



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

**ANGLICAN FUNDS GRAFTON DIOCESE BOARD MEETING  
Video Conference  
Friday 23<sup>rd</sup> October 2020  
AGENDA**

- 1. 9.30am - 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 (BDC) Council and member of Bishop-in-Council.
  - Ted Clarke – agreement with Clarence Valley Anglican School (CVAS)
  - Chris Nelson – involved on various Diocesan boards and committees.
  - Blaine Fitzgerald – Head of Anglican Funds South Australia (AFSA).
- 5. Confirmation of Minutes**
  - Meeting of 19 August 2020.
- 6. Call for additional agenda items and close of agenda**
- 7. Financial and performance reports**
  - a) Finance reports
- 8. Matters for discussion and/or decision**
  - a) AFSA/AFGD Service Agreement report from Blaine Fitzgerald includes;
    - Schools updates and report on major borrowers.
    - Progress report on discussions with Westpac.
  - b) Strategy document update - Corporate Trustees & AFGD to schools
  - c) CVAS Deed of Subordination
  - d) 2021 Meeting Dates
- 9. Matters for noting and status updates**
  - a) AFGD Working Group – Terms of Reference and Meeting Outcomes
- 10. Correspondence**

In:

  - 30/09/2020 – letter to BiC from Lindisfarne Anglican School requesting to hold discussions with other financial institutions.

Out:

- 20/08/2020 – email to Chris Nelson for Corporate Trustees – AFGD Board Resolution in regards to the 'AFGD Working Group'.

**11.** Next meeting scheduled for 10 December 2020.

**12.** Meeting close



**BOARD MEETING DATE:**

23/10/2020

**No 5 Confirmation of Minutes**

**Title: Meeting of 19 August 2020**

**No of Pages. 5 incl Header**

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

**Minutes**  
**Wednesday 19<sup>th</sup> August 2020**  
**By Zoom Video Conference**

1. Opening Meeting opened at 10.04am.
2. **Attendees:** Mr David Ford (Chair), Mr Phil Crandon, Mr Ted Clarke,  
Mr John Adlington, Mr Gary Boyd joined at 10.19am,  
Bishop Murray Harvey joined at 11.02am until 11.37am.
- Non-members: Mr Chris Nelson, Mr Blaine Fitzgerald joined at 10.36am until  
11.37am, Mrs Annette Dent
- All participants were joined by Zoom video conference.

**Apologies:** Nil

3. **Prayers and Acknowledgement of Country**

The Chair opened the meeting with prayer and Acknowledgement of Country as printed in the meeting agenda and Mr Ted Clarke said the opening prayer.

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
- David Ford – Chair of Bishop Druitt College (BDC) Council and member of Bishop-in-Council.
- Ted Clarke – Agreement with Clarence Valley Anglican School
- Chris Nelson – involved on various Diocesan boards and committees.
- Blaine Fitzgerald – Head of Anglican Funds South Australia (AFSA)

5. Confirmation of Minutes

*That the minutes of the meeting of 11 June 2020 be accepted as true and correct*

**Moved:** Mr John Adlington

**Seconded:** Mr Ted Clarke

**Carried**

On 1<sup>st</sup> July 2020, the following resolution was agreed by Flying Minute:

“That the AFGD Board approves the following Term Investment rates effective 03/07/2020:

90 days 0.90% p.a.

180 days 1.40% p.a.

365 days 1.20% p.a.”

*That the Flying Minute on Term Investment Interest Rate Changes effective 3<sup>rd</sup> July 2020 be ratified.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr John Adlington

**Carried**

On 15<sup>th</sup> July 2020, the following resolution was agreed by Flying Minute:

“That the AFGD Board approves the following Term Investment rates effective 17/07/2020:

90 days 0.90% p.a.

180 days 1.15% p.a.

365 days 1.10% p.a.”

*That the Flying Minute on Term Investment Interest Rate Changes effective 17<sup>th</sup> July 2020 be ratified.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr John Adlington

**Carried**

On 12<sup>th</sup> August 2020, the following resolution was agreed by Flying Minute:

“That the AFGD Board approves the following Cash Management Account & Term Investment rates effective 14/08/2020:

Cash Management 0.50%

90 days 0.75% p.a.

180 days 0.90% p.a.

365 days 1.00% p.a.”

*That the Flying Minute on Cash Management Account & Term Investment Interest Rate Changes effective 14<sup>th</sup> August 2020 be ratified.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr John Adlington

**Carried**

## **6. Call for additional Agenda items and close of Agenda**

The Chair Mr David Ford introduced additional agenda items as follows; 8.d. Cash requirements including AFSA Line of Credit and Ord Minnett Portfolio and 8.e. Windup discussion.

## **7. Financial and Performance Reports**

### **a. Finance Reports**

The finance reports to 31<sup>st</sup> July 2020 were considered. Mr Blaine Fitzgerald and Mrs Annette Dent spoke to the reports and advised that the performance to July was good based on a conservative budget. Expense lines are tracking well and as expected. The only real impact on the balance sheet is the revaluation of financial assets.

*That the AFGD Board receives the financial reports for the period to 31 July 2020.*

**Moved:** Mr Ted Clarke

**Seconded:** Mr John Adlington

**Carried**

## **8. Matters for Discussion and or Decision**

### **a. AFSA/AFGD Service Agreement Update**

Mr Blaine Fitzgerald provided an update on various administration and support provided to AFGD as part of the Service Agreement. The report covered the topics of:

- Overarching strategy with Westpac update
- Schools updates

A summary of the current status of each of the schools was provided. SCAS \$2.7M incoming expected during September which assumes Westpac funding of 'Enviro Centre' returned to AFGD LOC. The LAGS submission to Westpac is currently with their credit department and awaiting a response. If this funding progresses it is assumed that during October/November incoming funds of circa \$3.1M will be received to payoff the AFGD LOC & the move to Westpac to be finalised. There has been no update on immediate plans provided by EAC to Mr Blaine Fitzgerald. EAC are currently funding progress claims from their AFGD LOC. BDC – discussions with Shane Oxley and David Ford from BDC have confirmed no progress on shift of LOC to Westpac however this is due to no immediate need.

Mr Blaine Fitzgerald advised that he had a meeting scheduled 19/08/20 with Andrew Davis from Westpac to discuss the status on the SCAS proposal and that he will report the outcome of that meeting to the AFGD Board. Both SCAS and LAGS are yet to see formal offers from Westpac

### **b. Corporate Trustee Resolution at meeting of 06/08/2020 – AFGD Capital Adequacy & Liquidity incorporating projected use of funds.**

Mr Chris Nelson spoke to the resolution from the Corporate Trustees in regards to Capital Adequacy and Liquidity reporting including 'projected use of funds'. He advised that the Corporate Trustees identified a weakness in the reporting as it only revealed Capital Adequacy & Liquidity at a 'point in time' which didn't take into account any known or anticipated future use of funds. Mr David Ford asked if there was a specific formula for reporting that the Corporate Trustees requested the AFGD Board use. Mr Chris Nelson advised no and that the Corporate Trustees are asking the AFGD Board to develop a method to incorporate projected use of funds – potentially six months rolling. This would then mean that any future approval of new loans and/or placement of new investments are not being assessed on funds that are assumed as available to use for these purposes. The Chair Mr David Ford advised that he would work with Mr Blaine Fitzgerald & Mrs Annette Dent on a method of how to report this and come back to the AFGD Board with details.

**c. 2020 Audit Proposal**

The Board considered the proposal received from TNR for the 2020-year audit.

*That the AFGD Board accepts the audit proposal from TNR at a cost of \$20,510 plus disbursements for the audit of the 2020 year.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr Gary Boyd

**CARRIED**

**d. Cash requirements including AFSA Line of Credit and Ord Minnett Portfolio**

Mrs Annette Dent provided an update on the immediate cash requirements and advised that there is a need to either extend the current line of credit facility with AFSA and/or redemption of the Ord Minnett portfolio. After further discussion in regards to current available cash and expected cash requirements through until the next round of schools government funding during late October early November it was identified that the potential is that both an extension of the AFSA LOC and part redemption of the Ord Minnett portfolio would be required. Mr David Ford advised that he would work with Mr Blaine Fitzgerald and Mrs Annette Dent on a proposal the following motion was agreed to.

*That the AFGD Board requests the Chair Mr David Ford, Mrs Annette Dent & Mr Blaine Fitzgerald report back with a suitable funding model as soon as possible.*

**Moved:** Mr Gary Boyd

**Seconded:** Mr Phil Crandon

**CARRIED**

**e. Windup discussion**

Mr David Ford spoke to the late paper he circulated via email on 18/08/20 to the AFGD Board members in regards to previous discussions and correspondence around the potential windup of AFGD. Mr Chris Nelson advised that to date the letter to the Corporate Trustees included in the late paper had not been forwarded to the Corporate Trustees as he wasn't aware it should be. Mr David Ford also discussed details of the meeting between himself, Mr Chris Nelson & Mr Blaine Fitzgerald where various options were considered. Mr Chris Nelson advised that although the Corporate Trustees have previously communicated that AFGD should be carefully wound up, no formal resolutions had been passed. It was agreed by the AFGD Board that it would require a co-operative approach to develop a way forward. As a result the AFGD Board agreed that a working group should be developed and that the Corporate Trustees should then articulate the terms of reference for that working group. The AFGD Board also agreed to nominate Mr David Ford and Mr Phil Crandon as the AFGD Board representatives in the working group.

*That the AFGD Board support the formation of a working group consisting of two AFGD Board Members, two Corporate Trustees, one member of Bishop-in-Council and staff from AFGD to plan the future of AFGD.*

**Moved:** Mr David Ford

**Seconded:** Mr John Adlington

**CARRIED**

**9. Matters for noting and status updates**

**a. Governance update AML/CTF Monitoring program and software from AFSA.**

The Chair noted the correspondence in regards to the AML/CTS Monitoring program and software and the costs associated as presented. Mrs Annette Dent advised that although these new costs were not included in the 2020 budget she would include them in the 2021 budget.

**b. Anglican Diocese of Grafton – Advice on Termination of AIRS Membership and appointment of Arthur J Gallagher & Co.**

Mr Chris Nelson spoke briefly to the changes in regards to insurance within the Anglican Diocese of Grafton. The Chair Mr David Ford noted the item as presented.

**10. Correspondence**

**In:**

- 3 August 2020 – ‘Insurance Arrangements’ from Chris Nelson Anglican Diocese of Grafton
- 7 August 2020 – ‘Resolution of Corporate Trustees’ from Chris Nelson. See Agenda Item 8.b).

