St Columba Anglican School

- 4/12/19 – Phone conversation had with the new Director of Finance 4/12/19 Jennifer Pike. (refer report attached)
- 20/1/20 – Phone conversation had with Westpac Account Manager Les Murray to confirm AFGD's current position and understanding of Westpac's position including the outstanding fit out of PACE.

Bishop Druitt College

- 22/11/19 – Variation to existing facilities under Pari Passu Deed with Westpac consented to allowing BDC to purchase an adjoining property to the College (known as 83 North Boambee Road) within Westpac's existing cap of \$6m. (refer report attached)
- Purchase settlement occurred 31/1/20 from College's working capital with reimbursement to occur from Westpac once all formal sign off's, valuations and security are in place.
- Several emails and follow up phone calls have been made to AFGD's solicitor Jay Clowes of Fishburn Watson O'Brien to request formal variation to AFGD's security documents to replicate the revised Westpac position. To date a response has not been received.
- Further 31/1/20 Blaine Fitzgerald whilst based in Coffs Harbour collected all the original security documents from set up of the Pari Passu Deed back in 2018 and handed them to David Ford for storage in Grafton.

Emmanuel Anglican College

- Emails and phone conversations had with Finance Manager at EAC Peter Weingarth from 11/11/19 through to 20/11/19 regarding current existing facilities and an update on the Multi Purpose Centre. (refer report attached)
- 22/11/19 Variation offer document issued to the College has been signed and returned.

Lindisfarne Anglican Grammar School

- Full credit submission 12/12/19 outlining funding needs between AFGD and Westpac was approved by the AFGD Board 22/12/19 via a flying minute.
- 22/1/20 A letter from the Chair of AFGD to LAGS was issued providing unconditional approval to purchase the land at 72 Maher's Lane Terranora (The Berger Land) for \$3.1m with settlement to occur 30/6/19.
- Further Head of AFSA Blaine Fitzgerald and Mark Parry from Westpac have been discussing final mix of facilities to ensure all projects to 2021 have construction finance covered and that there remains sufficient but not excessive working capital to fund any timing gaps. Negotiations with LAGS continues.
- Head of AFSA Blaine Fitzgerald has also emailed AFGD's solicitor Jay Clowes at Fishburn Watson O'Brien to commence security document preparation including updating the Pari Passu Deed. A response has not been received to date.

Clarence Valley Anglican School

- Phone conversation held 10/12/19 between Head of AFSA Blaine Fitzgerald and Business Manager CVAS 10/12/19. (refer report attached)
- No action required.

Other Anglican Affiliates

Anglicare North Coast (ANC)

- Nothing new to report.

South Grafton Parish

- Restructuring/increase in borrowing discussion held between Annette Dent AFGD & Blaine Fitzgerald AFSA with feedback provided from AFGD to South Grafton Parish via email 15/1/20.

Risk Management Framework

In regard to the operating business of AFGD work has progressed on its Risk Management Framework.

Teleconference meetings:

- 15/1/20 Chris, Annette & Blaine – discussion on key issues to address in the TNR audit Management letter.
- 17/1/20 – Chris, Annette & Blaine - discuss process and procedure for Liquidity Management as the Corporate Trustees commence the process of shifting funds from AFGD to AFSA Endowment Fund.
- 05/02/20 Chris and representatives from Barrington Asset Consultants and Blaine to discuss The Adelaide Service Agreement and relationship with Grafton and potential merger discussion of the two RCDF's AFGD & AFSA Community Fund.

Supporting papers provided as an outcome from the above Teleconferences:

- Liquidity Management – 5/2/20
- Capital Adequacy – consolidated position as at 31/12/19.
- Interest Rate Risk Management quarterly update as at 31/12/19.

Other:

A communication update has been provided to all AFGD entities and stakeholders that form part of the Expanded Service Agreement. (refer attached)



Blaine Fitzgerald – Head of Anglican Funds South Australia

Disclaimer

This document has been prepared by 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 for consideration by AFGD. Before acting on any information within this document, you AFGD should consider the appropriateness of it having regard to your own particular circumstances, objectives, financial situation and needs. We believe the information used to compile this report was correct at the time the report was compiled. However, we do not warrant the accuracy or the reliability of the information contained in this report. To the maximum extent permitted by law, we disclaim all responsibility and liability for any direct or indirect loss or damage suffered by any recipient of the report other than AFGD, where the recipient has relied on anything contained in, or omitted from this report.

Date:	04/12/19
Entity:	St Columba Anglican School (SCAS)
Location:	Phone conversation 4/12/19
Attendees:	SCAS – Jennifer Pike School Accountant AFGD: Blaine Fitzgerald AFSA Head
Purpose:	<p>Discussions held in preparation for SCAS's 2020 funding requirements and beyond</p> <p>Known projects that remain</p> <p>1/- Annexe/Environmental Centre \$3.6m funding required. Timing late 2020. Tendering process to commence in early 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 Acquisition – Nothing on the immediate horizon</p> <p>3/- Westpac funding for second stage of fitout for PACE to be completed by June 2020.</p> <p>4/- Budget performance to 31/12/19 on track Budgeted students 1160 Full year – Actual 1156</p>
Key dates and agreed next steps:	Before 31/3/20 BF to co-ordinate face to face meeting with SCAS and subsequent follow up meeting with Les Murray at Westpac.
Head of AFSA	Blaine Fitzgerald

Date:	21/11/19
Entity:	Bishop DrUITT College (BDC))
Location:	Coffs Harbour NSW
Attendees:	BDC : Shane Oxley Business Manager AFGD: Blaine Fitzgerald AFSA Head Via phone and email
Purpose:	General school update. <ul style="list-style-type: none"> • Strategic Land Purchase for adjoining residential property to be utilised for overseas student accommodation whilst on exchange and a permanent residence for supervisor in Coffs Harbour. • Purchase Price in the vicinity of \$840K plus additional \$160K for refit to accommodate more students. • Budget and cash flow analysis will provide sufficient income to cover interest cost of holding this property. • Borrowings sought \$1m. • Troy Mountain -Westpac and Blaine Fitzgerald AFSA to discuss Pari Passu ceiling lift and best way forward. • Core debt land bank for AFGD is attractive and it should seek to secure 100% of the funding. • Interim financial data to assist discussions has been provided by Shane Oxley – Business Manager BDC.
Key dates and agreed next steps:	Teleconference 22/11/19 – Shane Oxley Business Manager Blaine Fitzgerald AFSA Head Troy Mountain Westpac
Head of AFSA	Blaine Fitzgerald

Date:	18/11/19
Entity:	Emmanuel Anglican College (EAC)
Location:	Horizon Avenue – Ballina NSW
Attendees:	<p>Peter Weingarth – Finance Manager AFGD: Blaine Fitzgerald AFSA Head</p> <p>Method: Phone and email</p>
Purpose:	<p>Discuss</p> <p>Existing facilities review:</p> <p>Peter has requested a number of options be provided for existing facilities to assist finance committee planning for the 2020 year and beyond.</p> <p>(Refer to email provided for supporting commentary.)</p> <p>Multi Purpose Centre \$6m</p> <p>Local Government Approval has now been received. It is anticipated construction will commence in April 2020. Tenders have been issued and once successful tenderer has been appointed greater clarity on funding timelines will be known.</p> <p>Other information</p> <p>Management results to 30/9/19 have been received. College financial performance remains sound. Review process and re-structure to be completed once feedback received from the College.</p>
Key dates and agreed next steps:	<p>19/11/19 Response received by Peter requesting updated offer by 26/11/19. 22/11/19 Document to issue.</p>

Date:	15/11/19
Entity:	Lindisfarne Anglican Grammar School (LAGS)
Location:	Senior Campus, Mahers Lane, Terranorra – Tweed Heads NSW
Attendees:	LAGS: Brett Dinsdale Business Manger & AFGD: Blaine Fitzgerald AFSA Head Method: Phone and email
Purpose:	<p>Discuss new master Plan and capital funding requirements next 36 months.</p> <p>Current master planning funding remains a requirement however a new priority at Mahers lane has emerged, to purchase a block of land that sits between the existing campus and the new Juniors campus that it will provide better access to the school. It is 5 acres in total and is zoned Residential</p> <p>Cost has been agreed at 3.1m.</p> <p>Other information</p> <p>31/10/19 Management results will be received shortly. Updated 5 yr projection including P&L and Balance Sheet including time banded construction funding on an annual basis has also been provided.</p> <p>Brett has requested the three parties work together to come up with the most appropriate funding mix.</p> <p>Significant work required to put this together.</p>
Key dates and agreed next steps:	The two financiers Westpac and AFGD have agreed to work together on the funding split. Discussions and feedback to Brett by 1/12/19 with an indication that LAGS can proceed with the purchase is required.
Head of AFSA	Blaine Fitzgerald

Date:	10/12/19
Entity:	Clarence Valley Anglican School (CVAS)
Location:	Telephone Conversation
Attendees:	Ian Morris Business Manager AFGD: Blaine Fitzgerald AFSA Head
Purpose:	<p>Discuss year end to 31/12/19 and the 2020 Budget and infrastructure spending requirements.</p> <p>2019 - summary Student numbers - 324 against Budget 325 received Forecast EDITD \$472k against Budget 344k Benchmarks GASC Net operating margin 7.4% BM 10.00% Debt per student – excluding Subordinated debt \$5.4k BM\$8k Interest Cover 4.0 times BM > 2.00</p> <p>2020 - School Council approved operating Budget Student numbers confirmed for 2020 - 325 against Budget 330 received Budget EDITD \$428k Benchmarks GASC Net operating margin 6.5% BM 10.00% Debt per student – excluding Subordinated debt \$5.4k BM\$8k Interest Cover 3.8 times BM > 2.00</p> <p>Performance Centre Planning update. Grant, gift and Building Fund Account has raised sufficient funds to construct the Centre. Project planned to commence Term 2 of 2020. Opening Planned for Term 2 of 2021.</p> <p>Subordinated Debt Meeting scheduled with Diocese in early 2020 to discuss current and future reporting of this debt and possible options available.</p>
Key dates and agreed next steps:	No further action required at this stage.
Head of AFSA	Blaine Fitzgerald

Briefing Paper

Confidential Urgent

Date: 05/02/20

File number:

To: AFGD

From: AFSA

CC:

Subject: Liquidity Management as at 05/02/20

Background

Liquidity Management was listed as a "High Risk" area for AFGD by its auditors Thomas Noble & Russell commenting that the "Fund still has a maturity mismatch in place."

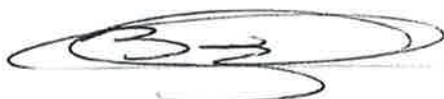
Upon formalising the Expanded Services Agreement with AFSA in Adelaide it was discussed that procedures could be developed that could go some of the way to mitigating this risk.

On 15 January 2020 Chris Nelson & Annette Dent from AFGD, and Blaine Fitzgerald AFSA had a teleconference to discuss.

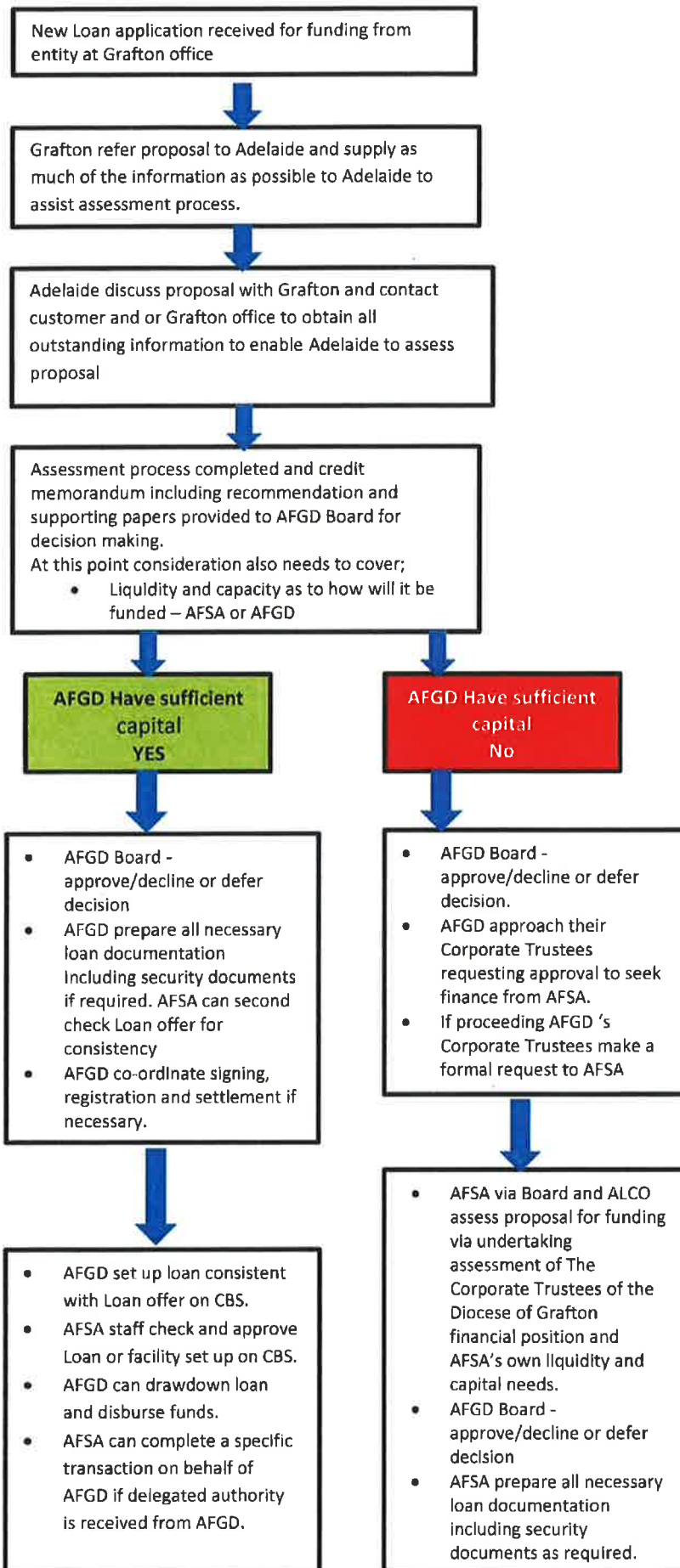
- In late 2019 a flow chart discussion paper was prepared to assist conversation on the provision of capital if required to fund a lending opportunity for AFGD. Further consensus and agreement would be required here as would the updating of each funds respective credit policies. The intent is to pool resources to fund major cap ex projects on a case by case basis as the opportunity arises.
- The second paper was prepared recently clarifying the process and procedures that would need to occur by the respective funds to manage AFGD liquidity as the Corporate Trustees look to deleverage its investment in AFGD. This same methodology to cover a short-term timing mismatch could also be applied to the remainder of AFGD's investor book.
- Further AFGD's existing Term Investment book is stable with a high retention rate over many years. A run on funds is not expected.
- AFGD's core term loan book is reducing by \$2.2m per annum. Based on current run off if nothing changed the term loan book would be repaid in just over 4 years.
- Another strategy could be to approach schools at each re-structure/ annual review and negotiate a limit reduction if there are significant unutilised facilities. An example of this is the current negotiations occurring with LAGS whereby Westpac and AFGD may reduce the undrawn component of total limits by \$1m each.