**Out:**

- 23 June 2020 – AFGD Board Resolutions for Bishop-in-Council

Mr Chris Nelson advised that the AFGD Board Resolutions for Bishop-in-Council had been received and Ordinances in regards to minimum AFGD Board Meeting requirements and membership of the current AFGD Board had been updated accordingly.

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

**Moved:** Mr Gary Boyd

**Seconded:** Mr John Adlington

**Carried**

**11. Next meeting** – scheduled for 15 October 2020.

**12. Meeting close** –the meeting closed at 11.59am

**CONFIRMED** as true and correct record of proceedings of Anglican Funds Grafton Diocese Board meeting of 19 August 2020

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Chair – David Ford



**BOARD MEETING DATE:**

23/10/2020

**No 7 Financial and performance reports**

**Item: a**

**Title: Finance reports**

**No of Pages. 13 incl Header**



**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street  
Grafton 2460  
NSW

**Profit & Loss Statement**

January to December 2020

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD	Oct	Nov	Dec	Forecast	Budget	Variance
<b>4-0000</b>																
Income																
Interest Recd - Investments	10,539	17,980	17,300	10,907	7,418	6,183	5,827	3,115	9,908	89,177	10,355	9,000	5,000	113,532	102,954	10,578
Interest Recd - Borrowers	76,493	53,483	53,664	57,453	63,116	60,043	69,943	75,935	76,289	586,419	51,782	51,183	51,183	740,567	594,970	(38,690)
Sundry Income - Other Asset classes and Ser	18,047	57,149	35,375	37,585	37,585	29,302	37,067	2,397	21,820	276,327	36,119	36,119	36,125	384,689	433,430	(48,741)
<b>Total Income</b>	<b>105,079</b>	<b>128,613</b>	<b>106,339</b>	<b>105,945</b>	<b>108,118</b>	<b>95,528</b>	<b>112,837</b>	<b>81,447</b>	<b>108,017</b>	<b>951,923</b>	<b>98,255</b>	<b>96,302</b>	<b>92,308</b>	<b>1,238,789</b>	<b>1,131,354</b>	<b>(41,378)</b>
<b>5-0000</b>																
Cost Of Sales																
Total Interest Paid to Investors	45,427	42,208	41,938	35,985	33,083	30,829	30,766	28,213	23,547	311,996	50,000	50,000	50,000	461,996	600,000	138,004
<b>Gross Profit</b>	<b>59,652</b>	<b>86,405</b>	<b>64,401</b>	<b>69,960</b>	<b>75,036</b>	<b>64,699</b>	<b>82,071</b>	<b>53,234</b>	<b>84,470</b>	<b>639,927</b>	<b>48,255</b>	<b>46,302</b>	<b>42,308</b>	<b>776,793</b>	<b>531,354</b>	<b>245,438</b>
<b>6-0000</b>																
Expenses																
Total Employee Benefits	9,172	11,064	10,617	10,617	10,617	10,706	10,869	10,869	10,211	94,742	10,768	10,768	11,765	128,043	132,012	3,969
Total Professional fees	1,886	3,146	1,886	1,886	1,886	2,359	2,456	3,405	2,649	21,558	2,194	2,194	2,186	28,132	26,320	(1,812)
Total Banking and Indue Costs	16,676	16,720	16,739	17,841	16,942	16,351	17,345	16,755	19,122	154,491	18,056	23,056	18,051	213,654	221,672	8,018
Total insurance costs	1,109	1,120	1,114	-2,025	601	585	604	604	119	3,831	1,029	1,029	1,023	6,912	12,342	5,430
Total General Operations costs	793	878	1,050	1,134	683	702	1,420	695	1,023	8,380	1,940	1,940	1,947	14,207	23,287	9,080
<b>Total Expenses</b>	<b>29,636</b>	<b>32,928</b>	<b>31,406</b>	<b>29,453</b>	<b>30,730</b>	<b>30,702</b>	<b>32,695</b>	<b>32,329</b>	<b>33,124</b>	<b>283,002</b>	<b>33,987</b>	<b>38,987</b>	<b>34,971</b>	<b>390,948</b>	<b>415,633</b>	<b>24,685</b>
<b>Total Net Profit</b>	<b>30,016</b>	<b>53,477</b>	<b>32,995</b>	<b>40,507</b>	<b>44,306</b>	<b>33,997</b>	<b>49,376</b>	<b>20,905</b>	<b>51,347</b>	<b>356,925</b>	<b>14,268</b>	<b>7,315</b>	<b>7,337</b>	<b>385,844</b>	<b>115,721</b>	<b>270,123</b>
<b>9-0000</b>																
Distribution to Diocese																
Total Other Expenses	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	93,600	10,400	10,400	10,600	125,000	125,000	-
<b>Net Profit/(Loss) after distribution</b>	<b>19,616</b>	<b>43,077</b>	<b>22,595</b>	<b>30,107</b>	<b>33,906</b>	<b>23,597</b>	<b>38,976</b>	<b>10,505</b>	<b>40,947</b>	<b>263,325</b>	<b>3,868</b>	<b>-3,085</b>	<b>-3,263</b>	<b>260,844</b>	<b>-9,279</b>	<b>270,123</b>

**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street

Grafton 2460

NSW

**Profit & Loss Statement**

January to December 2020

	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	YTD Actual	October Budget	November Budget	December Budget	Forecast	Budget	Variance
<b>4-0000 Income</b>																
4-1010 Interest Received - Investment	0	0	0	0	0	0	0	0	0	0	10,355	9,000	5,000	24,355	102,954	(78,599)
4-1011 Interest Received - NAB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4-1012 Interest Recd - AFSA	9,242	14,499	14,562	8,893	7,066	7,986	5,722	3,019	9,811	80,800	0	0	0	80,800	0	80,800
4-1013 Interest Recd - Melb CF7963	1,151	3,337	2,586	1,884	245	-1,909	0	0	0	7,293	0	0	0	7,293	0	7,293
4-1014 Interest recd - WBC	147	144	153	130	107	106	105	96	97	1,084	0	0	0	1,084	0	1,084
4-1015 Interest Recd - AMP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
<b>Interest Recd - Investments</b>	<b>10,539</b>	<b>17,980</b>	<b>17,300</b>	<b>10,907</b>	<b>7,418</b>	<b>6,183</b>	<b>5,827</b>	<b>3,115</b>	<b>9,908</b>	<b>89,177</b>	<b>10,355</b>	<b>9,000</b>	<b>5,000</b>	<b>113,532</b>	<b>102,954</b>	<b>10,578</b>
4-1020 Overdraft/LOC INT INC	36,595	16,530	14,345	19,660	25,251	22,299	23,687	29,904	32,167	220,438	51,782	51,183	51,183	374,587	594,970	(220,383)
4-1021 Interest Only Loans INT INC	16,444	15,298	16,353	15,799	15,673	16,485	24,514	24,514	23,516	168,598	0	0	0	168,598	0	168,598
4-1022 Princ & Int Loans INT INC	23,453	21,655	22,966	21,993	22,192	21,259	21,742	21,517	20,606	197,382	0	0	0	197,382	0	197,382
<b>Interest Recd - Borrowers</b>	<b>76,493</b>	<b>53,483</b>	<b>53,664</b>	<b>57,453</b>	<b>63,116</b>	<b>60,043</b>	<b>69,943</b>	<b>75,935</b>	<b>76,289</b>	<b>586,419</b>	<b>51,782</b>	<b>51,183</b>	<b>51,183</b>	<b>740,567</b>	<b>594,970</b>	<b>145,597</b>
4-1055 Ord Min List Interest Income	3,631	3,631	3,275	3,631	3,631	3,260	3,526	3,526	1,432	29,543	3,345	3,345	3,349	39,582	40,144	(562)
4-1056 Ord Min U/List Interest Income	14,412	14,412	12,559	14,413	14,413	11,499	14,000	14,000	5,846	115,554	13,232	13,232	13,234	155,252	158,786	(3,535)
4-1057 Proceeds on Sale of Bonds	0	0	0	0	0	0	0	-34,670	0	-34,670	0	0	0	-34,670	0	(34,670)
4-1058 Profit/Loss Sale Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4-2000 Service Fees Received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4-2100 Line Fee Income	0	39,084	19,541	19,541	19,541	14,543	19,541	19,541	14,543	165,875	19,542	19,542	19,542	224,500	234,500	(10,000)
4-3000 Sundry Income	4	22	0	0	0	0	0	0	0	26	0	0	0	26	0	26
<b>Sundry Income - Other Asset classes and Service Fee</b>	<b>18,047</b>	<b>57,149</b>	<b>35,375</b>	<b>37,585</b>	<b>37,585</b>	<b>29,302</b>	<b>37,067</b>	<b>2,397</b>	<b>21,820</b>	<b>276,327</b>	<b>36,119</b>	<b>36,119</b>	<b>36,125</b>	<b>384,689</b>	<b>433,430</b>	<b>(48,741)</b>
<b>Total Income</b>	<b>105,079</b>	<b>128,613</b>	<b>106,339</b>	<b>105,945</b>	<b>108,118</b>	<b>95,528</b>	<b>112,837</b>	<b>81,447</b>	<b>108,017</b>	<b>951,923</b>	<b>98,255</b>	<b>96,302</b>	<b>92,308</b>	<b>1,238,789</b>	<b>1,131,354</b>	<b>107,435</b>
5-2100 Interest Paid to Investors	45,427	42,208	41,938	35,985	33,083	30,829	30,766	28,213	23,547	311,996	50,000	50,000	50,000	461,996	600,000	138,004
<b>Total Cost Of Sales</b>	<b>45,427</b>	<b>42,208</b>	<b>41,938</b>	<b>35,985</b>	<b>33,083</b>	<b>30,829</b>	<b>30,766</b>	<b>28,213</b>	<b>23,547</b>	<b>311,996</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>461,996</b>	<b>600,000</b>	<b>138,004</b>
<b>Gross Profit</b>	<b>59,652</b>	<b>86,405</b>	<b>64,401</b>	<b>69,960</b>	<b>75,036</b>	<b>64,699</b>	<b>82,071</b>	<b>53,234</b>	<b>84,470</b>	<b>639,927</b>	<b>48,255</b>	<b>46,302</b>	<b>42,308</b>	<b>776,793</b>	<b>531,354</b>	<b>245,438</b>
<b>6-0000 Expenses</b>																
6-1100 Provision for Annual Leave	-658	443	443	443	443	531	453	453	-362	2,188	0	0	0	2,188	0	(2,188)
6-1200 Provision Long Service Leave	0	0	0	0	0	0	0	0	0	0	0	0	600	600	1,200	600
6-1300 Salaries and Wages	7,279	8,002	7,594	7,594	7,594	7,594	7,815	7,815	7,958	69,245	8,136	8,136	8,136	93,653	97,632	3,979
6-1400 Registry Support	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	16,731	1,859	1,859	1,856	22,305	22,305	-
6-1500 Superannuation	691	760	721	721	721	721	742	742	756	6,578	773	773	773	8,897	9,275	378
6-1600 Staff Traing	0	0	0	0	0	0	0	0	0	0	0	0	400	400	1,600	1,200
6-1700 Fund Manager Vehicle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
<b>Total Employee Benefits</b>	<b>9,172</b>	<b>11,064</b>	<b>10,617</b>	<b>10,617</b>	<b>10,617</b>	<b>10,706</b>	<b>10,869</b>	<b>10,869</b>	<b>10,211</b>	<b>94,742</b>	<b>10,768</b>	<b>10,768</b>	<b>11,765</b>	<b>128,043</b>	<b>132,012</b>	<b>3,969</b>
6-4200 Advertising	0	0	0	0	0	473	570	0	263	1,305	200	200	200	1,905	2,400	495
6-4300 Audit Fees	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	16,974	1,827	1,827	1,823	22,451	21,920	(531)
6-4360 Legal Fees	0	1,260	0	0	0	0	0	1,519	500	3,279	167	167	163	3,776	2,000	(1,776)
<b>Total Professional fees</b>	<b>1,886</b>	<b>3,146</b>	<b>1,886</b>	<b>1,886</b>	<b>1,886</b>	<b>2,359</b>	<b>2,456</b>	<b>3,405</b>	<b>2,649</b>	<b>21,558</b>	<b>2,194</b>	<b>2,194</b>	<b>2,186</b>	<b>28,132</b>	<b>26,320</b>	<b>(1,812)</b>
6-4400 WBC Bank Charges	499	449	524	400	224	190	323	450	539	3,598	560	560	560	5,278	6,720	1,442
6-4402 Indue Fees	73	20	36	83	95	31	33	15	20	405	49	49	47	550	586	36
6-4410 Consultancy Fees	0	0	0	0	0	0	0	0	0	0	625	625	625	1,875	7,500	5,625
6-4412 Donations	0	0	0	0	0	0	0	0	0	0	0	5,000	0	5,000	5,000	-
6-4440 WBC Line of Credit Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
6-4442 Ord Minnett Brokerage/Advice	1,200	1,200	1,200	1,099	1,200	1,200	1,112	1,200	1,200	10,611	1,320	1,320	1,320	14,571	15,840	1,269
6-4445 ASFA Line of Credit Charges	417	417	417	448	423	417	417	1,143	2,362	6,462	417	417	413	7,709	5,000	(2,709)
6-4450 AFSA Service Agreement Fees	14,487	14,635	14,562	15,811	15,000	14,513	15,460	13,947	15,000	133,415	15,085	15,085	15,086	178,672	181,026	2,354
<b>Total Banking Costs</b>	<b>16,676</b>	<b>16,720</b>	<b>16,739</b>	<b>17,841</b>	<b>16,942</b>	<b>16,351</b>	<b>17,345</b>	<b>16,755</b>	<b>19,122</b>	<b>154,491</b>	<b>18,056</b>	<b>23,056</b>	<b>18,051</b>	<b>213,654</b>	<b>221,672</b>	<b>8,018</b>
6-4510 Insurance - Workers Comp	109	120	114	114	114	114	117	117	119	1,036	136	136	130	1,438	1,626	188
6-4530 Insurance - General	1,000	1,000	1,000	-2,139	487	472	487	487	0	2,795	893	893	893	5,474	10,716	5,242
<b>Total insurance costs</b>	<b>1,109</b>	<b>1,120</b>	<b>1,114</b>	<b>-2,025</b>	<b>601</b>	<b>585</b>	<b>604</b>	<b>604</b>	<b>119</b>	<b>3,831</b>	<b>1,029</b>	<b>1,029</b>	<b>1,023</b>	<b>6,912</b>	<b>12,342</b>	<b>5,430</b>
6-4425 Depreciation Expense	123	69	69	69	69	69	69	69	69	675	123	123	123	1,044	1,476	432

6-4600	Meeting Expenses	0	0	0	0	0	0	0	0	0	41	41	49	131	500	369	
6-4610	Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	
6-4700	Postage	0	84	80	118	79	68	89	67	82	667	99	99	95	960	224	
6-4800	Printing & Stationery	139	0	374	112	0	0	671	0	314	1,610	215	215	206	2,246	325	
6-4900	Rent/Victoria Street	433	433	433	433	433	433	433	433	433	3,900	433	433	437	5,203	(3)	
6-5000	PC Repairs and Maintenance	0	0	0	36	0	0	0	0	0	36	250	250	250	786	2,214	
6-5100	Telephone	98	110	95	365	102	132	158	126	125	1,310	110	110	110	1,640	(320)	
6-5200	Travel & Accommodation - Board	0	182	0	0	0	0	0	0	0	182	416	424	1,438	5,000	3,562	
6-5300	Travel & Accommodation - AFGD	0	0	0	0	0	0	0	0	0	0	200	200	200	600	1,800	
6-5310	AFGD Staff Expenses Other	0	0	0	0	0	0	0	0	0	53	53	53	159	636	477	
	<b>Total General Operations costs</b>	<b>793</b>	<b>878</b>	<b>1,050</b>	<b>1,134</b>	<b>683</b>	<b>702</b>	<b>1,420</b>	<b>695</b>	<b>1,023</b>	<b>8,380</b>	<b>1,940</b>	<b>1,940</b>	<b>1,947</b>	<b>14,207</b>	<b>23,287</b>	<b>9,080</b>
	<b>Total Expenses</b>	<b>29,636</b>	<b>32,928</b>	<b>31,406</b>	<b>29,453</b>	<b>30,730</b>	<b>30,702</b>	<b>32,695</b>	<b>32,329</b>	<b>33,124</b>	<b>283,002</b>	<b>33,987</b>	<b>38,987</b>	<b>34,971</b>	<b>390,948</b>	<b>415,633</b>	<b>24,685</b>
	<b>Total Net Profit</b>	<b>30,016</b>	<b>53,477</b>	<b>32,995</b>	<b>40,507</b>	<b>44,306</b>	<b>33,997</b>	<b>49,376</b>	<b>20,905</b>	<b>51,347</b>	<b>356,925</b>	<b>14,268</b>	<b>7,315</b>	<b>7,337</b>	<b>385,844</b>	<b>115,721</b>	<b>270,123</b>
9-2200	Contribution to Diocese	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	93,600	10,400	10,400	10,600	125,000	125,000	-
	<b>Total Other Expenses</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>93,600</b>	<b>10,400</b>	<b>10,400</b>	<b>10,600</b>	<b>125,000</b>	<b>125,000</b>	<b>0</b>
	<b>Net Profit/(Loss) after distribution</b>	<b>19,616</b>	<b>43,077</b>	<b>22,595</b>	<b>30,107</b>	<b>33,906</b>	<b>23,597</b>	<b>38,976</b>	<b>10,505</b>	<b>40,947</b>	<b>263,325</b>	<b>3,868</b>	<b>-3,085</b>	<b>-3,263</b>	<b>260,844</b>	<b>-9,279</b>	<b>270,123</b>

**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street  
Grafton 2460  
NSW

**Balance Sheet**

As of September 2020

Account No.				
1-0000	Assets			
1-1000	Current Assets			
1-1105	WBC 032537		(\$301.20)	
1-1110	WBC 032537		\$159,445.67	
1-1130	AFSA Float		(\$1,712,821.84)	
1-1131	AFSA MIA		\$420.03	
1-1137	Daily Txns		(\$290,025.53)	
1-1160	WBC 032537		\$345,602.11	
1-1170	Accrued Int		\$1,980.00	
1-2700	Furniture & Fixtures			
1-2710	Furniture & Fixtures		\$4,852.56	
1-2720	Furniture & Fixtures		(\$2,119.82)	
1-2800	Plant & Equipment			
1-2810	Computer		\$26,730.39	
1-2820	Acc Depn		(\$26,682.65)	
1-2900	Intangible Assets			
1-2910	Computer Software		\$60,500.00	
1-2920	Acc Depn - Compr		(\$60,500.00)	
1-3000	Financial Assets -			
1-3114	AFSA Term		\$1,000,000.00	
1-3120	AFSA Security Dep		\$252,941.61	
1-3130	WBC Term		\$100,000.00	
1-3145	Ord Minnett-Listed		\$1,155,594.48	
1-3147	Ord Minnett-Global		\$13,953.00	
1-3148	Ord Minn-Global		\$3,011,210.00	
1-3150	Loan Assets			
1-3155	Line of Credit - O/D		\$13,954,360.81	
1-3160	Loan Advances		\$6,601,964.43	
1-3170	Loan Advances - P		\$5,004,039.06	
1-3190	Accrued Interest			
1-3199	Financial Assets		(\$15,104,496.17)	
1-4000	Financial Assets -			
1-4110	Financial Assets		\$15,104,496.17	
	Total Assets			\$29,601,143.11
2-0000	Liabilities			
2-1000	Current Liabilities			
2-1004	Audit Costs		\$17,474.00	
2-1100	Accrued Interest			
2-1101	2243130 Access		\$101.43	
2-1102	2243131 Inst Acc		\$247.78	
2-1104	2243133 Parish		\$39.66	
2-1200	Accounts payable			\$2,426.88
2-1221	2243310 Term 90			\$2,282.76
2-1222	2243320 Term 180			\$43,345.50
2-1223	2243330 Term 365			\$58,797.28
2-1700	Investor Funds Fin			
2-1710	2103300 Access		\$130,696.46	
2-1715	2103310 Institution		\$214,063.17	
2-1725	2103330 Parish		\$6,308.50	
2-1730	2103350 Interest		\$8,401.17	
2-1735	2103370 Chq Acc		\$1,229,577.13	
2-1740	2103380 Chq Acc		\$2,716,506.09	
2-1745	2103400 Anglican		\$4,063,610.99	
2-1750	139 Parishes CMA		\$800,876.98	
2-1755	2183310 Term Inv		\$2,491,417.62	
2-1756	2103420 Clergy		\$322,837.14	
2-1760	2183320 Term Inv		\$9,320,079.75	
2-1765	2183330 Term Inv		\$6,211,644.57	
2-1900	Other Current			
2-1910	Accrued Annual		\$4,565.26	
2-1911	Accrued Long		\$11,627.54	
2-1915	Accrued Expenses		\$18,600.00	
2-3030	GST from			(\$140.14)
2-9999	Westpac Unknown			\$223.68
	Total Liabilities			\$27,675,611.20
	Net Assets			\$1,925,531.91
3-0000	Equity			
3-7000	Revaluation			(\$81,974.48)
3-8000	Retained Earnings			\$1,744,181.29
3-9000	Current Earnings			\$263,325.10
	Total Equity			\$1,925,531.91