Recommendation:

- AFGD Board discuss implications of bullet points above and make a decision on next steps.
- Respond appropriately to the auditors Thomas, Noble & Russell.

A handwritten signature in black ink, appearing to read "Blaine Fitzgerald", written over a circular scribble.

Blaine Fitzgerald – Head of AFSA



Important to note:

Documents

- Information provided by Entity X must be verified.
- Management Accounts are signed off by council or finance sub-committee
- Annual Financial Statements are audited results.
- If a Grafton school – Diocesan School Council and Diocesan Bishop In Council Support via a resolution is held.

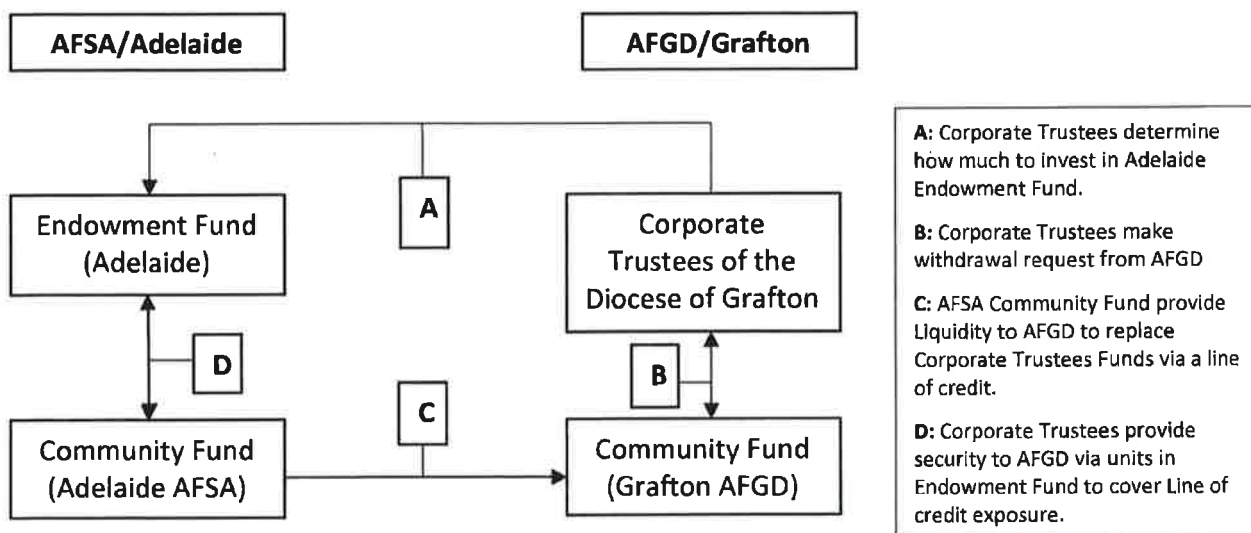
Assessment

- Assessment must contain compliance with KPI/ core underwriting standards for entity Involved including compliance with Credit Policy.
- **AFSA office do not approve the credit it makes a recommendation to AFGD Board only.**
- **In either scenario AFSA will not lend directly to an AFGD third party client. ie Entity X.**
- **AFSA will provide sufficient capital to AFGD/Corporate Trustees via on lending it's capital to AFGD to then lend out directly to its client - Entity X.**

Risk Mitigation for the Service Agreement clauses 19 & 20

- AFGD for its borrowings to Entity X will hold direct security and strict funding covenants against the loan facility to support compliance and second way out in the event of default.
- It it can realise on its security to recover its debts.
- The loan offer will state AFGD will have the right to recover principal, Interest and recovery costs.
- AFSA's assessment has been undertaken using verified information from the client AFGD and the Corporate Trustees.
- It would appear reasonable to assume the annual Service Agreement fee for a 12 month period ie \$70k would be sufficient to cover costs associated between the parties.

AFSA & AFGD Liquidity Management Process and Procedure



<p>Purpose:</p>	<p>The purpose of this document is:</p> <ul style="list-style-type: none"> ▪ to provide clear process, procedures and delegation for Management and staff to effectively manage the liquidity needs of the two respective Community funds. ▪ To improve the return on trust assets of The Corporate Trustees by deleveraging its investment in its own Community Fund (AFGD) and placing those investments in a higher yielding fund. (AFSA Endowment Fund) ▪ AFSA via its Community Fund provide the replacement liquidity to AFGD. ▪ AFSA Endowment Fund – manage the funds placed by the Corporate Trustees. ▪ To provide clarity on an upper limit/commitment to support each parties respective Funds.
<p>Procedure:</p>	<ul style="list-style-type: none"> ▪ Absolute upper maximum level of support \$8 million. ▪ The Corporate Trustees of the Diocese of Grafton complete an Endowment Fund Application Form application to invest in Adelaide’s Endowment Fund, supported by minutes of meeting/motion. ▪ The Corporate Trustees of the Diocese of Grafton based on timing make a withdrawal request from their own AFGD and deposit these funds into the Adelaide Endowment Fund. ▪ AFGD – review liquidity position on a needs-based assessment in consultation with AFSA. ▪ Frequency of assessment is to be completed quarterly. Q1 1/1 to 31/3 Q2 1/4 to 30/6 Q3 1/7 to 30/9 Q4 1/10 to 31/12 ▪ If there is a perceived timing or maturity mismatch AFGD make a request to AFSA to provide the liquidity. ▪ AFSA – if called upon to assist, will via a line of credit approve an appropriate limit to cover the 90 period of the liquidity gap ▪ 48 hours notice is required to put the arrangement in place.

<p>Pricing</p>	<ul style="list-style-type: none"> ▪ The Corporate Trustees of the Diocese of Grafton investment in the Adelaide Endowment Fund. <p>Standard fees to apply – refer table below</p> <table border="1" data-bbox="544 456 1059 629"> <thead> <tr> <th>Fund Balance</th> <th>Fee (% pa)</th> </tr> </thead> <tbody> <tr> <td>\$0-\$5m</td> <td>1%</td> </tr> <tr> <td>Each dollar above \$5m</td> <td>0.75%</td> </tr> <tr> <td>Each dollar above \$10m</td> <td>0.60%</td> </tr> <tr> <td>Balances over \$15m</td> <td>By negotiation</td> </tr> </tbody> </table> <p>Fee discounts are effected by way of a monthly rebate to the investment account.</p> <ul style="list-style-type: none"> ▪ AFSA Borrowing rate to AFGD on the Line of Credit. <ul style="list-style-type: none"> ○ Application Fee – Not applicable/Nil ○ Ongoing quarterly line fee – (waived) ○ Interest Rate - The prevailing 90 days term investment rate of AFGD on the day the limit is recorded. ○ Interest calculated daily and charged monthly in arrears on the outstanding debit balance. ○ Facility can be cleared at any time without penalty. 	Fund Balance	Fee (% pa)	\$0-\$5m	1%	Each dollar above \$5m	0.75%	Each dollar above \$10m	0.60%	Balances over \$15m	By negotiation
Fund Balance	Fee (% pa)										
\$0-\$5m	1%										
Each dollar above \$5m	0.75%										
Each dollar above \$10m	0.60%										
Balances over \$15m	By negotiation										
<p>Security:</p>	<ul style="list-style-type: none"> ▪ Security for the approved limit is to be provided by the Corporate Trustees of the Diocese of Grafton via equivalent units held in the AFSA Endowment Fund. ▪ Exposure will be capped by the applicable limit approved at point in time. 										

Briefing Paper

Confidential Urgent

Date: 05/02/20 **File number:**
To: AFGD **From:** AFSA
CC:
Subject: Capital Adequacy position as at 31/12/19

Background

Capital Adequacy was listed as a “Moderate” area of concern for AFGD by its auditors Thomas Noble & Russell.

Upon formalising the Expanded Services Agreement with AFSA it was discussed that combining resources could go some of the way to mitigating this risk. Clause 7A of the Agreement has included a time-line and work plan to address considering the merger of the two funds.

As an outcome from the meeting 15/1/20 between Chris Nelson & Annette Dent of Grafton and Blaine Fitzgerald of Adelaide it was agreed that Adelaide would prepare a simplified consolidated position of the funds if they were merged.

In summary:

DFATF guidelines Capital Adequacy minimum standard **10.5%**

Calculations based on Total approved Credit Limits

AFGD	6.27%
AFSA	<u>11.91%</u>
Combined position	8.73%

Calculations based on drawn/utilised facilities only

AFGD	7.64%
AFSA	<u>15.63%</u>
Combined position	10.99%

AFGD position – strengthened when considered on a consolidated basis.
 (calculation sheets attached)



Blaine Fitzgerald – Head of AFSA

AFGD Capital Adequacy & Liquidity: Drawn facilities only

31/12/19

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

Assets	Weighting	Asset Value	RWA
A Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 3,439,545	\$ 343,955
B 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%	\$ -	\$ -
C Internal Loans - Unsecured	100%	\$ -	\$ -
D Internal Loans		\$ -	\$ -
Secured Commercial	75%	\$ 25,581,230	\$ 19,185,923
Secured Residential	50%	\$ -	\$ -
E External Loans - Secured Residential Property	75%	\$ -	\$ -
F External Loans - Secured Commercial property	125%	\$ -	\$ -
G Other Investments (excluding Equities) with claims on Australian and International counter parties:		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 5,815,204	\$ 2,907,602
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
J Other Investments/assets and Equities	400%	\$ -	\$ -
Total Assets		\$ 34,835,979	\$ 22,437,479
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
	Total Assets:	Limit Amount:	Number
Limit	5% \$ 34,835,979	\$ 1,741,799	
Loans > 5% of TA	\$ -	\$ -	400%
To the extent an Internal loans exceeds 30% of Total Assets			
	Total Assets:	Limit Amount:	
Limit	30% \$ 34,835,979	\$ 10,450,794	
Loans > 30% of TA	\$ -	\$ -	200%
			Total Risk Weighted Assets \$ 22,437,479
			8% of risk weighted assets \$ 1,794,998
			+ 2.5% Buffer \$ 560,937
			Required Capital 10.5% \$ 2,355,935
Equity:			
			Accumulated Funds \$ 1,745,547
			Asset Reserves \$ 31,395
			Total equity \$ 1,714,152
			"Surplus" Capital \$ 641,783
			Actual Capital Adequacy ratio 7.64%
Comments should actual Capital Adequacy ratio be < 10.5%			

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

Total Assets:		\$ 34,835,979
Minimum Liquidity requirement	10%	\$ 3,483,598
Actual position:		
Cash		\$ 3,439,545
Undrawn Bank OD Facility		\$ 1,000,000
Total Actual Liquidity		\$ 4,439,545
"Surplus" Liquidity		\$ 955,947
Actual Liquidity Ratio		12.7%
Comments should actual Liquidity ratio be < 10%		

4.3 Depositors in excess of 5% of Liabilities

Total depositors in excess of 5% of Liabilities		\$ 16,106,048	49.7%
Total liabilities		\$ 32,413,116	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is:	1	Corporate Trustees	

NOTE: Please complete all cells highlighted in grey, putting "0" if not applicable.