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

**Balance Sheet [Multi-Period]**

January 2020 To September 2020

Account No.	Account Name	January	February	March	April	May	June	July	August	September
<b>Assets</b>										
<b>Current Assets</b>										
		233,404	237,465	231,173	196,629	220,504	247,893	227,507	256,651	259,144
		14,209,486	13,666,732	13,180,300	8,266,595	7,968,260	5,912,129	3,951,773	2,456,606	-1,389,931
		5,781,244	5,781,244	5,726,201	5,726,201	5,726,201	5,596,437	5,596,437	4,117,687	4,166,804
		-8,843	49,482	6,982	18,622	53,916	8,934	12,002	48,443	1,980
	<b>Fixed Assets</b>	3,332	3,263	3,194	3,125	3,056	2,987	2,918	2,849	2,780
	<b>Loan Assets</b>	16,186,834	17,319,658	16,654,150	19,553,641	18,834,776	21,654,979	22,218,639	23,494,550	26,560,364
		0	0	0	0	0	0	0	0	0
	<b>Total Assets</b>	<b>36,405,458</b>	<b>37,057,844</b>	<b>35,802,000</b>	<b>33,764,814</b>	<b>32,806,714</b>	<b>33,423,359</b>	<b>32,009,276</b>	<b>30,376,785</b>	<b>29,601,143</b>
<b>Liabilities</b>										
<b>Current Liabilities</b>										
		38,847	44,992	47,308	31,984	27,356	30,441	30,661	34,294	38,501
		117	222	324	432	539	0	125	257	389
		154,137	152,716	130,854	127,653	112,333	99,239	102,515	94,137	104,426
	<b>Investor Funds Fin Liab Current</b>	10,249,692	10,913,901	13,768,553	12,597,666	12,306,829	13,253,929	12,022,627	10,920,411	9,492,878
		24,217,852	24,157,198	20,097,714	19,221,233	18,539,487	18,323,028	18,097,685	17,475,810	18,023,142
	<b>Other Current Liabilities</b>	12,188	13,113	13,992	12,485	12,903	15,623	15,587	16,185	16,053
		224	224	224	224	224	224	224	224	224
	<b>Total Liabilities</b>	<b>34,673,055</b>	<b>35,282,365</b>	<b>34,058,969</b>	<b>31,991,676</b>	<b>30,999,671</b>	<b>31,722,483</b>	<b>30,269,424</b>	<b>28,541,317</b>	<b>27,675,611</b>
	<b>Net Assets</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>	<b>1,835,468</b>	<b>1,925,532</b>
	<b>Equity</b>									
	<b>Total Equity</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>	<b>1,835,468</b>	<b>1,925,532</b>

**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street  
Grafton 2460  
NSW

**Balance Sheet [Multi-Period]**

January 2020 To September 2020

Account No.	Account Name	January	February	March	April	May	June	July	August	September
<b>Assets</b>										
<b>Current Assets</b>										
1-1105	WBC 032537 247819 Operating Ac	9,220	8,490	11,225	3,676	18,428	2,920	1,493	3,076	-301
1-1110	WBC 032537 120455 Client Chq	124,185	128,975	119,949	92,953	102,076	144,973	126,014	153,574	159,446
1-3130	WBC Term Invested Funds	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
		<b>233,404</b>	<b>237,465</b>	<b>231,173</b>	<b>196,629</b>	<b>220,504</b>	<b>247,893</b>	<b>227,507</b>	<b>256,651</b>	<b>259,144</b>
1-1130	AFSA Float SAV00000202	81	68	28	345	59	377	420	-576,315	-1,712,822
1-1131	AFSA MIA SAV00041173	11,623,828	9,645,463	10,586,746	7,804,067	7,282,054	5,339,119	3,134,445	2,099	420
1-1137	Daily Txns Unproc'd in Phoenix	-26,017	1,320,661	-225,000	-727,433	34,584	-95,247	38,456	945,391	-290,026
1-1160	WBC 032537 163017 Cash Managem	359,818	444,849	544,880	395,251	395,267	395,284	525,565	300,586	345,602
1-1165	Melb DIF 30 day term	2,000,000	2,000,000	2,000,000	500,000	0	0	0	0	0
1-3120	AFSA Security Dep SAV00000203	251,777	251,971	252,179	252,380	252,588	252,789	252,887	252,915	252,942
1-3147	Ord Minnett-Global Cash Trust	0	3,720	21,467	41,985	3,709	19,807	0	1,531,931	13,953
		<b>14,209,486</b>	<b>13,666,732</b>	<b>13,180,300</b>	<b>8,266,595</b>	<b>7,968,260</b>	<b>5,912,129</b>	<b>3,951,773</b>	<b>2,456,606</b>	<b>-1,389,931</b>
1-3145	Ord Minnett-Listed Investments	1,166,574	1,166,574	1,120,826	1,120,826	1,120,826	1,155,137	1,155,137	1,155,137	1,155,594
1-3148	Ord Minn-Global Investments	4,614,670	4,614,670	4,605,375	4,605,375	4,605,375	4,441,300	4,441,300	2,962,550	3,011,210
		<b>5,781,244</b>	<b>5,781,244</b>	<b>5,726,201</b>	<b>5,726,201</b>	<b>5,726,201</b>	<b>5,596,437</b>	<b>5,596,437</b>	<b>4,117,687</b>	<b>4,166,804</b>
1-1170	Accrued Int Receivable Investm	3,567	8,485	6,982	10,143	12,048	7,959	83	1,047	1,980
1-1171	Ord Min List Accrued Int Rec	-6,906	-3,275	0	-6,891	-3,260	0	-4,958	-1,432	0
1-1172	Ord Min U/List Accrued Int Rec	-5,504	5,188	0	-6,105	4,600	0	-3,152	8,108	0
1-1173	Accrued Income	0	39,084	0	19,541	39,082	0	19,541	39,082	0
1-2000	Trade Debtors	0	0	0	0	0	0	0	1,638	0
1-1400	Prepaid Insurance	0	0	0	1,934	1,446	975	487	0	0
		<b>-8,843</b>	<b>49,482</b>	<b>6,982</b>	<b>18,622</b>	<b>53,916</b>	<b>8,934</b>	<b>12,002</b>	<b>48,443</b>	<b>1,980</b>
<b>Fixed Assets</b>										
1-2710	Furniture & Fixtures Orig Cost	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853
1-2720	Furniture & Fixtures Accum Dep	-1,848	-1,882	-1,916	-1,950	-1,984	-2,018	-2,052	-2,086	-2,120

1-2810	Computer Hardware	26,730	26,730	26,730	26,730	26,730	26,730	26,730	26,730	26,730
1-2820	Acc Depn Computer Hardware	-26,403	-26,438	-26,473	-26,508	-26,543	-26,578	-26,613	-26,648	-26,683
1-2910	Computer Software	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
	<b>Fixed Assets</b>	<b>3,332</b>	<b>3,263</b>	<b>3,194</b>	<b>3,125</b>	<b>3,056</b>	<b>2,987</b>	<b>2,918</b>	<b>2,849</b>	<b>2,780</b>
	<b>Loan Assets</b>									
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
1-3155	Line of Credit - O/D	6,112,057	7,286,189	6,672,864	9,706,905	9,049,642	8,822,299	9,430,291	10,758,789	13,954,361
1-3160	Loan Advances	3,660,068	3,659,008	3,660,063	3,579,509	3,569,383	6,670,195	6,678,225	6,678,225	6,601,964
1-3170	Loan Advances - P & I	5,414,709	5,374,460	5,321,223	5,267,227	5,215,751	5,162,485	5,110,123	5,057,536	5,004,039
	<b>Loan Assets</b>	<b>16,186,834</b>	<b>17,319,658</b>	<b>16,654,150</b>	<b>19,553,641</b>	<b>18,834,776</b>	<b>21,654,979</b>	<b>22,218,639</b>	<b>23,494,550</b>	<b>26,560,364</b>
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
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
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Assets</b>	<b>36,405,458</b>	<b>37,057,844</b>	<b>35,802,000</b>	<b>33,764,814</b>	<b>32,806,714</b>	<b>33,423,359</b>	<b>32,009,276</b>	<b>30,376,785</b>	<b>29,601,143</b>
	<b>Liabilities</b>									
	<b>Current Liabilities</b>									
2-1004	Audit Costs	19,996	21,882	23,768	8,044	9,930	11,816	13,702	15,588	17,474
2-1200	Accounts payable	164	2,075	378	6,929	26	25	759	1,690	2,427
2-1915	Accrued Expenses	18,687	21,035	23,162	17,011	17,400	18,600	16,200	17,017	18,600
		<b>38,847</b>	<b>44,992</b>	<b>47,308</b>	<b>31,984</b>	<b>27,356</b>	<b>30,441</b>	<b>30,661</b>	<b>34,294</b>	<b>38,501</b>
2-1101	2243130 Access Acc INT PAY	42	75	99	124	149	0	27	63	101
2-1102	2243131 Inst Acc INT PAY	56	111	173	233	296	0	84	166	248
2-1104	2243133 Parish Prov INT PAY	20	36	52	75	95	0	14	27	40
		<b>117</b>	<b>222</b>	<b>324</b>	<b>432</b>	<b>539</b>	<b>0</b>	<b>125</b>	<b>257</b>	<b>389</b>
2-1221	2243310 Term 90 Days INT PAY	16,549	12,718	7,862	13,003	6,207	4,344	5,783	2,161	2,283
2-1222	2243320 Term 180 days INT PAY	50,632	61,406	38,257	36,323	28,006	26,617	32,874	34,723	43,346
2-1223	2243330 Term 365 days INT PAY	86,956	78,593	84,735	78,326	78,121	68,278	63,858	57,253	58,797
		<b>154,137</b>	<b>152,716</b>	<b>130,854</b>	<b>127,653</b>	<b>112,333</b>	<b>99,239</b>	<b>102,515</b>	<b>94,137</b>	<b>104,426</b>
	<b>Investor Funds Fin Liab Current</b>									
2-1710	2103300 Access Accounts	175,199	134,895	144,806	145,581	129,102	127,720	140,022	167,055	130,696
2-1715	2103310 Institution Access	151,131	160,072	166,346	164,328	168,937	197,804	203,527	198,302	214,063