Signed by Chairman of ADDF's Governance Body

Date

AFSA Capital Adequacy & Liquidity: Drawn Facilities only

31/12/19

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

Assets	Weighting	Asset Value	RWA
A Cash (Govt Securities, A Rated Aust Banks)	10%	\$ 15,302,252	\$ 1,530,225
B Cash (Other Aust Banks, ADI's)	20%	\$ -	\$ -
Rating AA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 4,000,000.00	\$ 2,000,000
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
C Internal Loans - Unsecured	100%	\$ -	\$ -
D Internal Loans		\$ -	\$ -
Secured Commercial	75%	\$ 2,727,515	\$ 2,045,636
Secured Residential	50%	\$ 771,127	\$ 385,564
E External Loans - Secured Residential Property	75%	\$ -	\$ -
F External Loans - Secured Commercial property	125%	\$ -	\$ -
G Other Investments (excluding Equities) with claims on Australian and International counter parties:		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 20,416,462	\$ 10,208,231
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
J Other Investments/assets and Equities	400%	\$ -	\$ -
Total Assets		\$ 43,217,356	\$ 16,169,656
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
Limit	5%	\$ 43,217,356	\$ 2,160,868
Loans > 5% of TA		\$ -	\$ -
To the extent an Internal loans exceeds 30% of Total Assets			
Limit	30%	\$ 43,217,356	\$ 12,965,207
Loans > 30% of TA		\$ -	\$ -
Total Risk Weighted Assets			\$ 16,169,656
8% of risk weighted assets			\$ 1,293,572
+ 2.5% Buffer			\$ 404,241
Required Capital 10.5%			\$ 1,697,814
Equity:			
Accumulated Funds			\$ 2,437,272
Asset Reserves			\$ 90,022
Total Equity			\$ 2,527,294
"Surplus" Capital			\$ 829,480
Actual Capital Adequacy ratio			16.63%
Comments should actual Capital Adequacy ratio be < 10.5%			

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

Total Assets:		\$ 43,217,356
Minimum Liquidity requirement	10%	\$ 4,321,736
Actual position:		
Cash		\$ 19,302,252
Undrawn Bank OD Facility		\$ 2,000,000
Total Actual Liquidity		\$ 21,302,252
"Surplus" Liquidity		\$ 16,980,516
Actual Liquidity Ratio		49.3%
Comments should actual Liquidity ratio be < 10%		

4.3 Depositors in excess of 5% of Liabilities

Total depositors in excess of 5% of Liabilities	\$ 2,034,503	\$ 28,670,587	70.5%
Total liabilities		\$ 40,690,062	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is: 1			

NOTE: Please complete all cells highlighted in grey, putting "0" if not applicable.

Signed by Chairman of ADDF's Governance Body

Date

AFSA & AFGD Capital Adequacy & Liquidity: Consolidated Drawn Facilities only

31/12/19

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

Assets	Weighting	Asset Value	RWA
A Cash (Govt Securities, A Rated Aust. Banks)	10%	\$ 18,741,797	\$ 1,874,180
B Cash (Other Aust. Banks, ADI's)		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 4,000,000	\$ 2,000,000
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
C Internal Loans - Unsecured	100%	\$ -	\$ -
D Internal Loans		\$ -	\$ -
Secured Commercial	75%	\$ 28,308,745	\$ 21,231,559
Secured Residential	50%	\$ 771,127	\$ 385,564
E External Loans - Secured Residential Property	75%	\$ -	\$ -
F External Loans - Secured Commercial property	125%	\$ -	\$ -
G Other Investments (excluding Equities) with claims on Australian and International counter parties		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 26,231,666	\$ 13,115,833
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
J Other Investments/assets and Equities	400%	\$ -	\$ -
Total Assets		\$ 78,053,335	\$ 38,607,135
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
Limit	5%	\$ 78,053,335	\$ 3,902,667
Loans > 5% of TA		\$ -	\$ -
To the extent an Internal loans exceeds 30% of Total Assets			
Limit	30%	\$ 78,053,335	\$ 23,416,001
Loans > 30% of TA		\$ -	\$ -
Total Risk Weighted Assets			\$ 38,607,135
8% of risk weighted assets			\$ 3,088,571
+ 2.5% Buffer			\$ 965,178
Required Capital 10.5%			\$ 4,053,749
Equity:			
Accumulated Funds			\$ 4,182,819
Asset Reserves			\$ 58,627
Total Equity			\$ 4,241,446
"Surplus" Capital			\$ 187,697
Actual Capital Adequacy ratio			10.99%
Comments should actual Capital Adequacy ratio be < 10.5%			

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

Total Assets:		\$ 78,053,335
Minimum Liquidity requirement	10%	\$ 7,805,334
Actual position:		
Cash		\$ 22,741,797
Undrawn Bank OD Facility		\$ 3,000,000
Total Actual Liquidity		\$ 25,741,797
"Surplus" Liquidity		\$ 17,936,463
Actual Liquidity Ratio		33.0%
Comments should actual Liquidity ratio be < 10%		

4.3 Depositors in excess of 5% of Liabilities

Total depositors in excess of 5% of Liabilities		\$ 44,776,635	61.3%
Total liabilities		\$ 73,103,178	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is:	1	Corporate Trustees	

NOTE: Please complete all cells highlighted in grey, putting "0" if not applicable.

Signed by Chairman of ADDP's Governance Body

Date

AFGD Capital Adequacy & Liquidity: Assumes Total Approved facilities fully drawn				31/12/19		
Capital Adequacy (4.4.2): (Target > 10% of Risk Weighted Assets)						
Assets						
A	Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$	3,439,545	\$	343,955
B	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%	\$	-	\$	-
C	Internal Loans - Unsecured	100%	\$	-	\$	-
D	Internal Loans		\$	-	\$	-
	Secured Commercial	75%	\$	32,135,486	\$	24,101,614
	Secured Residential	50%	\$	-	\$	-
E	External Loans - Secured Residential Property	75%	\$	-	\$	-
F	External Loans - Secured Commercial property	125%	\$	-	\$	-
G	Other Investments (excluding Equities) with claims on Australian and International counter parties:		\$	-	\$	-
	Rating AAA to AA-	20%	\$	-	\$	-
	Rating A+ to BBB-	50%	\$	5,815,204	\$	2,907,602
	Rating BB+ to B-	100%	\$	-	\$	-
	Rating CCC to D	200%	\$	-	\$	-
	Unrated	400%	\$	-	\$	-
J	Other Investments/assets and Equities	400%	\$	-	\$	-
	Total Assets			41,390,235		\$ 27,353,171
Risk Concentration:						
J	To the extent an External loans exceeds 5% of Total Assets					
	Limit	5%	\$	41,390,235	\$	2,069,512
	Loans > 5% of TA		\$	-	400%	\$ -
	To the extent an Internal loans exceeds 30% of Total Assets					
I	Limit	30%	\$	41,390,235	\$	12,417,070
	Loans > 30% of TA		\$	-	200%	\$ -
	Total Risk Weighted Assets					
					\$	27,353,171
				8% of risk weighted assets	\$	2,188,254
				+ 2.5% Buffer	\$	683,829
				Required Capital 10.5%	\$	2,872,083
	Equity:					
				Accumulated Funds	\$	1,745,547
				Asset Reserves	\$	31,395
				Total Equity	\$	1,714,152
				"Surplus" Capital	\$	1,157,931
				Actual Capital Adequacy ratio		6.27%
Comments should actual Capital Adequacy ratio be < 10.5%						

Liquidity (4.1): (> 10% of Total Assets):						
	Total Assets:		\$	41,390,235		
	Minimum Liquidity requirement	10%			\$	4,139,023
	Actual position:					
	Cash		\$	3,439,545		
	Undrawn Bank OD Facility		\$	1,000,000		
	Total Actual Liquidity				\$	4,439,545
	"Surplus" Liquidity				\$	300,522
	Actual Liquidity Ratio					10.7%
Comments should actual Liquidity ratio be < 10%						

4.3 Depositors in excess of 5% of Liabilities						
	Total depositors in excess of 5% of Liabilities		\$	16,106,048		49.7%
	Total liabilities		\$	32,413,116		
Comments on large depositors						
	The number of accounts/clients with balances in excess of 5% is:	1		Corporate Trustees		

NOTE: Please complete all cells highlighted in grey, putting "0" if not applicable.

Signed by Chairman of ADDF's Governance Body

Date

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

Assets	Weighting	Asset Value	RWA
A Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 15,302,252	\$ 1,530,225
B Cash (Other Aust. Banks, ADI's)		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 4,000,000.00	\$ 2,000,000
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
C Internal Loans - Unsecured	100%	\$ -	\$ -
D Internal Loans		\$ -	\$ -
Secured Commercial	75%	\$ 9,964,771	\$ 7,473,578
Secured Residential	50%	\$ -	\$ -
E External Loans - Secured Residential Property	75%	\$ -	\$ -
F External Loans - Secured Commercial property	125%	\$ -	\$ -
G Other Investments (excluding Equit(as) with claims on Australian and International counter parties:		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 20,416,462	\$ 10,208,231
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
J Other Investments/assets and Equities	400%	\$ -	\$ -
Total Assets		49,683,485	\$ 21,212,034
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
Limit	5%	Total Assets: \$ 49,683,485	Limit Amount: \$ 2,484,174
Loans > 5% of TA			400% \$ -
To the extent an Internal loans exceeds 30% of Total Assets			
Limit	30%	Total Assets: \$ 49,683,485	Limit Amount: \$ 14,905,046
Loans > 30% of TA			200% \$ -
			Total Risk Weighted Assets \$ 21,212,034
			8% of risk weighted assets \$ 1,696,963
			+ 2.5% Buffer \$ 530,301
			Required Capital 10.5% \$ 2,227,264
Equity:			
			Accumulated Funds \$ 2,437,272
			Asset Reserves \$ 90,022
			Total Equity \$ 2,527,294
			Surplus Capital \$ 300,030
			Actual Capital Adequacy ratio 11.91%
Comments should actual Capital Adequacy ratio be < 10.5%			

Liquidity (4.1): (> 10% of Total Assets):			
Total Assets:		\$ 49,683,485	
Minimum Liquidity requirement	10%		\$ 4,968,349
Actual position:			
Cash		\$ 19,302,252	
Undrawn Bank OD Facility		\$ 2,000,000	
Total Actual Liquidity			\$ 21,302,252
"Surplus" Liquidity			\$ 16,333,904
Actual Liquidity Ratio			42.9%
Comments should actual Liquidity ratio be < 10%			

4.3 Depositors in excess of 5% of Liabilities			
Total depositors in excess of 5% of Liabilities	\$ 2,034,503	\$ 28,670,587	70.5%
Total liabilities		\$ 40,690,062	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is: 1			

NOTE: Please complete all cells highlighted in grey, putting "0" if not applicable.

Signed by Chairman of ADDF's Governance Body

Date

Capital Adequacy (4.2): (Target > 10% of Risk Weighted Assets)

Assets	Weighting	Asset Value	RWA
A Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 18,741,797	\$ 1,874,180
B Cash (Other Aust. Banks, ADI's)		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating AA+ to BBB-	50%	\$ 4,000,000	\$ 2,000,000
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
C Internal Loans - Unsecured	100%	\$ -	\$ -
D Internal Loans		\$ -	\$ -
Secured Commercial	75%	\$ 42,100,257	\$ 31,575,192
Secured Residential	50%	\$ -	\$ -
E External Loans - Secured Residential Property	75%	\$ -	\$ -
F External Loans - Secured Commercial property	125%	\$ -	\$ -
G Other Investments (excluding Equities) with claims on Australian and International counter parties:		\$ -	\$ -
Rating AA+ to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 26,231,666	\$ 13,115,833
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
J Other Investments/assets and Equities	400%	\$ -	\$ -
Total Assets		\$ 91,073,720	\$ 48,565,205
Risk Concentration:			
To the extent an External loans exceeds 5% of Total Assets			
Limit	5%	\$ 91,073,720	\$ 4,553,686
Loans > 5% of TA		\$ -	\$ -
To the extent an Internal loans exceeds 30% of Total Assets			
Limit	30%	\$ 91,073,720	\$ 27,322,116
Loans > 30% of TA		\$ -	\$ -
			Total Risk Weighted Assets \$ 48,565,205
			8% of risk weighted assets \$ 3,885,216
			+ 2.5% Buffer \$ 1,214,130
			Required Capital 10.5% \$ 5,099,347
Equity:			
			Accumulated Funds \$ 4,182,819
			Asset Reserves \$ 58,627
			Total Equity \$ 4,241,446
			"Surplus" Capital \$ 857,901
			Actual Capital Adequacy ratio 8.73%
Comments should actual Capital Adequacy ratio be < 10.5%			

Liquidity (4.1): (> 10% of Total Assets):			
Total Assets:		\$ 91,073,720	
Minimum Liquidity requirement	10%		\$ 9,107,372
Actual position:			
Cash		\$ 22,741,797	
Undrawn Bank OD Facility		\$ 3,000,000	
Total Actual Liquidity			\$ 25,741,797
"Surplus" Liquidity			\$ 16,634,425
Actual Liquidity Ratio			28.3%
Comments should actual Liquidity ratio be < 10%			

4.3 Depositors in excess of 5% of Liabilities			
Total depositors in excess of 5% of Liabilities	\$ 16,106,048	\$ 44,776,635	61.3%
Total liabilities		\$ 73,103,178	
Comments on large depositors			
The number of accounts/clients with balances in excess of 5% is: 1 Corporate Trustees			

NOTE: Please complete all cells highlighted in grey, putting "0" if not applicable.

Signed by Chairman of ADDF's Governance Body

Date

Briefing Paper

Confidential Urgent

Date: 05/02/20

File number:

To: AFGD

From: AFSA

CC:

Subject: Interest Rate Risk Management Quarterly update as at 31/12/19

Background

Supporting papers have been provided as an overview and comparison between the two business units lending and deposit/investor interest rates.

Table below is a slightly different way of comparing margins.

	Grafton		Adelaide	
	Rate	FUM	Rate	FUM
Savings	0.803%	\$8,114,218	0.374%	\$19,192,388
Investments	1.894%	\$24,298,897	2.251%	\$21,353,581
Cost of Deposits	1.621%	\$32,413,115	1.362%	\$40,454,969
Loans	5.355%	9,345,486	4.600%	\$2,483,078
Overdrafts (incl Line fee)	4.504%	16,235,745	4.712%	\$1,015,564
Return on Funds	4.730%	25,581,230	4.486%	\$3,498,642
Operating Margin	3.109%		3.124%	

Deposit/Investor rates – refer overleaf

- This is a comparison of the fixed investment book compared with Adelaide’s rates and the market as the majority of each funds core holding is in fixed investments.

Lending – refer overleaf

- This is a comparison of Adelaide’s Loan base rate calculation methodology to compare against Grafton’s rates.

Recommendation –

- No action required



Blaine Fitzgerald – Head of AFSA

Term (months)	1	2	3	6	12
WESTPAC					
ST GEORGE					
BANK OF MELBOURNE					
BANK SA					
NAB	0.75	1.00	1.45	1.50	1.43
SUNCORP BANK					
AMP BANK	1.15	1.25	1.75	1.80	1.70
MACQUARIE					
ING Direct - Middle Market					
ING Direct - Adviser					
BENDIGO&ADELAIDE BANK	0.90	1.15	1.45	1.47	1.40
BANK OF QLD	1.05	1.15	1.45	1.55	1.45
ME BANK	1.10	1.25	1.65	1.75	1.60
Average	0.99	1.16	1.55	1.61	1.52
Median	1.05	1.15	1.45	1.55	1.45
Current	0.80	1.05	1.45	1.80	1.70
Difference	0.19	0.11	0.10	0.19	0.18
New	0.75	1.00	1.45	1.80	1.70
Std Dev	0.16	0.10	0.14	0.15	0.13
Movement	0.05	0.05			
From Max	0.40	0.25	0.30		

Comparison Rate

1.25% Monthly rate
1.26% Annualised compound rate

Security Float

1.61% 1,124,000
1.92% 281,000
1.67% 1,405,000

For ALCO Report

Average	0.99	1.16	1.55	1.61	1.52
Median	1.05	1.15	1.45	1.55	1.45
Standard Deviation	0.16	0.10	0.14	0.15	0.13
AFSA Current Rates	0.75	1.00	1.45	1.80	1.70

	30	60	90	180	365			
WESTPAC	-	-	-	-	-			
ST GEORGE	-	-	-	-	-			
BANK OF MELBOURNE	-	-	-	-	-			
BANK SA	-	-	-	-	-			
NAB	0.75	1.00	1.45	1.50	1.43			
SUNCORP BANK	-	-	-	-	-			
AMP BANK	1.15	1.25	1.75	1.80	1.70			
MACQUARIE	-	-	-	-	-			
ING Direct - Middle Market	-	-	-	-	-			
ING Direct - Adviser	-	-	-	-	-			
BENDIGO&ADELAIDE BANK	0.90	1.15	1.45	1.47	1.40			
BANK OF QLD	1.05	1.15	1.45	1.55	1.45			
ME BANK	1.10	1.25	1.65	1.75	1.60			
	-	-	-	-	-			
	-	-	-	-	-			
	30	60	90	120	150	180	270	365
WESTPAC ☼								
ST GEORGE ☼								
BANK OF MELBOURNE ☼								
BANK SA ☼								
NAB ☼	0.75%	1.00%	1.45%	2.24%	2.26%	1.50%	1.80%	1.43%
ANZ								
SUNCORP BANK ☼								
AMP BANK ☼	1.15%	1.25%	1.75%	2.15%	2.65%	1.80%	2.05%	1.70%
MACQUARIE ☼								
ING Direct - Middle Market ☼								
ING Direct - Adviser ☼								
BENDIGO&ADELAIDE BANK ☼	0.90%	1.15%	1.45%	2.60%	2.65%	1.47%	1.75%	1.40%
BANK OF QLD ☼	1.05%	1.15%	1.45%	2.58%	2.58%	1.55%	2.05%	1.45%
ME BANK ☼	1.10%	1.25%	1.65%	2.68%	2.68%	1.75%	2.00%	1.60%
WESTPAC ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
ST GEORGE ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK OF MELBOURNE ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK SA ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
NAB ☼	1.80%	2.25%	2.39%	2.39%	0.0239	0.0239	0.0241	0.0241
SUNCORP BANK ☼	1.70%	1.80%	2.27%	2.45%	0.023	0.0255	0.024	0.0247
AMP BANK ☼	2.15%	2.15%	2.50%	2.35%	0.02	0.026	0.026	0.026
MACQUARIE ☼	1.55%	1.55%	2.35%	2.35%	0.023	0.023	0.0235	0.024
ING Direct - Middle Market ☼	1.70%	2.04%	2.17%		0.0232	0.0262	0.0259	0.0259
ING Direct - Adviser ☼	2.00%	2.40%				0.026		0.027
BENDIGO&ADELAIDE BANK ☼	1.60%	1.95%	2.20%	2.25%	0.023	0.024	0.0245	0.025
BANK OF QLD ☼	1.65%	2.00%	2.45%	2.50%	0.0255	0.026	0.026	0.0255
ME BANK ☼	1.85%	2.15%	2.52%	2.55%	0.0255	0.0265	0.026	0.026



Fixed Income - Term Deposits

Indicative Rates

08-Jan-2020

\$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)		0.87%	0.88%	0.82%	1.00%	0.87%	0.77%	0.77%	0.81%	1.02%
AMP (BBB+ / A-2)	\$100k	1.15%	1.25%	1.75%	1.80%	1.70%	1.70%	1.40%	1.40%	1.40%
Bank of Queensland (BBB+ / A-2)	\$500k	1.05%	1.15%	1.45%	1.55%	1.45%	1.45%	1.50%	1.65%	1.95%
Bendigo and Adelaide Bank (BBB+ / A-2)	\$100k	0.90%	1.15%	1.45%	1.47%	1.40%	1.40%	1.38%	1.38%	1.45%
BDO Specialist (BBB+ / A-2)	\$100k	1.25%	1.30%	1.35%	1.50%	1.30%	1.20%	1.15%	1.15%	1.20%
Community First Credit Union (NR / NR)	\$250k	0.00%	1.18%	1.25%	1.38%	0.00%	1.38%	0.00%	0.00%	0.00%
ME Bank (BBB / A-2)	\$100k	1.10%	1.25%	1.65%	1.75%	1.60%	1.60%	0.00%	0.00%	0.00%
NAB (AA- / A-1+)	\$500k	0.75%	1.00%	1.45%	1.50%	1.45%	1.48%	1.25%	1.40%	1.55%
Rural Bank (BBB+ / A-2)	\$250k	0.85%	0.90%	1.40%	1.15%	1.05%	1.15%	1.20%	1.25%	1.35%

Disclosure: Ord Minnett is a member of the Ord Minnett Group of companies. Ord Minnett is a member of the Ord Minnett Group of companies. Ord Minnett is a member of the Ord Minnett Group of companies. Ord Minnett is a member of the Ord Minnett Group of companies.

Anglican Funds is a member of the Anglican Funds Group of companies. Anglican Funds is a member of the Anglican Funds Group of companies. Anglican Funds is a member of the Anglican Funds Group of companies.

Disclaimer: This document is for information only and is not intended to constitute advice or a recommendation to invest in any financial product referred to herein.

This document contains factual information only and is not intended to constitute advice or a recommendation to invest in any financial product referred to herein.

AFSA Monthly Lending Rates	
Dec-19	
AFSA Business Reference Rate (ABRR)	6.60%
AFSA Parish Reference Rate (APRR)	4.60%
Parish Legacy Rate	3.29%
RBA Cash Rate	0.75%

rate change is less than 0.05 so no change. Will keep it as 3.33%

AFSA Monthly Lending Rates Calculation - Inputs

	%	
RBA Cash rate http://www.rba.gov.au/statistics/cash-rate/	0.750%	
AFMA 3 monthly BBSW (3M Mid rate) http://www.asx.com.au/prices/asx-benchmark-rates.htm	0.885%	
NAB Business Options Prime interest rate + Liquidity Margin http://www.nab.com.au/business/interest-rates-fees-and-charges	4.850%	prime rate
	1.260%	margin
Westpac Business Loan interest rate http://www.westpac.com.au/business-banking/business-loans/tools-calculators-rates/business-loans-interest-rate/	6.020%	
ANZ Business Mortgage Index variable rate (Business Finance → ANZ Bus. Variable Rates) http://www.anz.com/aus/RateFee/InterestRates/Rates.asp?section=SBS	6.850%	
Commonwealth Bank BetterBusiness Loan Variable rate https://www.commbank.com.au/business/rates-fees.html	7.430%	
NAB Loan pricing (ASX 3M Mid Rate+ NAB Funding Cost + NAB Margin 2.00%) http://www.asx.com.au/prices/asx-benchmark-rates.htm	2.885%	

This worksheet is password protected
"loan"

Month
Prepared By

1/12/19
Leon Varghese

AFSA Business Reference Rate (ABRR)

Dec-19

Based on struck on the first business day of each month based on the higher of:

1. That day's BBSY plus 300bp; or
2. The mean Business Lending Rates advertised by each of the four major banks on that day.

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

	rate	
1 BBSY	0.885%	
	<u>3.000%</u>	
		3.885%
2 Business Lending Rates:		
	CBA	7.430%
	Westpac	6.020%
	NAB	6.110%
	ANZ	<u>6.850%</u>
Mean		6.603%
<u>Floor:</u>		
Marginal Cost of Capital	2.89%	
Margin	<u>1.50%</u>	
		4.39%
<u>ABRR</u>		<u>6.60%</u>

Prepared by:

Leon Varghese
5/2/20

AFSA Parish Reference Rate (APRR)

Dec-19

Based on struck on the first business day of each month based on the lesser of:

1. The average cost of funds reported to ALCO Committee for the previous month plus 200bp, or
2. The mean Business Lending Rates advertised by each of the four major banks on that day, minus 200bp.

Provided that the result is not less than the floor value of the marginal cost of capital plus 100bp, otherwise the APRR shall be set to this floor value.

	<u>rate</u>	
1 Cost of funds (90-day rate on Commercial Advance Facility)	2.89%	
	<u>2.00%</u>	4.885%
2 Business Lending Rates:		
	CBA	7.43%
	Westpac	6.02%
	NAB	6.11%
	ANZ	<u>6.85%</u>
Mean		6.60%
Less 200bp		<u>-2.00%</u>
		4.60%
<u>Floor:</u>		
Marginal Cost of Capital	2.89%	
Margin	<u>1.00%</u>	3.89%
<u>APRR</u>		<u><u>4.60%</u></u>

Prepared by:

Leon Varghese
5/2/20

AFSA Parish Legacy Rate

Dec-19

The provisions of these Loan Contracts will be accepted so long as the lending rate is not less than the floor value, being the marginal cost of capital plus 40bp, otherwise the lending rate attached to the Legacy Parish Loan shall be set to this floor value.

Current Legacy Lending Rate (RBA Cash Rate + 200bp)	2.75%
AFSA CF Cost of Capital	2.89% *
Floor (Cost of capital + 40bp)	<u>3.29%</u>
Legacy Lending rate	<u>3.29%</u>

**** based on Bank West Commercial Facility rate, being the marginal cost or opportunity cost of capital.***

Prepared by:

Leon Varghese
5/2/20

Head of AFSA - Travel calendar for Quarter 1 2020 - 1/1/20 to 31/3/20

Date	Location	Notes
6/1/20 - 22/1/20	Adelaide	<ul style="list-style-type: none"> ▪ Available across both Diocese Business units
23/1/20 - 31/1/20	Coffs Harbour	<ul style="list-style-type: none"> ▪ Available across both Diocese Business units ▪ Available for meetings can travel to Grafton clients
4/2/20 - 27/2/20	Adelaide	<ul style="list-style-type: none"> ▪ Available across both Diocese Business units ▪ 13/2/20 AFGD Board meeting - Available to dial in ▪ 19/2/20 AFSA Board meeting - Attending ▪ 25/2/20 AFSA Investment Committee meeting - Attending
28/2/20 - 10/3/20	Coffs Harbour	<ul style="list-style-type: none"> ▪ Available across both Diocese Business units ▪ 5/3/20 – 6/3/20 DSN Lindisfame - Attending ▪ Available for meetings can travel to Grafton clients
11/3/20 – 1/4/20	Adelaide	<ul style="list-style-type: none"> ▪ Available across both Diocese Business units ▪ 18/3/20 AFSA Board meeting - Attending

Head of AFSA – Updated Contact information

Blaine Fitzgerald

Head of Anglican Funds South Australia
18 King William Road, North Adelaide SA 5006

P 08 8305 9371 | M 0452 137 740

Email: [bfitzgerald@adelaideanglicans .com](mailto:bfitzgerald@adelaideanglicans.com)



BOARD MEETING DATE:

13/02/2020

No 8 Matters for discussion and/or decision

Item: b

Title: Development Funds - Capital Adequacy

No of Pages. 5 incl Header



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

Development Funds - Capital Adequacy

Marianne Yacoel | Finance & Operations Manager <marianne.yacoel@anglican.org.au> 16 January 2020 at 12:51
To: Chris Nelson <chris.nelson@graftondiocese.org.au>
Cc: David Ford <fordie@mac.com>

Dear Chris,

Please find attached information on 5 of the (possible) 9 ADFs that operate across the Dioceses.

Apologies that I've not provided this much earlier. We have requested this information on behalf of DFATF a number of times from the Dioceses, but haven't been able to obtain all the information.

At its last meeting, DFATF have proposed that the ADF minimum standards for capital and liquidity be reviewed, including a check of those standards against APRA requirements. It is expected that this will be completed this year.

Kind regards,

Marianne

From: Chris Nelson <chris.nelson@graftondiocese.org.au>
Sent: Wednesday, 15 January 2020 2:54 PM
To: Marianne Yacoel | Finance & Operations Manager <marianne.yacoel@anglican.org.au>
Cc: David Ford <fordie@mac.com>
Subject: Re: Development Funds - Capital Adequacy

Dear Marianne,

On 10 July 2018, I sent an email asking:

"Anglican Funds Grafton Diocese works toward a target Capital Adequacy as per the methodology recommended by the Diocesan Financial Advisory Task Force.