2-1725	2103330 Parish Provider Access	5,713	4,676	5,168	6,346	6,340	7,326	9,574	8,205	6,309
2-1730	2103350 Interest Free Deposits	9,770	8,717	8,635	8,819	9,262	8,719	8,937	10,594	8,401
2-1735	2103370 Chq Acc Parishes	947,250	705,047	767,380	908,970	898,418	1,049,636	1,085,203	1,130,573	1,229,577
2-1740	2103380 Chq Acc Ministry	4,381,571	3,816,458	3,528,980	2,337,787	2,740,216	3,804,200	2,620,584	3,397,959	2,716,506
2-1745	2103400 Anglican Affiliates	3,673,102	5,150,547	8,271,285	8,187,149	7,478,705	7,184,629	6,962,621	4,963,634	4,063,611
2-1750	139 Parishes CMA	658,581	679,238	624,419	573,933	598,723	575,550	684,816	743,378	800,877
2-1756	2103420 Clergy Access Account	247,375	254,249	251,534	264,753	277,126	298,346	307,344	300,711	322,837
	<b>Investor Funds Fin Liab Current</b>	<b>10,249,692</b>	<b>10,913,901</b>	<b>13,768,553</b>	<b>12,597,666</b>	<b>12,306,829</b>	<b>13,253,929</b>	<b>12,022,627</b>	<b>10,920,411</b>	<b>9,492,878</b>
2-1755	2183310 Term Inv 90 days	7,608,290	7,620,616	5,468,356	5,569,728	3,736,937	3,176,993	3,078,413	2,468,413	2,491,418
2-1760	2183320 Term Inv 180 days	9,071,122	9,347,496	7,461,301	7,080,361	8,363,110	8,845,633	8,997,666	9,088,410	9,320,080
2-1765	2183330 Term Inv 365 days	7,538,440	7,189,086	7,168,057	6,571,143	6,439,440	6,300,402	6,021,606	5,918,987	6,211,645
		<b>24,217,852</b>	<b>24,157,198</b>	<b>20,097,714</b>	<b>19,221,233</b>	<b>18,539,487</b>	<b>18,323,028</b>	<b>18,097,685</b>	<b>17,475,810</b>	<b>18,023,142</b>
	<b>Other Current Liabilities</b>									
2-1910	Accrued Annual Leave	1,720	2,163	2,605	3,048	3,491	4,022	4,475	4,927	4,565
2-1911	Accrued Long Service Leave	11,628	11,628	11,628	11,628	11,628	11,628	11,628	11,628	11,628
2-3030	GST from purchases	-1,160	-678	-241	-2,191	-2,215	-27	-515	-370	-140
	<b>Other Current Liabilities</b>	<b>12,188</b>	<b>13,113</b>	<b>13,992</b>	<b>12,485</b>	<b>12,903</b>	<b>15,623</b>	<b>15,587</b>	<b>16,185</b>	<b>16,053</b>
2-9999	Westpac Unknown transactions	224	224	224	224	224	224	224	224	224
		<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>
	<b>Total Liabilities</b>	<b>34,673,055</b>	<b>35,282,365</b>	<b>34,058,969</b>	<b>31,991,676</b>	<b>30,999,671</b>	<b>31,722,483</b>	<b>30,269,424</b>	<b>28,541,317</b>	<b>27,675,611</b>
	<b>Net Assets</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>	<b>1,835,468</b>	<b>1,925,532</b>
	<b>Equity</b>									
3-7000	Revaluation Financial Assets	-31,395	-31,395	-86,438	-86,438	-86,438	-216,202	-216,202	-131,092	-81,974
3-8000	Retained Earnings	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181
3-9000	Current Earnings	19,616	62,693	85,288	115,394	149,300	172,897	211,873	222,379	263,325
	<b>Total Equity</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>	<b>1,835,468</b>	<b>1,925,532</b>



Loan Book Data	30-Sep-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	\$ 1,767,115.17				5.90%	10/05/2005	\$ 1,758,979.66	31/12/2037
COM 730 436040019 Stage 2 Building Loan	Emmanuel Anglican College	\$ 100,339.66				4.21%	30/04/2013	\$ 405,163.30	30/04/2021
COM 730 436040020 Stage 3 Building Loan	Emmanuel Anglican College	\$ 89,807.48				4.21%	30/04/2013	\$ 257,533.50	30/04/2022
COM 730 436040021 Stage 4 Building Loan	Emmanuel Anglican College	\$ 1,074,131.32				4.21%	30/04/2013	\$ 1,672,479.06	30/04/2025
COM 730 436040136 Stanley St Unit Purchase	M Smedley	\$ 462,014.80				5.34%	25/01/2017	\$ 550,000.00	25/01/2047
COM 730 436040221 Purchase 72 Mahers Lane Terran	Lindisfarne Anglican School	\$ 3,108,556.00				3.35%	26/06/2020	\$ 3,100,000.00	26/06/2025
COM 731 436040139 Refinance 10 Cotswold Close	Coffs Harbour Anglican Parish	\$ 17,390.22				3.85%	19/04/2017	\$ 174,000.00	19/04/2037
COM 731 436040069 6 McLean St, Coffs Harbour NSW	Coffs Harbour Anglican Parish	\$ 44,944.57				3.85%	01/12/2015	\$ 194,000.00	01/12/2031
COM 731 436040129 Administration & Classrooms	Emmanuel Anglican College	\$ 2,074,062.73				5.56%	03/01/2017	\$ 2,500,000.00	03/01/2032
COM 731 436040202 Construction Learning Spaces	Emmanuel Anglican College	\$ 727,501.40				3.99%	02/01/2020	\$ 750,000.00	02/01/2035
COM 731 436040059 Principal and interest loan	Anglicare North Coast	\$ 14,680.60				5.50%	18/12/2014	\$ 1,200,000.00	18/12/2026
COM 731 436040211 Rectory Loan	South Grafton Anglican Parish	\$ 139,001.07				3.85%	27/02/2020	\$ 137,578.94	27/02/2031
COM 731 436040011 Middle School Stage 4	St Columba Anglican School Council Incor	\$ 313,573.08				4.98%	02/04/2013	\$ 1,003,682.80	02/05/2023
COM 731 436040012 Stage 5	St Columba Anglican School Council Incor	\$ 153,464.58				4.98%	02/04/2013	\$ 432,389.82	02/11/2023
COM 731 436040013 Stage 6	St Columba Anglican School Council Incor	\$ 453,427.77				4.98%	02/04/2013	\$ 1,209,360.63	02/03/2024
COM 731 436040014 Admin Building Stage 6b.1	St Columba Anglican School Council Incor	\$ 429,887.18				4.98%	02/04/2013	\$ 786,598.41	02/01/2027
COM 731 436040015 Building Loan Stage 7	St Columba Anglican School Council Incor	\$ 567,612.60				4.98%	02/04/2013	\$ 959,563.76	10/12/2027
COM 731 436040166 CCELC Purchase	St Columba Anglican School Council Incor	\$ 58.14				4.98%	05/06/2018	\$ 1,777,000.00	05/03/2026
COM 731 436040146 Clergy Car Loan	M Smedley	\$ 18,229.18				5.85%	22/08/2017	\$ 43,532.00	22/08/2022
COM 731 436040170 Ridge Clergy Car Loan	M A Ridge	\$ 13,710.65				5.85%	04/10/2018	\$ 21,660.00	04/10/2023
COM 731 436040149 Clergy Car Loan	M B Jones	\$ 4,253.35				5.85%	28/11/2017	\$ 13,450.00	28/11/2021
COM 731 436040143 Clergy Car Loan - Jenks	G C Jenks	\$ 15,389.27				5.85%	13/06/2017	\$ 40,000.00	13/06/2022
COM 731 436040145 Clergy Car Loan	D Snyman	\$ 15,101.67				5.85%	11/08/2017	\$ 36,000.00	11/08/2022
COM 731 436040161 Clergy Car Loan Toyota Corolla	D Snyman	\$ 1,751.00				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	\$ 1,065.36	\$ -	\$ 850,000.00	\$ 848,934.64				
OD 535 438040015 Working Capital & Residual Fun	Emmanuel Anglican College	\$ 1,519,447.20	\$ -	\$ 3,100,000.00	\$ 1,580,552.80				
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	\$ 5,490,093.82	\$ -	\$ 8,000,000.00	\$ 2,509,906.18				
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	\$ 3,232,822.88	\$ -	\$ 6,000,000.00	\$ 2,767,177.12				
OD 535 438040025 Working Capital Requirements	Bishop Druitt College Council	\$ 3,348,047.58	\$ -	\$ 3,450,000.00	\$ 101,952.42				
OD 535 438040026 Information Computer Technolog	Bishop Druitt College Council	\$ 362,883.97	\$ -	\$ 550,000.00	\$ 187,116.03				
		\$ 25,560,364.30	\$ -	\$ 22,790,000.00	\$ 8,835,639.19				

**Largest exposure**  
**St Columba Anglican School**  
**includes full OD limit**  
**\$ 9,918,023.35**

**Balance of OD only**  
**\$ 7,408,117.17**

<b>Total Loan Book assets</b>	<b>Excludes redraw</b>	<b>\$ 34,396,003.49</b>
	<b>Loans only</b>	<b>\$ 11,606,003.49</b>

Overdrafts only	Facility Limit	Annual Line Fee \$	Rate	Line Fee %
Anglican Diocese of Grafton	\$ 450,000.00	\$ -	3.85%	0.00%
St Columba Anglican School Council Incor	\$ 8,000,000.00	\$ 60,000.00	3.09%	0.75%
Camfar Properties Pty Ltd	\$ 190,000.00	\$ -	5.33%	0.00%
Clarence Valley Anglican School	\$ 850,000.00	\$ 4,250.00	5.90%	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	3.24%	0.75%
Lindisfarne Anglican School	\$ 6,000,000.00	\$ 66,000.00	2.25%	1.10%
Bishop Druitt College Council	\$ 5,450,000.00	\$ 54,500.00	4.16%	1.00%
Bishop Druitt College Council	\$ 550,000.00	\$ 5,500.00	4.16%	1.00%
	<b>\$ 24,790,000.00</b>	<b>\$ 214,500.00</b>	<b>3.31%</b>	<b>0.92%</b>

**Average return** **3.853%** **4.77%**  
refer balance by rate end of month for benchmark

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

Assets	Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 159,239	\$ 15,924
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%	\$ 25,560,364	\$ 19,170,273
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%		\$ -
External Loans - Secured Commercial property	125%		\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:			\$ -
Rating AAA to AA-	20%		\$ -
Rating A+ to BBB-	50%	\$ 4,251,344	\$ 2,125,672
Rating BB+ to B-	100%		\$ -
Rating CCC to D	200%		\$ -
Unrated	400%		\$ -
Other Investments/assets and Equities	400%		\$ -
<b>Total Assets</b>		<b>29,970,948</b>	<b>\$ 21,311,869</b>

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

**Risk Concentration:**

To the extent an External loans exceeds 5% of Total Assets						
		<u>Total Assets:</u>	<u>Limit Amount:</u>	<u>Number</u>		
Limit	5%	\$ 29,970,948	\$ 1,498,547			
Loans > 5% of TA			\$ -	400%	\$ -	\$ -
To the extent an Internal loans exceeds 30% of Total Assets						
		<u>Total Assets:</u>	<u>Limit Amount:</u>			
Limit	30%	\$ 29,970,948	\$ 8,991,284			
Loans > 30% of TA				200%	\$ -	\$ -
<b>Total Risk Weighted Assets</b>						<b>\$ 21,311,869</b>
8% of risk weighted assets						\$ 1,704,950
+ 2.5% Buffer						\$ 532,797
<b>Required Capital 10.5%</b>						<b>\$ 2,237,746</b>
<b>Equity:</b>						
Accumulated Funds						\$ 2,007,506
Asset Reserves						-\$ 81,974
<b>Total Equity</b>						<b>\$ 1,925,532</b>
<b>"Surplus" Capital</b>						<b>-\$ 312,214</b>
<b>Actual Capital Adequacy ratio</b>						<b>9.04%</b>

Comments should actual Capital Adequacy ratio be < 10.5%

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

Total Assets:		\$ 29,970,948	
<b>Minimum Liquidity requirement</b>	<b>10%</b>		<b>\$ 2,997,095</b>
<u>Actual position:</u>			
Cash		\$ 159,239	
Undrawn Bank OD Facility		\$ 2,787,178	
Total Actual Liquidity			\$ 2,946,418
"Surplus" Liquidity			-\$ 50,677
<b>Actual Liquidity Ratio</b>			<b>9.8%</b>

Comments should actual Liquidity ratio be < 10%

**4.3 Depositors in excess of 5% of Liabilities**

Total depositors in excess of 5% of Liabilities	\$ 12,628,284	\$ 12,628,284	45.9%
Total liabilities		\$ 27,516,020	

**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%	\$ 159,239	\$ 15,924
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%	\$ 34,396,003	\$ 25,797,003
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%		\$ -
External Loans - Secured Commercial property	125%		\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:			\$ -
Rating AAA to AA-	20%		\$ -
Rating A+ to BBB-	50%	\$ 4,251,344	\$ 2,125,672
Rating BB+ to B-	100%		\$ -
Rating CCC to D	200%		\$ -
Unrated	400%		\$ -
Other Investments/assets and Equities	400%		\$ -
<b>Total Assets</b>		<b>38,806,587</b>	<b>\$ 27,938,599</b>

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

**Risk Concentration:**

To the extent an External loans exceeds 5% of Total Assets

Limit	5%	Total Assets:	Limit Amount:	Number			
Limit	5%	\$ 38,806,587	\$ 1,940,329				
Loans > 5% of TA			\$ -	400%	\$ -	\$ -	\$ -

To the extent an Internal loans exceeds 30% of Total Assets

Limit	30%	Total Assets:	Limit Amount:				
Limit	30%	\$ 38,806,587	\$ 11,641,976				
Loans > 30% of TA				200%	\$ -	\$ -	\$ -

**Total Risk Weighted Assets** \$ **27,938,599**

8% of risk weighted assets \$ 2,235,088

+ 2.5% Buffer \$ 698,465

**Required Capital 10.5%** \$ **2,933,553**

Equity:			
Accumulated Funds		\$ 2,007,506	
Asset Reserves		-\$ 81,974	
<b>Total Equity</b>		<b>\$ 1,925,532</b>	
"Surplus" Capital		-\$ 1,008,021	
<b>Actual Capital Adequacy ratio</b>			<b>6.89%</b>

Comments should actual Capital Adequacy ratio be &lt; 10.5%

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

Total Assets:		\$ 38,806,587	
<b>Minimum Liquidity requirement</b>	<b>10%</b>		<b>\$ 3,880,659</b>
<u>Actual position:</u>			
Cash		\$ 159,239	
Undrawn Bank OD Facility		\$ 2,787,178	
Total Actual Liquidity			\$ 2,946,418
"Surplus" Liquidity			-\$ 934,241
<b>Actual Liquidity Ratio</b>			<b>7.6%</b>

Comments should actual Liquidity ratio be &lt; 10%

**4.3 Depositors in excess of 5% of Liabilities**

Total depositors in excess of 5% of Liabilities	\$ 12,628,284	\$ 12,628,284	45.9%
Total liabilities		\$ 27,516,020	

**Comments on large depositors**The number of accounts/clients with balances in excess of 5% is: **1** Corporate Trustees

# ORD MINNETT

## PORTFOLIO VALUATION

Portfolio Details as at: 30 September 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 %
<b>INTEREST RATE SECURITIES</b>												
AU3FN0032710	AAI LTD FRN 06/10/2022 - 2042 BBSW+3.20%	1,000,000	1.0571	1,057,080.00	1.023	1,023,070.00	24.47	2.12	33,000.00			2.12
AU3FN0033668	BENDIGO FRN 09/12/2021-2026 BBSW+2.80%	1,000,000	1.0319	1,031,930.00	1.015	1,014,770.00	24.27	1.63	28,900.00			1.63
AU3FN0037917	AMPAUS FRN 01/12/2022 - 2027 BBSW+1.80%	500,000	1.0045	502,260.00	0.952	475,970.00	11.38	4.23	9,458.00			4.23
AU3FN0048716	AUSWIDE BANK LTD FRN 12/06/2024 - 2029 BBSW+3.2%	500,000	1.0000	500,000.00	0.995	497,400.00	11.90	3.44	16,450.00			3.44
<b>Sub Total</b>				<b>3,091,270.00</b>		<b>3,011,210.00</b>	<b>72.03</b>		<b>87,808.00</b>			
<b>HYBRID SECURITIES</b>												
AYUHB	AUSTRALIAN UNITY LTD	11,437	101.4317	1,160,074.15	101.040	1,155,594.48	27.64	3.28	37,914.80			3.28
<b>Sub Total</b>				<b>1,160,074.15</b>		<b>1,155,594.48</b>	<b>27.64</b>		<b>37,914.80</b>			
<b>CASH</b>												
PERSHING_AUD	PERSHING AUSTRALIAN DOLLARS	13,953	1.0000	13,953.00	1.000	13,953.00	0.33					
<b>Sub Total</b>				<b>13,953.00</b>		<b>13,953.00</b>	<b>0.33</b>					
<b>TOTAL PORTFOLIO</b>				<b>4,265,297.15</b>		<b>4,180,757.48</b>	<b>100.00</b>	<b>3.01</b>	<b>125,722.80</b>			<b>3.01</b>

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

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

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**BOARD MEETING DATE:**

23/10/2020

**No 8 Matters for discussion and/or decision**

**Item: a**

**Title: AFSA/AFGD Service Agreement Report from Blaine Fitzgerald**

**No of Pages. 4 incl Header**

<b>Executive Summary</b>		Confidential <input type="checkbox"/> Urgent <input type="checkbox"/>	
<b>Date:</b>	15/10/20	<b>File number:</b>	
<b>To:</b>	Anglican Funds Grafton Diocese (AFGD) Board	<b>From:</b>	AFSA Head
<b>CC:</b>			
<b>Subject:</b>	<b>Expanded Service Agreement – update</b>		

**Background:**

**Expanded Service agreement signed – 27/11/19.**

- A moratorium or halt to discussions has been agreed until 31/7/20 or until further notice by either party
- No further action to date.

**Overarching strategy Paper – Corporate Trustees of the Diocese of Grafton and Anglican Funds Grafton Diocese in response to COVID-19.**

**Working Committee formed**

A working Committee made up of representatives from the Corporate Trustees and AFGD has been formed to oversee amongst other tasks, the liquidity/cash flow tracking of AFGD and the execution of the Diocese overarching strategy document.

- 1) The liquidity tracking worksheet continues to be updated and monitored at AFGD level monthly.
- 2) Other requests for reports by the working committee have been collated at Grafton office by Annette Dent.
- 3) Draft correspondence for a Corporate Trustees/AFGD update to the schools has been provided by Blaine Fitzgerald via email to Chris Nelson and David Ford to amend and distribute through the respective Boards and Committees.

**Westpac update:**

Correspondence to Westpac outlining strategy and support sought was issued 3/4/20.

In relation to Westpac, getting a clear decision and path to move forward has been slow and frustrating. Head of AFSA has had many conversations with Westpac via Andrew Davies and to date obtaining a clear time-line on a decision and timing of the transfer of school portfolios has proved difficult. The overarching position of Westpac is summarised as follows:

Feedback received from Westpac to date indicate:

- The education sector remains a key sector they want to support.
- Their appetite for credit where there is deviation from their core underwriting standards for this sector is diminished.
- Any Pari Passu joint venture funding arrangements where there is an un-equitable split between the two lenders is unlikely to be accommodated, with Westpac security to take priority and AFGD security to rank second, placing the Diocese and Trustees security in a weaker position than where they currently are.
- Line of Credit facilities in excess of core working capital requirements will not be entertained/offered.

From a Diocese and AFGD perspective, the strategy document of 3/4/20 provided to Westpac, and advancements in finalising individual school components for a number of reasons outside Diocese control has been protracted.

As a response to this feedback provided directly from Westpac two schools within the Diocese, EAC and LAGS both have sought approval from B-i-c and AFGD and have taken the opportunity to tender their business.

The other schools remain unaffected by the position of Westpac at present. Although I suspect SCAS may follow suit at the appropriate time in the New Year.

### **Key client updates**

#### ***St Columba Anglican School***

- SCAS have been sitting patiently for Westpac to finalise the Loan facility for the Enviro Centre that has been funded to date via the AFGD Line of Credit.
- The approval is for \$2.7m and it is anticipated these funds will be reimbursed by 30/10/2020.
- Business manager Jennifer Pike in October sought clarity of this timing and also on the overarching Diocese strategy and Both Les Murray on behalf of Westpac & Blaine Fitzgerald on behalf of AFGD provided a response including Westpac's position to assess a full refinance for SCAS in the New Year 2021.

#### ***Bishop Druitt College***

- No change to current facilities.
- BDC via Business Manager Shane Oxley and Principal Nick Johnstone have been very accommodating in supporting AFGD manage its liquidity and treasury needs and a word of appreciation from AFGD Board for their support would be a nice gesture.
- Verbally they are aware of Westpac's position and have indicated when BDC have a new request for finance they too may avail of the opportunity to go to the market under a tender process.

#### ***Emmanuel Anglican College***

- EAC having reviewed the offer received from Westpac and being concerned with its restrictive nature and the potential weakening of the Diocese security position put their business out to tender.
- A proposal that meets their tender requirements has been accepted by EAC and the successful financial institution will be released imminently.
- The refinance of all AFGD facilities circa \$7.4m is likely to occur by 30/11/2020.