In a meeting of the AFGD Board today, they asked me to find out how AFGD's capital adequacy compared with other Anglican development investment funds.

On the basis that each DIF is to provide financial information through the General Synod Office, are you able to help us with these details?"

Are you now able to provide me with an answer to my question?

On Thu, 30 Aug 2018 at 11:36, Marianne Yacoel <finance@anglican.org.au> wrote:

Hi Chris,

We did not receive many of the ratios last year, so out of the DFATF meeting held late July, DFATF are going to request this info for the latest financial year again (and advise that the de-identified info will be shared). Once I have this info, I can share this with you.

Kind regards,

Marianne

Marianne Yacoel

Finance and Operations Manager

T: +61 (0)2 8267 2703

M: +61 (0)412 204 501

E: finance@anglican.org.au



Anglican Church of Australia

General Synod Office

Suite 4, Level 5

189 Kent Street

Sydney NSW 2000

www.anglican.org.au

From: Chris Nelson [mailto:chris.nelson@graftondiocese.org.au]

Sent: Tuesday, 28 August 2018 3:03 PM

To: Marianne Yacoel

Cc: David Ford

Subject: Re: Development Funds - Capital Adequacy

Hi Marianne,

With regard to my query of 10 July, has the Diocesan Financial Advisory Taskforce considered the matter? Is there anything that you can report?

On 17 July 2018 at 10:11, Marianne Yacoel <finance@anglican.org.au> wrote:

Hi Chris,

Apologies for the delayed response on this. The Diocesan Financial Advisory Task Force are meeting in 2 weeks and this topic will be an agenda item.

I will come back to you post the meeting to advise as to what information we have, and what we can get access to.

Kind regards,

Marianne

Marianne Yacoel

Finance and Operations Manager

T: +61 (0)2 8267 2703

M: +61 (0)412 204 501

E: finance@anglican.org.au



Anglican Church of Australia

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Sydney NSW 2000

www.anglican.org.au

From: Chris Nelson [<mailto:chris.nelson@graftondiocese.org.au>]

Sent: Tuesday, 10 July 2018 5:07 PM

To: Marianne Yacoel

Cc: David Ford

Subject: Development Funds - Capital Adequacy

Hi Marianne,

Anglican Funds Grafton Diocese works toward a target Capital Adequacy as per the methodology recommended by the Diocesan Financial Advisory Task Force.

In a meeting of the AFGD Board today, they asked me to find out how AFGD's capital adequacy compared with other Anglican development investment funds.

On the basis that each DIF is to provide financial information through the General Synod Office, are you able to help us with these details?

--

Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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ADF Capital Adequacy & Liquidity - Summary

	FUND 1	FUND 2	FUND 3	FUND 4	FUND 5
Capital Adequacy					
"Surplus" Capital	\$438,376	\$781,402	(\$4,786,194)	\$2,604,483	\$1,517,665
Actual Capital Adequacy Ratio	13.31%	42.33%	2.25%	11.94%	12.06%
Liquidity					
"Surplus" Liquidity	\$14,476,659	(\$328,100)	\$47,153,270	\$67,731,470	\$16,057,347
Actual Liquidity Ratio	56.6%	4.0%	46.8%	36.8%	36.9%
Depositors in excess of 5% of Liabilities	60.8%	17.4%	79.8%	58.5%	

ANGLICAN DEVELOPMENT FUND MINIMUM STANDARDS

ADDFs are encouraged to adopt standards which are no less stringent than those set out in this document.

1. ADDFs will target a level of capital in the ADDFs to be in excess of 10% of risk weighted assets.
2. Minimum liquid assets (Bank, ADI deposits including term deposits, Commonwealth and State Government Securities) should not fall below 10% of total liabilities.
3. It is preferable that source of funds are spread amongst a broad range of depositors to minimise liquidity risk.



BOARD MEETING DATE:

13/02/2020

No 8 Matters for discussion and/or decision

Item: c

Title: AFSA/AFGD Consultation & Work Programme

No of Pages. 4 incl Header



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

Consultation with AFSA

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

13 January 2020 at 08:00

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

Dear AFGD Board Members,

The draft consultation program between AFGD and AFSA is still to be formally agreed but from what I can gauge from the AFSA emails, it will be agreed either as attached or with minor changes.

The first item on the consultation program is currently: "AFGD and AFSA submit an outline of "Desired Outcomes"; "Downsides to Avoid" and possible models relative to the prospect of combining the two funds".

Although the current timing of that point is 2 March 2020, I think that we need to start our discussions on this topic so that we are in a good position to make our submission by 2 March.

I offer the following as a start. Please use a Reply All email if you wish to propose any amended wording, additions or deletions.

Desired Outcomes

A fund structure that is:

- Financially and operationally sustainable over the long term including
 - Maintaining an AFSL License
 - Staffed with a professional manager and suitably qualified and trained support staff
 - meeting capital adequacy and liquidity benchmarks that would be expected of a well established credit union or a small bank
 - Maintaining currency with customer interface technology

Operating under a single board of governance

Paying participating Dioceses a 'dividend' based on the deposits and other business originating from within that Diocese

Remains sufficiently connected with the Anglican Church to understand the needs and the modus operandi of parishes and other church entities

Without diminishing prudential standards, provides church entities better access to credit than that available through major banks

Scalable to allow the inclusion of other Anglican Development Funds in this structure

Maintains a method for direct debit transfer to parish accounts in lieu of cash offertory (ideally no fee or low fee)

Downsides to Avoid

A transition that is difficult for customers of the Fund

A transition that doesn't include all current loans and deposits

An indefinite period of compulsory participation for church entities

Immediate loss of Grafton office assistance for Grafton clients

Board of governance with no Grafton representation

Possible Models

Two funds combining to become one new fund incorporating both funds

AFGD fund to become part of the AFSA fund

(Note: With the existing contracts, deeds and terms being specifically written for either AFGD and AFSA, it is appropriate to maintain both entities within the new structure at least initially so that the expense of re-documenting is avoided and the opportunity for customers to re-negotiate or exit is avoided. Over time, new contracts and deeds can be written in the name of the new managing entity.)

--

Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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Draft AFGD and AFSA Consultation and Work Programme Nov 2019 version 2.pdf

66K

AFGD and AFSA Consultation and Work Programme

Timing	Action
By 2 March 2020	AFGD and AFSA submit an outline of "Desired Outcomes"; "Downsides to Avoid" and possible models relative to the prospect of combining the two funds
w/c 16 March 2020	Representatives meet to work through outlines submitted in February to determine areas of agreement, areas of difference and agree upon work and investigations to take place.
14-17 April 2020	Representatives meet (video-conference?) to consider results of investigation and attempt to expand upon areas of agreement
w/c 11 May 2020	Further meeting (video-conference?) as above, if required
May 2020	Joint report drafted by AFSA Head and Grafton Registrar
By 12 June 2020	Representatives discuss (video-conference) draft of joint report.
By 26 June 2020	Representatives finalise joint report and recommendations
By 30 June 2020	Report submitted to governing bodies of AFGD and AFSA for consideration
By 31 August 2020	Formal responses of governing bodies available



BOARD MEETING DATE:

13/02/2020

No 8 Matters for discussion and/or decision

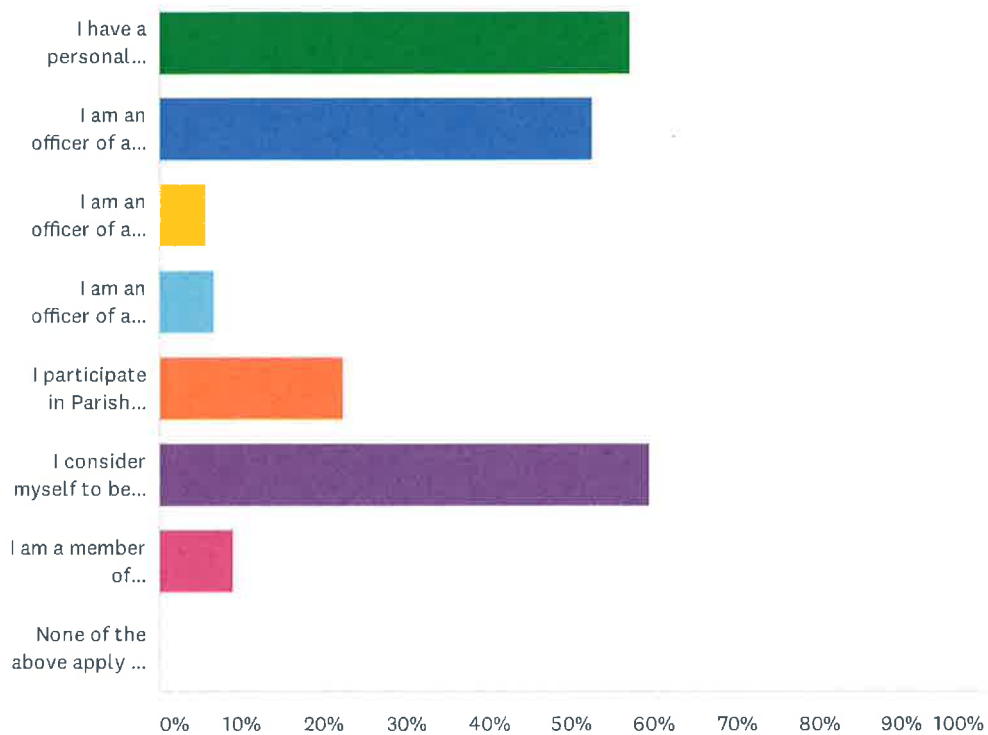
Item: d

Title: AFGD Client Survey Results

No of Pages. 13 incl Header

Q1 What is your relationship with AFGD? (Select all that apply)

Answered: 89 Skipped: 0



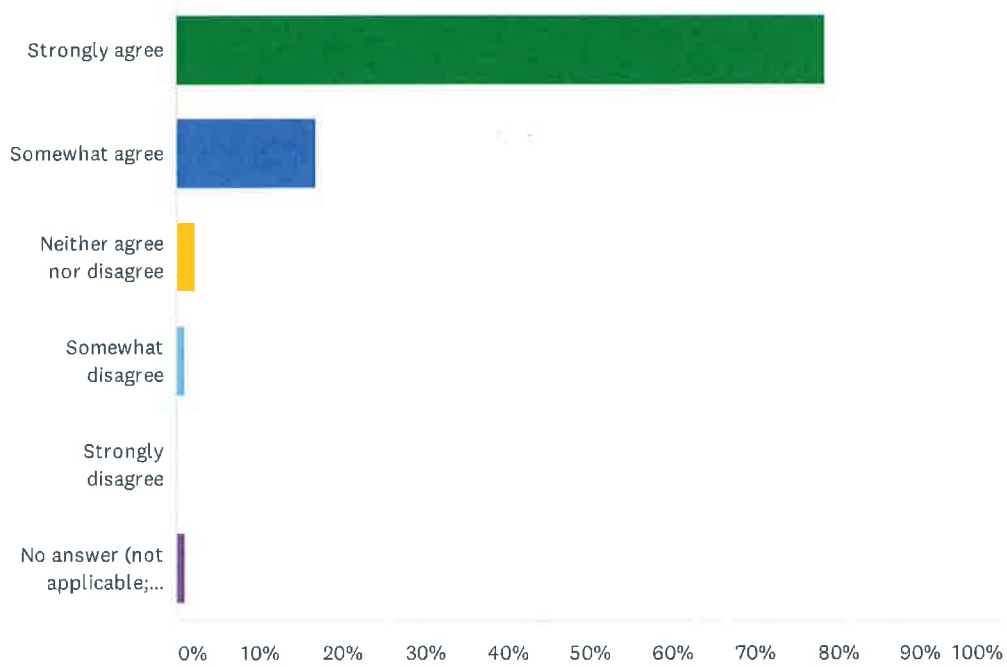
ANSWER CHOICES

RESPONSES

I have a personal account or joint account with AFGD	57.30%	51
I am an officer of a parish that has an account with AFGD	52.81%	47
I am an officer of a school that has an account with AFGD	5.62%	5
I am an officer of an organisation (except parish or school) that has an account with AFGD	6.74%	6
I participate in Parish Provider through AFGD	22.47%	20
I consider myself to be a member of the Anglican Church	59.55%	53
I am a member of Bishop-in-Council, The Corporate Trustees or AFGD Board	8.99%	8
None of the above apply to me	0.00%	0
Total Respondents: 89		

Q2 AFGD provides good customer service

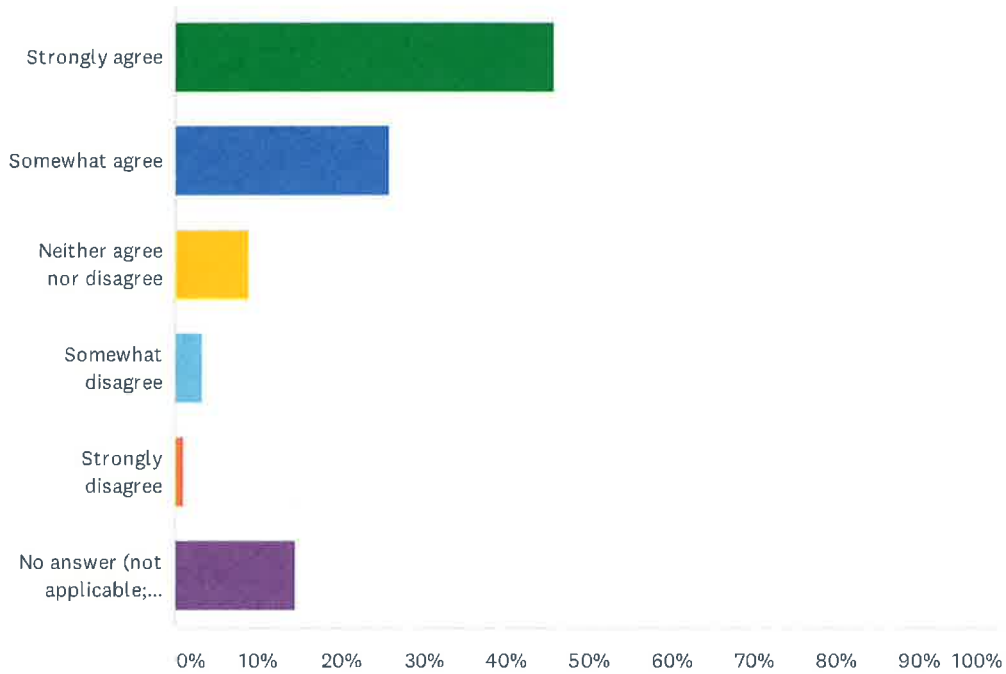
Answered: 89 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	78.65%	70
Somewhat agree	16.85%	15
Neither agree nor disagree	2.25%	2
Somewhat disagree	1.12%	1
Strongly disagree	0.00%	0
No answer (not applicable; unwilling or unable to answer)	1.12%	1
TOTAL		89

Q3 AFGD provides deposits at competitive rates

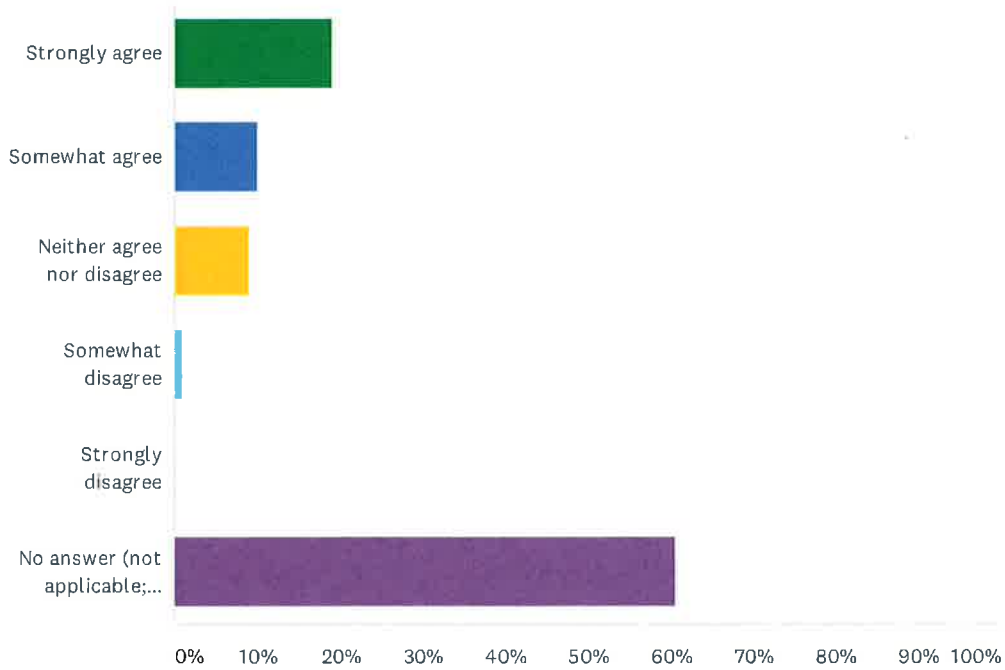
Answered: 89 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	46.07%	41
Somewhat agree	25.84%	23
Neither agree nor disagree	8.99%	8
Somewhat disagree	3.37%	3
Strongly disagree	1.12%	1
No answer (not applicable; unwilling or unable to answer)	14.61%	13
TOTAL		89

Q4 AFGD provides loans at competitive rates and terms

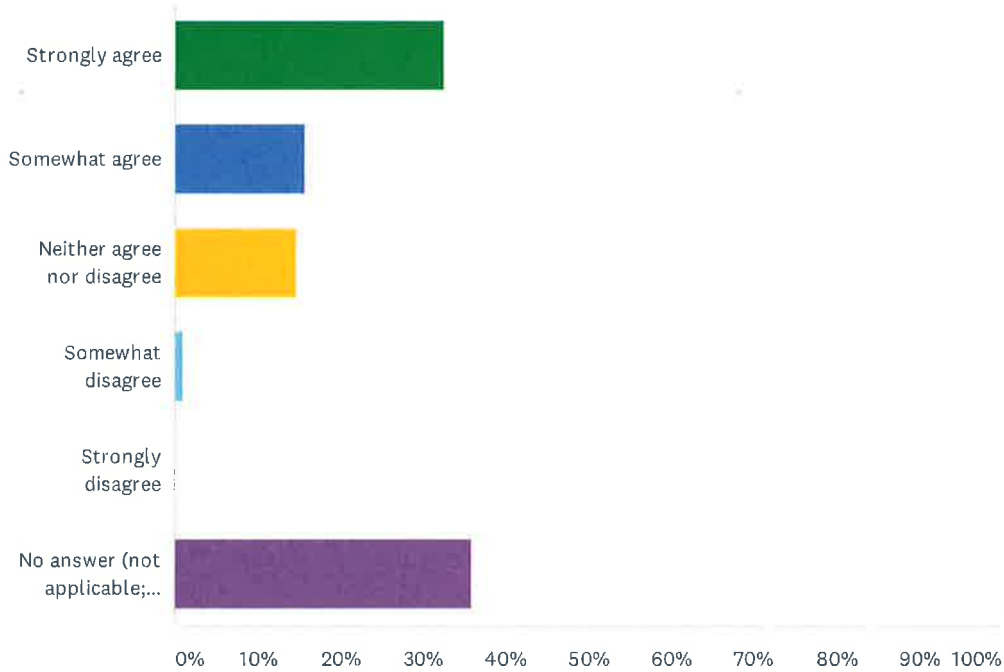
Answered: 89 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	19.10%	17
Somewhat agree	10.11%	9
Neither agree nor disagree	8.99%	8
Somewhat disagree	1.12%	1
Strongly disagree	0.00%	0
No answer (not applicable; unwilling or unable to answer)	60.67%	54
TOTAL		89

Q5 AFGD provides good support for complex matters relating to deposits and loans

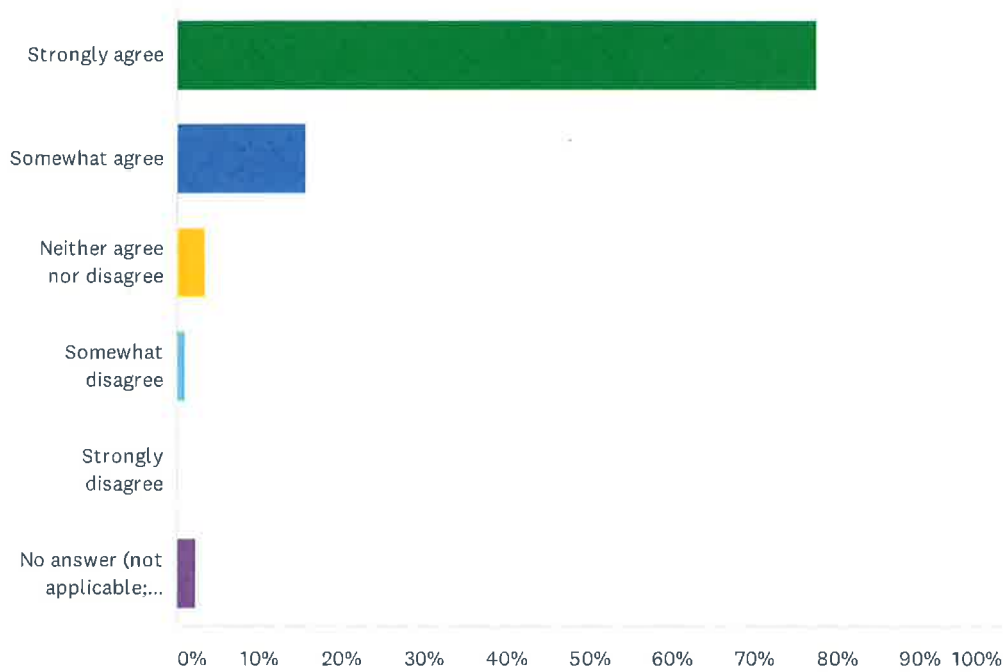
Answered: 89 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	32.58%	29
Somewhat agree	15.73%	14
Neither agree nor disagree	14.61%	13
Somewhat disagree	1.12%	1
Strongly disagree	0.00%	0
No answer (not applicable; unwilling or unable to answer)	35.96%	32
TOTAL		89

Q6 The existence of AFGD is beneficial to the Diocese of Grafton

Answered: 89 Skipped: 0



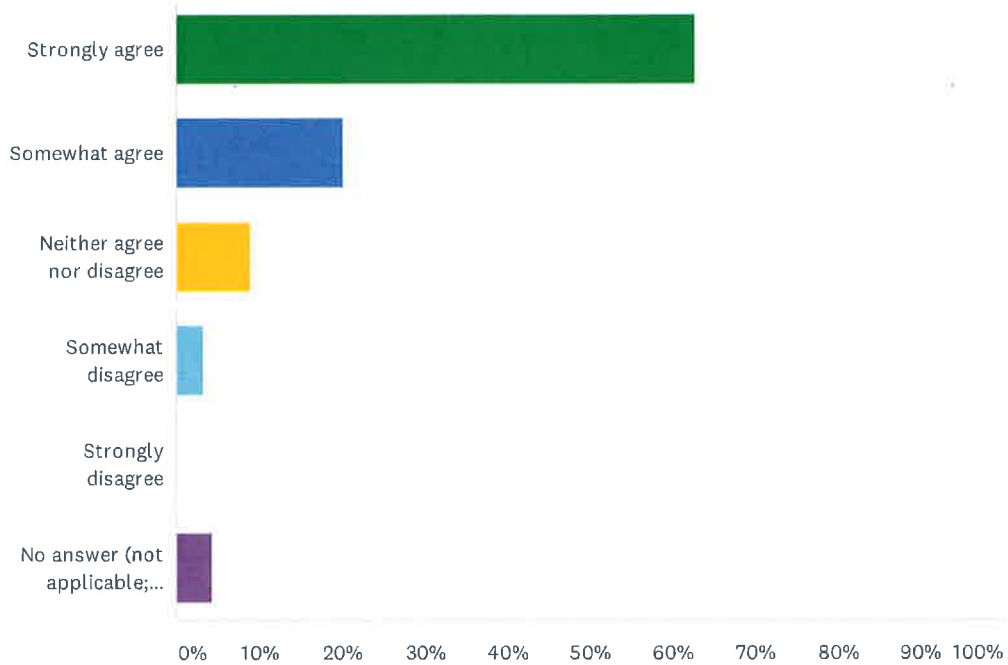
ANSWER CHOICES	RESPONSES	
Strongly agree	77.53%	69
Somewhat agree	15.73%	14
Neither agree nor disagree	3.37%	3
Somewhat disagree	1.12%	1
Strongly disagree	0.00%	0
No answer (not applicable; unwilling or unable to answer)	2.25%	2
TOTAL		89

AFGD Client Survey

#	COMMENTS	DATE
1	Question 6. With the complexity and changes pertaining to financial institutions (in a similar way to that of NFP organisations) I wonder if a merger with a larger fund might strengthen the existence of AFGD in Grafton Diocese, in a similar way that NFP organisations merging has.	12/17/2019 9:05 AM
2	It provides a good basis for financial services. You deal with persons that are knowledgeable and always willing to help.	12/15/2019 11:23 AM
3	Strong support to schools. Contribution to Diocesan budget. Board has local knowledge and is supportive of the Diocesan Mission and Ministry focus. Great help to parishes.	12/13/2019 9:54 PM
4	The contribution to the Diocese by AFGD is crucial for the Diocese's financial well-being. It forms around 20% of operational funds.	12/12/2019 5:06 PM
5	Profits generated remain within the Grafton Diocese	12/8/2019 7:36 PM
6	I have an investment account with AFGD so that while I don't need to draw on it now it can be put to good use in helping to fund the Christian schools etc in the Diocese.	12/7/2019 7:16 PM
7	This is my only way of Income so I rely on it Thank you/	12/6/2019 9:39 AM
8	I am on my second loan and it has been an easy journey. AFGD set everything up for me and it is all handled automatically.	12/5/2019 4:38 PM
9	Parishes seem to have easier access to finance through AFGD.	12/5/2019 2:00 PM
10	I have belonged to the AFGD for a long time and am very happy with the service they provide	12/3/2019 4:02 PM

Q7 The continued operation of AFGD is important to me personally and/or the organisation of which I am an officer.

Answered: 89 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	62.92%	56
Somewhat agree	20.22%	18
Neither agree nor disagree	8.99%	8
Somewhat disagree	3.37%	3
Strongly disagree	0.00%	0
No answer (not applicable; unwilling or unable to answer)	4.49%	4
TOTAL		89

AFGD Client Survey

#	COMMENTS	DATE
1	same comments above	12/15/2019 11:23 AM
2	For the reasons in the previous comments box.	12/13/2019 9:54 PM
3	The ability to deal with friends both for deposits and loans makes a significant difference for volunteers dealing with parish finances who are seldom highly skilled at such. The ability to offset loans in a quite flexible way is a great asset.	12/12/2019 5:06 PM
4	Provides a banking option to meet the needs of the Parish	12/8/2019 7:36 PM
5	I feel very comfortable being associated with AFGD - my investment is safe, 5yrs ago when I thought I might need to draw on it when moving house it was as simple as a phone call to transfer to an At Call account and some months later realising I wasn't needing to withdraw any, another phone call made it just as easy to reinvest the whole amount back to the current Investment account. Another reason, I'm not being overwhelmed by frequent correspondence informing me that something is going change. Importantly, I have always found the staff I speak to very helpful and polite. So I hope AFGD will remain in operation for a very long time.	12/7/2019 7:16 PM
6	Being able to salary sacrifice with AFGD allows me to easily claim from the MRE account and having my car loan with AFGD means payments are made internally and automatically and I don't even have to think about it.	12/5/2019 4:38 PM
7	I believe that I can make other arrangements without difficulty.	12/5/2019 2:00 PM
8	We have grandchildren who attend CVAS	12/4/2019 8:32 AM

Q8 Do you have any other comments that you wish to make?