#### ***Lindisfarne Anglican Grammar School***

- LAGS having reviewed the offer received from Westpac and being concerned with its restrictive nature and the potential weakening of the Diocese security position propose to put their business out to tender.
- Middle school and the Junior campus upgrade without formal funding lines in place from Westpac have been funded to date from the school's operating budget. Assisted by a large part to COVID- 19 initiatives released by the Federal Government including in advance federal government funding and qualifying for Jobkeeper Round 1.
- Therefore no additional strain on AFGD Line of Credit facility at present.
- LAGS from School Council, to Principal Stuart Marquardt and Business Manager Brett Dinsdale have been disappointed with the lack of urgency from Westpac who have attended Master Plan briefings and critical timing deadlines since November 2019 with the final split of funding discussed with Westpac and AFGD in February 2020.

### ***Clarence Valley Anglican School***

- Business Manager Ian Morris on 5/9/20 made a request for a number of scenarios to be constructed to enable meaningful discussion at School Council on the existing subordinated debt and the looming review trigger 1/7/21.
- Ian indicated the information would be used also to frame up a conversation and meeting with Diocese office and stakeholders to discuss the subordinated debt and to assist annual budget setting.
- Subsequently, it would appear a meeting was held and as a result of that meeting Chris Nelson on behalf of the stakeholder working committee requested a number of scenarios be tested. In all 7 scenarios were tested.
- The information provided (a copy I believe may be in the current Board papers) would be more than sufficient to sign off on the annual review for the year for CVAS. I recommend on reviewing the data the AFGD Board pass a resolution approving the CVAS annual review for 2020 and extending facilities for a further 12 months.
- AFGD and AFSA worked together to complete the request providing all the supporting analytics.

### **Other Anglican Affiliates**

#### ***Anglicare North Coast (ANC)***

- Nothing new to report.

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#### ***Risk Management Framework***

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

- No additional support or action required under the current Extended Services Agreement.

### **Blaine Fitzgerald – Head of Anglican Funds South Australia**

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#### **Disclaimer**

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**BOARD MEETING DATE:**

23/10/2020

**No 8 Matters for discussion and/or decision**

**Item: b**

**Title: Strategy document update – Corporate Trustees & AFGD to schools**

**No of Pages. 4 incl Header**

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**Re: Strategy Doc update CT's & AFGD to schools.**

1 message

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**Chris Nelson** <chris.nelson@graftondiocese.org.au>  
To: Blaine Fitzgerald <afsahead@adelaideanglicans.com>  
Cc: David Ford <fordie@mac.com>, office <office@afgd.com.au>

17 October 2020 at 15:18

Hi Blaine,

Thank you for this and I confirm my thoughts that this letter be considered at the upcoming AFGD Board meeting (23/10). The Corporate Trustees meeting of 22/10 has now been deferred to 5/11 so I suggest that the form approved by the AFGD Bard be forwarded to the Corporate Trustees for information.

With regard to the text of the letter there is one aspect that needs modification. At this stage only EAC has the permission to tender beyond Westpac. Lindisfarne have sent in a request but that request has not yet been considered by Bishop-in-Council. I understand that the Schools Commission will consider the Lindisfarne request on 29/10 and make a recommendation to the Bishop-in-Council.

On Thu, 15 Oct 2020 at 11:43, Blaine Fitzgerald <afsahead@adelaideanglicans.com> wrote:

Hi David and Chris,

I am led to understand that one of the requests from the joint working committee is to formalise an update to stakeholders, namely the schools.

Without being fully aware of where the working committee are at I've assumed the strategy remains consistent with the correspondence issued to Andrew Davis at Westpac dated 3/4/20.

Speaking with Chris he indicated he would like it to be included in the upcoming papers for the CT's and AFGD before being released.

Below is a first cut which you can use amend or disregard.

**Dear**

Further to the correspondence issued to Westpac 3/4/20 via Andrew Davis the Regional General Manager for NSW we provide this update on the progress made to date.

From a Diocese and AFGD perspective, the strategy document of 3/4/20 provided to Westpac, and advancements in finalising individual school components for a number of reasons outside Diocese control has been protracted.

Feedback received from Westpac to date indicate:

- The education sector remains a key sector they want to support. Their appetite for credit where there is deviation from their core underwriting standards for this sector is diminished.  
Any Pari Passu joint venture funding arrangements where there is an un-equitable split between the two lenders is unlikely to be accommodated, with Westpac security to take priority and AFGD security to rank second, placing the Diocese and Trustees security in a weaker position than where they currently are.  
Line of Credit facilities in excess of core working capital requirements will not be entertained/offered.

As a response to this feedback provided directly from Westpac to two schools within the Diocese, these schools with Diocesan and AFGD approval have taken the opportunity to tender their business. Again we reiterate for consistency all schools within the Diocese, upon formal request to put their business out to tender will be provided with the same opportunity.

We would also like to re-confirm that the Diocese and AFGD have the liquidity and capital required to support the treasury and funding needs of the schools and all customers during this transition period.

Out of courtesy if not already completed would the Business Managers be able to provide Annette Dent at AFGD with an indication of their cash flow requirements out to 31/12/20 to enable AFGD to match your treasury requirements and key milestone dates.

Again we thank you for your patience and assistance as all parties work through the strategy.

I hope this is of some assistance.

*Kind regards*

**Blaine Fitzgerald**

Head of Anglican Funds South Australia

18 King William Road, North Adelaide SA 5006

**P 08 8305 9371 | M 0452 137 740**



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Regards,

**Chris Nelson**

**General Manager/Registrar**

**Anglican Diocese of Grafton**

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**BOARD MEETING DATE:**

23/10/2020

**No 8 Matters for discussion and/or decision**

**Item: c**

**Title: CVAS Deed of Subordination**

**No of Pages. 9 incl Header**

Deed of subordination review trigger.

Grafton Customer

Clarence Valley Anglican School (CVAS)

Date: 15/10/2020

**Purpose of advices:**

On behalf of Diocese of Grafton stakeholder working Committee complete CVAS' debt servicing capacity, based on revised parameters.

The group would welcome analysis of CVAS' capacity to handle the following 3 scenarios:

- **Scenario 2M**

CVAS making \$2M in payment to the Anglican Diocese of Grafton in equal monthly payments over 240 months (i.e. \$8,333.33 per month). There will be no interest or escalation of payments. This arrangement will replace the current Deed of Subordination but not the existing AFGD loans.

- **Scenario 3M**

As per Scenario 2M but a total of \$3M in payment over the period (i.e. \$12,500 per month).

- **Scenario 4M**

As per Scenario 2M but a total of \$4M in payment over the period (i.e. \$16,666.67 per month).

**Scenario testing analysis summary:**

The following scenarios have been completed with the benefit of audited financial statements up to 31/12/19. With 2018 and 2019 being used as the base years.

**1. Scenario \$2M – refer to Pages 2 and 3**

**Conclusion:**

- CVAS based on historical financial performance can meet its current facilities with AFGD and also has the capacity to service the \$2m subordinated debt facility paying \$8,333.33 p/m in principal payments.

**Note:** Recommended

**2. Scenario \$3M – refer to Pages 4 and 5**

**Conclusion:**

- CVAS based on historical financial performance can meet its current facilities with AFGD and also has the capacity to service the \$3m subordinated debt facility paying \$12,500 p/m in principal payments

**Note:** Possible, However it appears to be at the upper end of their capacity.

**3. Scenario \$4M – refer to Pages 6 and 7**

**Conclusion:**

- CVAS based on historical financial performance can meet its current facilities with AFGD and also has the capacity at a stretch to service the \$4m subordinated debt facility paying \$16,666.67 p/m in principal payments.

**Note:** Not recommended as it would place CVAS under increased duress for the foreseeable future.

**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**

Deed of subordination review trigger.

Grafton Customer

Clarence Valley Anglican School (CVAS)

Date: 15/10/2020

Scenario \$2M

(\$000's)	2016 Audited	2017 Audited	2018 Audited	2019 Audited	
Student Numbers*	308	302	327	322	
Staff FTE*	28	27	26	27	
Non Teaching	14	13	12	12	
<b>Current Assets</b>	<b>\$ 261</b>	<b>\$ 351</b>	<b>\$ 255</b>	<b>\$ 271</b>	
Cash	\$ 83	\$ 76	\$ 56	\$ 24	
Trade	\$ 118	\$ 242	\$ 147	\$ 201	
other	\$ 60	\$ 33	\$ 52	\$ 46	
<b>Non-Current Assets</b>	<b>\$ 6,116</b>	<b>\$ 5,965</b>	<b>\$ 6,095</b>	<b>\$ 6,148</b>	
Property P&E	\$ 6,116	\$ 5,965	\$ 6,095	\$ 6,148	
<b>Total Assets</b>	<b>\$ 6,377</b>	<b>\$ 6,316</b>	<b>\$ 6,350</b>	<b>\$ 6,419</b>	
<b>Current Liabilities</b>	<b>\$ 1,523</b>	<b>\$ 1,727</b>	<b>\$ 1,259</b>	<b>\$ 1,126</b>	
Trade	\$ 422	\$ 421	\$ 533	\$ 375	
Borrowings	\$ 784	\$ 871	\$ 216	\$ 224	
Other	\$ 317	\$ 435	\$ 510	\$ 527	
<b>Non-Current Liabilities</b>	<b>\$ 8,758</b>	<b>\$ 8,538</b>	<b>\$ 3,822</b>	<b>\$ 3,912</b>	
Borrowings	\$ 2,103	\$ 1,926	\$ 1,793	\$ 1,768	
Borrowings subordinated	\$ 6,572	\$ 6,572	\$ 2,000	\$ 2,000	New sub debt Limit
other	\$ 83	\$ 40	\$ 29	\$ 144	
Non Interest Loan Diocese					
<b>Net Asset/Total equity</b>	<b>-\$ 3,904</b>	<b>-\$ 3,949</b>	<b>\$ 1,269</b>	<b>\$ 1,381</b>	
<b>Net Assets Ex Loans</b>	<b>\$ 6,294</b>	<b>\$ 6,276</b>	<b>\$ 6,321</b>	<b>\$ 6,275</b>	
<b>Income</b>					
Fees	\$ 1,446	\$ 1,280	\$ 1,477	\$ 1,477	
Gov Grants	\$ 3,844	\$ 4,177	\$ 4,713	\$ 4,936	
Capital Grants	\$ 250	\$ 116	\$ 266	\$ 9	
Other Revenue	\$ 200	\$ 293	\$ 313	\$ 426	
Diocesan Support	\$ 575	\$ -	\$ -	\$ -	
<b>Total Revenue</b>	<b>\$ 6,315</b>	<b>\$ 5,866</b>	<b>\$ 6,769</b>	<b>\$ 6,848</b>	
<b>Expenses</b>					
Staff Costs Teaching	\$ 3,704	\$ 3,680	\$ 3,894	\$ 4,223	
Staff Costs Non Teaching					
Other staff costs super etc	\$ 339	\$ 342	\$ 355	\$ 465	
Other operating costs	\$ 1,242	\$ 1,458	\$ 1,450	\$ 1,588	
Depreciation	\$ 297	\$ 272	\$ 287	\$ 332	
Interest	\$ 171	\$ 158	\$ 137	\$ 127	No change
<b>Total Expenses</b>	<b>\$ 5,753</b>	<b>\$ 5,910</b>	<b>\$ 6,123</b>	<b>\$ 6,735</b>	
Surplus	\$ 562	-\$ 44	\$ 646	\$ 113	
<b>Operating Surplus</b>	<b>-\$ 263</b>	<b>-\$ 160</b>	<b>\$ 380</b>	<b>\$ 104</b>	
EBIT	-\$ 92	-\$ 2	\$ 517	\$ 231	
EBITD	\$ 205	\$ 270	\$ 804	\$ 563	
<b>Ratio Analysis</b>					<b>Benchmarks</b>
Return on Investment	-4.2%	-2.5%	6.0%	1.7%	> 5%
Interest Cover (EBITD/Interest)	1.2	1.7	5.9	4.4	>2.0x
Debt EBITD	46.1	34.7	5.0	7.1	< 5.5x
Debt EBITD excluding subordinated	14.1	10.4	2.5	3.5	<5.5x
Net Operating Margin	3.7%	4.7%	12.4%	8.2%	> 10%
Debt per student	\$ 30.7	\$ 31.0	\$ 12.3	\$ 12.4	<\$10K
Debt per student excluding subordinated	\$ 9.4	\$ 9.3	\$ 6.1	\$ 6.2	<\$10K
Fee income per student	\$ 4.7	\$ 4.2	\$ 4.5	\$ 4.6	\$8K
Teachers Salary per student	\$ 12.0	\$ 12.2	\$ 11.9	\$ 13.1	
Teaching costs as a % of Revenue	64%	69%	63%	68%	<75%
Teaching costs as a % of Expenses	70%	68%	69%	70%	<75%
Students/Staff	7.3	7.6	8.6	8.3	>11