Answered: 28 Skipped: 61

AFGD Client Survey

#	RESPONSES	DATE
1	Given we all do banking now online I think that the site is slow and clunky and, inexcusably, inoperative on at least two occasions for us. Not being able to make payments because the sending of codes by sms is not working is just not good enough. I feel the degree of inconvenient security should be only retained for larger sums and small or regular payments should be sent without this extra step; even were it reliable.	12/17/2019 7:53 PM
2	Question 1. I am a Diocesan as such not assigned to any parish and I note there is no appropriate box for this type of position. This may become more relevant as the Diocese moves into its current proposed restructure model of ministry.	12/17/2019 9:05 AM
3	No	12/15/2019 5:43 AM
4	I very much appreciate the personal relationship I have with, and assistance I receive from, the staff of the AFGD. Always ready to help to make life easier for me. Thanks Annette and Linda!	12/14/2019 5:00 PM
5	I would like to thank the wonderful staff at AFGD. I have always been treated with more than respect and they provide excellent service. I have never had any suggestion of a problem so keep up the great work. You provide a great service to all concerned.	12/14/2019 9:13 AM
6	No	12/14/2019 6:23 AM
7	Improved governance has given confidence. A positive and appreciated body in the Diocese.	12/13/2019 9:54 PM
8	I have always been treated with courtesy and politeness by the staff of AFGD. No request has ever been too hard or too difficult.	12/13/2019 5:57 PM
9	Office staff of AFGD always friendly helpful and efficient	12/8/2019 7:36 PM
10	Just one - Happy and Blessed Christmas & 2020 to you all.	12/7/2019 7:16 PM
11	1) Faster receipt of deposits (No Westpac branch) would help if it is possible. Statements would not need 2 date columns. 2) If deposits could be recorded in categories, indicating on the statement which church or which category of giving. 3) Parish Provider should offer (on its application form) an option to break-up offerings into categories. That would make a good sales point. If we use church offering envelopes we can only break the offering into church offering and one other. 4) A consistent description of deposits on Parish Provider statements would make them easier to handle at the church end. 5) Keep up the good work with your small but helpful, friendly and efficient staff. Thank you	12/7/2019 4:13 PM
12	Keep up the good work! It's nice to be able to pop in from time to time	12/6/2019 4:30 PM
13	I have always been impressed with the competency and courtesy of the afdg staff.	12/6/2019 10:56 AM
14	The staff are always very friendly and eager to help. Nothing ever seems to be a trouble for them and the help they offer is greatly appreciated. I hope AFGD continues to offer the services they provide to the Diocese for a long time to come.	12/5/2019 4:38 PM
15	AFGD is not core ministry. If it helps ministry then that is positive. If it doesn't help ministry then we should put our efforts elsewhere.	12/5/2019 2:00 PM
16	Great staff - always very helpful and obliging.	12/5/2019 10:47 AM
17	I have found the staff at AFGD to be very helpful to me in my role as Parish Treasurer.	12/4/2019 2:58 PM
18	The website is very problematic - extremely slow to load and often get error messages.	12/4/2019 12:39 PM
19	Over many years we have found the staff at AFGD to be extremely helpful and their term deposit rates have been competitive. We were disappointed when external financial changes did not allow us to continue personal accounts with AFGD. Gordon & Pam Masters	12/4/2019 8:32 AM
20	I have an issue. A few years ago I received a payout from the sale of a one-third share in a property in another country. I deposited it with your bank. No problem. One signature needed only. Married so trusted partner. Partner, while I was ministering in the Grafton Diocese, gradually embezzled money from different accounts, one of which was that mentioned above. I have proof of what he was doing. I am very disgruntled that my needs as the sole bread winner were not considered. Why wasn't I alerted to what was happening? A simple call from the bank would have alerted me to what was happening. Nothing. To be a bank with integrity is to care for customers especially when another party is fleecing them. Not happy.	12/3/2019 9:54 PM
21	I find that carrying out the banking transactions through AFGD for the Parish is satisfactory	12/3/2019 9:01 PM
22	Without the support of our Anglican community and the consequent financial contribution to	12/3/2019 5:47 PM

AFGD Client Survey

	the diocesan finances it would be a difficult to be a mission organisatio	
23	The staff do a fantastic job and are ALWAYS friendly and helpful!	12/3/2019 4:49 PM
24	The staff have always been friendly and helpful. AFGD has been a great asset in helping ministry and schools.	12/3/2019 4:09 PM
25	I HAVE BEEN WITH AFGD FOR MANY YEARS AND IT IS A PLEASURE TO BE ABLE TO TALK TO SOMEONE AND RECEIVE AN ANSWER ALMOST IMMEDIATELY...THANKYOU	12/3/2019 3:48 PM
26	I enjoy the personal attention provided by the staff who are always cheerful.	12/3/2019 3:46 PM
27	I find AFGD very responsive to providing solutions and working in partnership with other funding organisations provide an excellent service. Probably could do with more representatives to be able to meet with customers and develop stronger relationships but Blaine does an excellent job.	12/3/2019 3:43 PM
28	Offers a very personal style of banking and caters to the older generation very well. Allows people to feel they are contributing to the Diocese and therefore their Parish. A unique banking experience catering to the Anglican Diocese of Grafton and affiliates.	12/3/2019 2:53 PM



BOARD MEETING DATE:

13/02/2020

No 8 Matters for discussion and/or decision

Item: f

Title: Ord Minett – Hybrids & Lending Substitution

No of Pages. 9 incl Header

ORD MINNETT

27 November 2019

Mr C Nelson
General Manager/Registrar
Anglican Diocese of Grafton
Level 1/50 Victoria St,
Grafton NSW 2460

Via email: chris.nelson@graftondiocese.org.au>

Dear Chris,

Hybrids & Lending Substitution

In respect of our discussions regarding the Anglican Funds Grafton Diocese (AFGD) lending substitution by way of hybrid securities. I have provided some background and some investment research to assist the board in it's deliberations.

Background

Ord Minnett have provided specific information and advice regarding lending substitution via Hybrid securities based on the following events over the last few years:

1. APRA Banking exemption No 1 2016 and 2017, and so confirmation that AFGD are not required by APRA to maintain capital adequacy or liquidity ratios other than what is necessary to operate the fund as stated in the banking exemption;
2. ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 as amended;
3. Basel III and further APRA tightening of capital and lending operations of the banks;
4. Continuing low interest rate levels;
5. AFGD being a smaller fund and as such maximum lending levels reached quickly;
6. Lack of alternative investments which provide an appropriate risk/return trade-off to lending; and
7. Australian Ratings rating Hybrids for the last few years and Standard & Poors recently rating the major bank Hybrids investment grade.

Fixed Income Research / State of Play

The current environment around fixed income as an asset class is seemingly very stable. There has been considerable tightening of credit spreads due to regulatory changes to Tier 1 and 2 capital issuance, demand and supply (with large numbers of superannuation funds and investors chasing higher returns than available via term deposits) and strong banking credit fundamentals. Essentially the Australian Banking system is in a very strong position and we believe that bank Hybrids are therefore an excellent lending substitution.

The AFGD is a deposit taking institution and has liabilities which require interest payments, the natural hedge to achieve an appropriate net interest margin is loans and to retain liquidity; interest rate securities. The following diagram is a simplified bank capital structure diagram and illustrates that the securities most applicable for the AFGD to invest in when not lending and their overall ranking which

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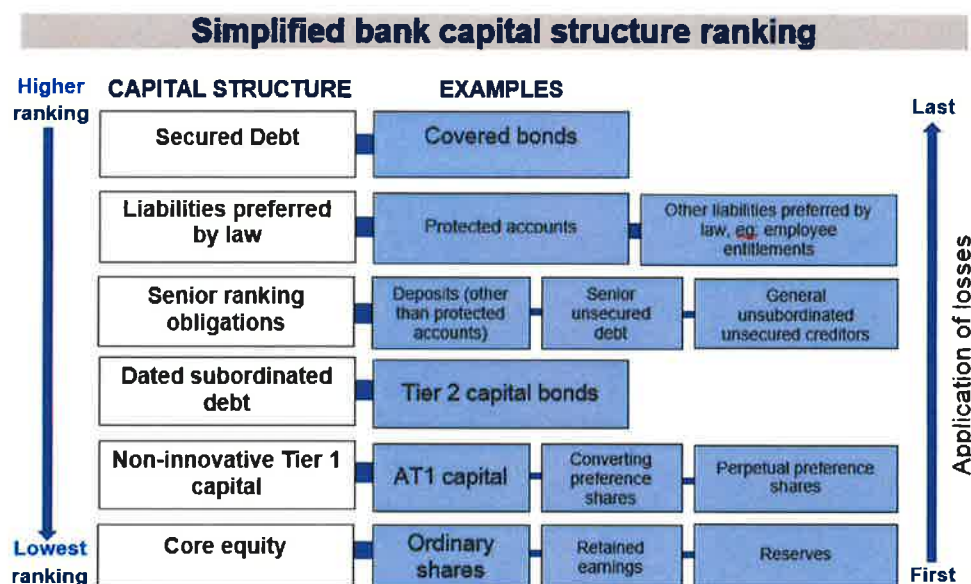
Level 5, 100 Pirie Street, GPO Box 2452, Adelaide SA 5000
Telephone 61 8 8203 2500 Facsimile 61 8 8203 2525 www.ords.com.au

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are; secured debt, senior ranking obligations such as term deposit and bonds, subordinated bonds (Tier 2) and Non-innovative (Tier 1) capital (AT1 & preference shares). The Tier 1 and 2 capital plus preference shares are also generically referred to as “hybrids”.



Source: Morningstar, BondAdviser & Ord Minnett Research

The average margin to Swap/BBSW of the available investments described above and the respective volatility scale are reflected in the following table:

Security type	Market	Liquidity?	Mark-To-Market	Gross Margin over BBSW/Swap	Volatility Scale#
Secured Debt & Government Bonds	OTC/ASX	Y	Y	-50 - 50	
Converting & Perpetual Preference Shares	ASX	Y	Y	50-300	
Tier 1 Capital Notes	ASX	Y	Y	50 - 350	
Term Deposits (90day)	Private Placement	N	N	0 - 55	
Tier 2 Subordinated Debt	OTC	Y	Y	35 - 200	
Senior Unsecured Debt	OTC	Y	Y	10 - 100	
Transferable Certificates of Deposit (TCD's)	OTC	Y	Y	10 - 50	
Other RCDF (12m)	Private Placement	N	N	10- 100	
Cash Accounts	Private Placement	Y	N	0 - 30	

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There are also various managed funds available for the AFGD but have less liquidity and essentially invest in exactly the same securities as the fund can invest in directly but these funds add a level of management fees.

Please note there are also generally available to AFGD, opportunities such as private placements for all the assets with appropriate credit margins, liquidity however remains low for these securities.

Hybrids work in exactly the same fashion as notes and bonds which AFGD currently invest in with a margin over the bank bill rate which resets every 90 days or 6 months. They are as per bank capital structure diagram lower down the capital pay out and as such provide extra return for the risk. This extra return is currently at approximately 2% plus franking or tax credits (~1%). An example of a client which has a mix of bonds, notes and hybrids and the cash flow journey on \$10.6 million is charted below. The client began investing in December 2015 and we have tracked reporting performance data directly attributable to IRS from that point. Chart 1 following represents the value and return of investing funds into IRS in comparison to term deposits and cash accounts.

Chart 1: Value Add of IRS 2/12/2015 – 30/4/2019



The portfolio since December 2015 returned \$2,224,737 to April 2019, this includes income, franking credits and capital growth at an average rate of 5.7%pa compared to an equivalent amount of \$10.6 million invested into Term Deposits over the same time frame of \$914,221 or an average of 2.5%, representing almost \$1.3 million in extra income or \$373,000 per annum over 3.4 years.

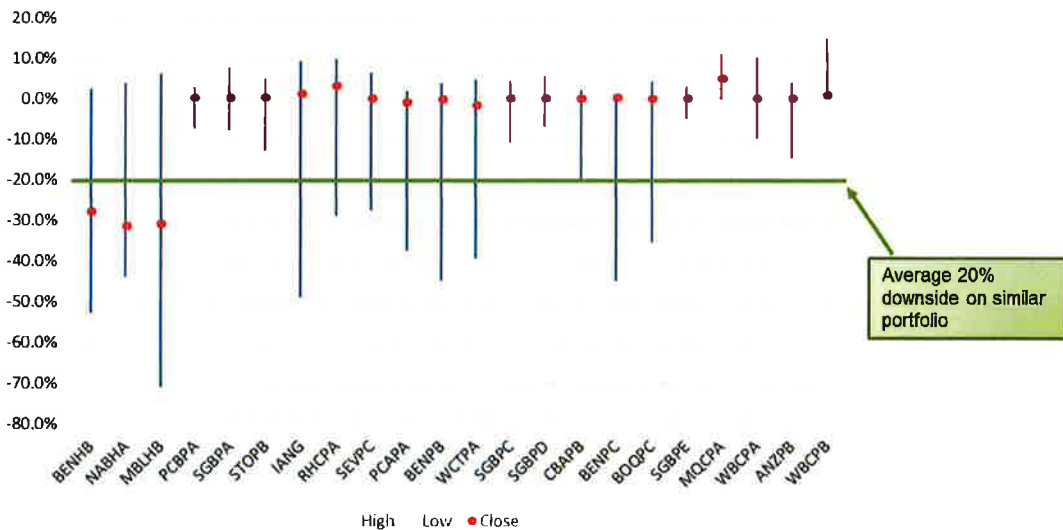
Price risk in times of Market Dislocation (the worst case scenario)

Also in our recommendations is always to test for black swan events and GFC type scenarios. Whilst an entire banking collapse will have major ramifications for any fund and the outcomes are unknown we can use past experience of the GFC to test the current securities and their behaviour in a similar event.

Ord Minnett has previously undertaken some portfolio back testing for an RCDF who owns similar hybrids to those we would recommended to AFGD. The research and findings are as follows.

Chart 2: IRS Downside Risk Pre-GFC Securities – including non recommended securities

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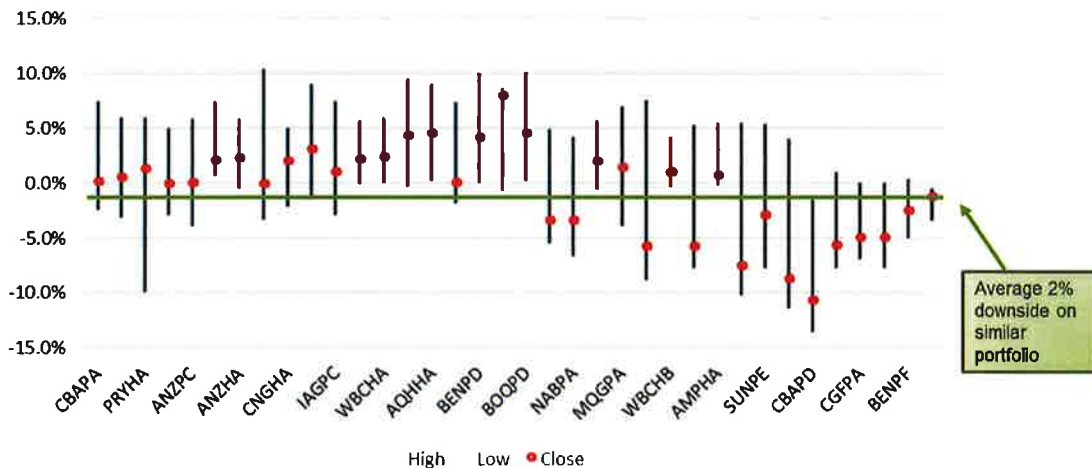


- Pre – GFC securities
- Perpetuals performed the worst (BENHB, NABHA, MBLHB)
- Equivalent “current” portfolio 20% downside – all recovered to PAR

Chart 2 tracks the volatility of a spread of Hybrids and IRS during the GFC from a year before to after and shows the High, Low and Close for the period. As Chart 2 highlights the range is significant, with the worst affected securities being those without a maturity date. It also shows that a number of securities never lost capital if sold before maturity and on average a 20% reduction in capital was the worst case scenario risk to the portfolio if sold.

Chart 3 following, illustrates the behaviour of a portfolio of recommended IRS and Hybrids similar to what AFGD would own and how it would have behaved during the GFC. A resultant 2% downside risk was achieved by the portfolio over the same time frame highlighted the more robust issue types currently available and held (eg: no perpetuals).

Chart 3 IRS Downside Risk Post-GFC Securities – Recommended Securities



- Post – GFC securities
- Recent securities have had credit margin “repriced” due to APRA triggers
- Equivalent “current” portfolio 2% downside
- Security selection & diversification – paramount

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Chart 3 highlights that at worst we expect 10% downside risk of selling securities in a portfolio of diversified IRS prior to maturity during a GFC style market correction. Of course we cannot be absolutely clear on the future and no investment is without risk. The average was 2% which is perfectly reasonable for the extra return.

Strategic Asset Allocation advice

In our view hybrids are an appropriate substitution or alternative to lending based on the risk/return tradeoff (the returns currently average 4.5%pa), and with the added benefit of providing 2 day liquidity when required. The main reasons for this are:

1. All time record low interest rate levels;
2. S&P rating at investment grade;
3. Liquidity requirements for remainder of fund;
4. Lack of alternative investments which provide an appropriate risk/return tradeoff;
5. Confirmation that AFGD are not required by APRA to maintain capital adequacy or liquidity ratios other than what is necessary to operate the fund as stated in the banking exemption; and

The AFGD can overlay the investments in Hybrid securities and other marketable IRS and bonds in a number of strategies to minimise investment risk in a similar fashion to how is currently done for bonds and notes, as follows:

- Credit ratings bands (less held in lower rated issuers);
- Product type;
- Product diversification;
- Issuer diversification;
- Maturity diversification, and preferably deposit matching where possible; and
- No interest rate (fixed) risk over 12 months (duration management).

Lending substitution by way of investing in hybrid securities cannot be directly compared to lending as most commercial loans are internally rated and assessed, whereas whilst there is market price risk, there is little risk of ultimate capital loss in a well known bank hybrid (based partially by way of APRA regulations) or investment grade rated company.

The objectives ultimately of the lending substitution/hybrid investments are to:

- (i) Provide liquidity for the deposit book;
- (ii) Enhance the return of the portfolio whilst not invested in loans;
- (iii) Enhance the diversity of the investment portfolio;
- (iv) Continue to provide for capital stability and risk adjusted income returns; and
- (v) Be invested within the current prudent guidelines for interest rate securities.

I trust that this provides you with an understanding of our view and that we do not consider adding Hybrids to the Strategic Asset Allocation as anything outside your current risk tolerance. Indeed the AFGD owned a considerable portfolio of Hybrids for many years until the APRA banking risk became very high and so they were sold on the basis of regulatory risk of dumping assets with every other RCDF. Most income funds hold hybrids as well as many high yield and mortgage funds as a way of asset substitution.

We would be pleased to provide any further analysis the committee may require and trust this information assists deliberations. We do consider however that the AFGD overall return and margin will be significantly reduced into the future if it continues to rely only on bonds, notes, term deposits

ORD MINNETT

and cash assets as the main form of investment. As always we can update the investment policy to include hybrids into the portfolio.

If you have any queries in relation to the above information please do not hesitate to contact me on 08 8203 2508 and I look forward to discussing this in more detail at the next meeting and progressing as required.

Yours sincerely,



Alison Perrott
Senior Adviser, Investments & Portfolio Strategy

Hybrid Securities

Frequently Asked Questions

What are hybrid securities?

Hybrid securities are a way for banks and companies to borrow money from investors in return for interest payments. They are offered by well-known companies and blend some of the features of debt (fixed interest) and equity (shares).

Each investment will differ in terms of conditions, timeframe and interest rates. Hybrid securities are generally traded on a secondary market such as the ASX.

While all companies issuing hybrids are borrowing money from investors, the terms and features of the investment will vary depending on who issues the hybrid.

Who issues hybrid securities?

Companies may choose to issue hybrids for a variety of reasons, including to:

- meet capital requirements;
- diversify funding resources;
- obtain lower cost funding; and
- manage credit ratings.

Why invest in hybrid securities?

There are number of reasons investors may choose to invest in hybrid securities, including the potential to:

- Receive a defined and consistent income stream for a pre-determined period.
- Improve the return on capital – the income from hybrid securities is typically higher than interest paid on bonds.

- Diversify the risk of a portfolio.
- Profit from anticipated movements in interest rates or equity prices.

How do hybrids compare to other investments?

Hybrids combine both 'equity like' and 'debt like' features. Some of the comparisons to shares and bonds include:

- Investment income – Shares pay dividends at the company's discretion. Similarly, interest payments on hybrids may be subject to the issuer's discretion.
- Investment timeframe – like bonds, hybrid securities are issued for a fixed term, however some hybrids may be converted to shares early.
- As with shares, hybrids can be sold on the secondary market (although liquidity may be lower than for the relevant share).
- As with some bonds, issuers of hybrid securities may choose to redeem early by repaying the principal or converting to shares.
- Insolvency – Investors in hybrid securities will only be repaid after lenders, senior and secured creditors and other bondholders have been paid.

What are the risks of hybrid securities?

There is a higher level of risk associated with hybrid securities when compared to a regular bond, term deposit or fixed interest investment.

The conditions, timeframe, risks and return of each hybrid security will differ and some may have complex features.

Hybrid Securities

Frequently Asked Questions

Some of the risks associated with hybrids include:

- (a) **Market price volatility** - Like shares, the market price of listed hybrid securities may fall below the issue price, especially if the company suspends or defers interest payments or its performance prospects decline.
- (b) **Liquidity risk** - While most hybrids are traded on ASX, they are often less liquid than shares in the issuing company. This may mean there are fewer buyers and sellers in the market and if you need to exit your investment in a hurry, you may have to accept a lower price.
- (c) **Subordinated ranking** - Hybrid securities are generally unsecured, meaning that repayment is not secured over an asset. If the issuing company becomes insolvent, hybrid investors generally rank behind senior bondholders and other creditors and may be among the last to get their money back.
- (d) **Complexity** – Hybrid securities often contain features that are complex and some terms of the investment may impact significantly on the future value of the security.
- (e) **Interest rate risk** – Hybrid securities that have a fixed coupon rate are subject to interest rate risk. At fixed rates, the yield on the security can only keep pace with changing interest rates if the price of the security changes. Accordingly, there is an inverse relationship between market price of a fixed rate hybrid and expected yields – a market price will go down if the expected yields rise.
- (f) **Deferral of interest payments** – Issuers may have the ability to suspend interest payments for number of years, leaving investors temporarily out of pocket. The market price of the hybrid may fall due to the decision to defer interest payments.

- (g) **Early termination** – Issuers may have the ability to terminate or ‘buy back’ the investment early, but may not extend that same right to the investors.
- (h) **Long maturity** – Some hybrids may have investment terms lasting several decades and can withhold repayment until maturity if their financial position deteriorates.
- (i) **Conversion** – Some hybrids may have terms enabling payments at the discretion of the issuer, and investors may be issued with shares rather than having their capital repaid.

It is important to understand that an investment in a hybrid security is not, and is not equivalent to a deposit in a bank account or investment in a bond, and there is a risk that you could lose some or all of your investment.

ASIC guidance for retail investors

The Australian Securities and Investments Commission (ASIC) has published guidance on its MoneySmart website which will provide you with further information regarding the benefits and risks associated with an investment in hybrid securities.

You can find this guidance by searching ‘hybrid securities’ at www.moneysmart.gov.au.

ASIC’s guidance includes a series of questions you should ask before you invest in hybrid securities, as well as a short quiz to check your understanding of how hybrids work, their features and risks.

We strongly encourage you take advantage of ASIC’s guidance to further your understanding of hybrid securities.

If you are unsure about the terms of a particular hybrid or whether it is the right investment for you, you should consult with your Ord Minnett financial adviser before deciding to invest.



BOARD MEETING DATE:

13/02/2020

No 10 Correspondence

Out

- **19/12/19 from Chair David Ford to Brett Dinsdale
LAGS – Letter of Support**
- **22/01/20 from Chair David Ford to Brett Dinsdale
LAGS – Finance approval**

No of Pages. 3 incl Header

19th December 2019

The Business Manager
Lindisfarne Anglican Grammar School
PO Box 996
BANORA POINT NSW 2486

Dear Brett

RE: Lindisfarne Anglican Grammar School Capital Projects & Berger Land Purchase Funding

AFGD Board is pleased to provide this letter of support, noting Lindisfarne Anglican Grammar School's request for finance for the

- development of its Middle School (\$6M of \$8M),
- development of pre-school and kindergarten at Sunshine Avenue (\$3.45M of \$4M),
- development of the Senior Centre (\$1.5M of \$3M) and
- purchase of land at Mahers Lane known as the Berger Land for (\$3.1M of \$3.1M)

Approves in principle subject to

- AFGD to finance the purchase of land at Mahers Lane, (formal letter of offer to issue before 28/1/2020)
- Westpac to assess and approve remaining projects summarised above and consent to increasing Pari Passu total approved limits to
 - \$24.0m in 2020 and
 - \$26.5m in 2021 noting stage 1 on the new Junior Campus P-4 at Mahers Lane for \$1.5m will be revisited in the later stages of 2020 prior to any commitment to fund.
- split of finance between Westpac and AFGD to be agreed by mutual consent of the lenders and Lindisfarne Anglican Grammar School.
- relevant approvals from the Grafton Anglican Schools Commission and Bishop-in-Council.

We look forward to continuing to work the school as it undertakes the next stage of its master plan. Please do not hesitate to contact us if you require any further information or clarification.

Yours faithfully

A handwritten signature in black ink, appearing to read "David Ford".

David Ford
Chair – Board of AFGD

Note: This correspondence does not constitute approval of funding.



22 January 2020

The Business Manager
Lindisfarne Anglican Grammar School
PO Box 996
BANORA POINT NSW 2486

Dear Mr Brett Dinsdale

Finance approval for the purchase of 72 Maher's Lane Terranora

This correspondence is to confirm finance for the purchase of 72 Maher's Lane Terranora for \$3.1 million has been unconditionally approved.

Yours faithfully

A handwritten signature in black ink, appearing to read "David Ford".

David Ford
Chair Anglican Funds Grafton Diocese.

cc bfitzgerald@adelaideanglicans.com
office@afgd.com.au
smarquardt@lindisfarne.nsw.edu.au