**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**

**Deed of subordination review trigger.**

**Grafton Customer**

**Clarence Valley Anglican School (CVAS)**

**Date: 15/10/2020**

**Ratio analysis:**

- Ratio benchmarks highlighted in blue are key underwriting standards for the education sector.
- During 2018 and 2019
  - interest cover is above benchmark driven mainly by a return to an operating surplus position.
  - Debt/EBITDA adjusted to include new \$2m cap on subordinated debt is within benchmark for 2018 and exceeds benchmark in 2019 for maximum gearing/borrowings. A direct result of a lower operating surplus in 2019.
  - Net profit margin is around the mark.
- Debt per student excluding any level of subordinated debt remains within benchmark and exceeds benchmark in both 2018 and 2019 when adjusted for the new \$2m cap.
- Critical ratios should improve per annum commensurate with repayment in borrowings, if financial results remain consistent with 2018 & 2019 years. Note – this assumes no new funding is requested.

**Capacity to service:**

	2016	2017	2018	2019		
Capacity to pay	Audited	Audited	Audited	Audited		
Operating Surplus	-\$ 263	-\$ 160	\$ 380	\$ 104		
Plus addbacks						
Depreciation	\$ 297	\$ 272	\$ 287	\$ 332		
Interest	\$ 171	\$ 158	\$ 137	\$ 127		
Other						
Solar Panel power cost reduction						
Budget allowance IT						
	<b>\$ 205</b>	<b>\$ 270</b>	<b>\$ 804</b>	<b>\$ 563</b>		
<b>Less Commitments</b>						
as at 30/9/20						
436030591 Working Capital ** \$850k limit	40	40	17	12	<b>5.90%</b>	\$ 850,000
Line Fee on OD	4	4	4	4	<b>0.50%</b>	
436032770 Secondary Campus*** \$1758k	165	165	165	165	<b>5.90%</b>	\$ 1,758,000
New Sub Debt facility \$2m Principal \$8,333.33 p/m	100	100	100	100	<b>0.00%</b>	\$ 2,000,000
** Working capital is based on peak Average OD usage for the year						
*** Secondary Campus facility P&I til expiry						
<b>Total Finance Commitments</b>	<b>309</b>	<b>309</b>	<b>286</b>	<b>281</b>		<b>\$ 4,608,000</b>
<b>Net Surplus/Deficit</b>	<b>-\$ 104</b>	<b>-\$ 39</b>	<b>\$ 518</b>	<b>\$ 282</b>		
<b>Total Finance Commitments 7.50%</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>		
<b>sensitised Average rate 15 yrs</b>						
<b>Net Surplus/Deficit</b>	<b>-\$ 245</b>	<b>-\$ 180</b>	<b>\$ 354</b>	<b>\$ 113</b>		

- Capacity to service based on actual and sensitised rates can be demonstrated in 2018 and 2019 years.
- Actual capacity to service appears sound.
- Sensitised in house analysis gets tighter as the term is reduced to a maximum of 15 years and is 1.5%pa higher than current carded rate.



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Deed of subordination review trigger.

Grafton Customer

Clarence Valley Anglican School (CVAS)

Date: 15/10/2020

Scenario \$3M –

	2016	2017	2018	2019	
(\$000's)	Audited	Audited	Audited	Audited	
Student Numbers*	308	302	327	322	
Staff FTE*	28	27	26	27	
<b>Non Teaching</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>12</b>	
<b>Current Assets</b>	<b>\$ 261</b>	<b>\$ 351</b>	<b>\$ 255</b>	<b>\$ 271</b>	
Cash	\$ 83	\$ 76	\$ 56	\$ 24	
Trade	\$ 118	\$ 242	\$ 147	\$ 201	
other	\$ 60	\$ 33	\$ 52	\$ 46	
<b>Non-Current Assets</b>	<b>\$ 6,116</b>	<b>\$ 5,965</b>	<b>\$ 6,095</b>	<b>\$ 6,148</b>	
Property P&E	\$ 6,116	\$ 5,965	\$ 6,095	\$ 6,148	
<b>Total Assets</b>	<b>\$ 6,377</b>	<b>\$ 6,316</b>	<b>\$ 6,350</b>	<b>\$ 6,419</b>	
<b>Current Liabilities</b>	<b>\$ 1,523</b>	<b>\$ 1,727</b>	<b>\$ 1,259</b>	<b>\$ 1,126</b>	
Trade	\$ 422	\$ 421	\$ 533	\$ 375	
Borrowings	\$ 784	\$ 871	\$ 216	\$ 224	
Other	\$ 317	\$ 435	\$ 510	\$ 527	
<b>Non- Current Liabilities</b>	<b>\$ 8,758</b>	<b>\$ 8,538</b>	<b>\$ 4,822</b>	<b>\$ 4,912</b>	
Borrowings	\$ 2,103	\$ 1,926	\$ 1,793	\$ 1,768	
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other	\$ 83	\$ 40	\$ 29	\$ 144	
Non Interest Loan Diocese					
<b>Net Asset/Total equity</b>	<b>-\$ 3,904</b>	<b>-\$ 3,949</b>	<b>\$ 269</b>	<b>\$ 381</b>	
<b>Net Assets Ex Loans</b>	<b>\$ 6,294</b>	<b>\$ 6,276</b>	<b>\$ 6,321</b>	<b>\$ 6,275</b>	
<b>Income</b>					
Fees	\$ 1,446	\$ 1,280	\$ 1,477	\$ 1,477	
Gov Grants	\$ 3,844	\$ 4,177	\$ 4,713	\$ 4,936	
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<b>Total Revenue</b>	<b>\$ 6,315</b>	<b>\$ 5,866</b>	<b>\$ 6,769</b>	<b>\$ 6,848</b>	
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Staff Costs Teaching	\$ 3,704	\$ 3,680	\$ 3,894	\$ 4,223	
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<b>Total Expenses</b>	<b>\$ 5,753</b>	<b>\$ 5,910</b>	<b>\$ 6,123</b>	<b>\$ 6,735</b>	
Surplus	\$ 562	-\$ 44	\$ 646	\$ 113	
<b>Operating Surplus</b>	<b>-\$ 263</b>	<b>-\$ 160</b>	<b>\$ 380</b>	<b>\$ 104</b>	
EBIT	-\$ 92	-\$ 2	\$ 517	\$ 231	
EBITD	\$ 205	\$ 270	\$ 804	\$ 563	
<b>Ratio Analysis</b>					<b>Benchmarks</b>
<b>Return on Investment</b>	<b>-4.2%</b>	<b>-2.5%</b>	<b>6.0%</b>	<b>1.7%</b>	<b>&gt; 5%</b>
<b>Interest Cover (EBITD/Interest)</b>	<b>1.2</b>	<b>1.7</b>	<b>5.9</b>	<b>4.4</b>	<b>&gt;2.0x</b>
<b>Debt EBITD</b>	<b>46.1</b>	<b>34.7</b>	<b>6.2</b>	<b>8.9</b>	<b>&lt; 5.5x</b>
<b>Debt EBITD excluding subordinated</b>	<b>14.1</b>	<b>10.4</b>	<b>2.5</b>	<b>3.5</b>	<b>&lt;5.5x</b>
<b>Net Operating Margin</b>	<b>3.7%</b>	<b>4.7%</b>	<b>12.4%</b>	<b>8.2%</b>	<b>&gt; 10%</b>
<b>Debt per student</b>	<b>\$ 30.7</b>	<b>\$ 31.0</b>	<b>\$ 15.3</b>	<b>\$ 15.5</b>	<b>&lt;\$10K</b>
<b>Debt per student excluding subordinated</b>	<b>\$ 9.4</b>	<b>\$ 9.3</b>	<b>\$ 6.1</b>	<b>\$ 6.2</b>	<b>&lt;\$10K</b>
<b>Fee income per student</b>	<b>\$ 4.7</b>	<b>\$ 4.2</b>	<b>\$ 4.5</b>	<b>\$ 4.6</b>	<b>\$8K</b>
<b>Teachers Salary per student</b>	<b>\$ 12.0</b>	<b>\$ 12.2</b>	<b>\$ 11.9</b>	<b>\$ 13.1</b>	
<b>Teaching costs as a % of Revenue</b>	<b>64%</b>	<b>69%</b>	<b>63%</b>	<b>68%</b>	<b>&lt;75%</b>
<b>Teaching costs as a % of Expenses</b>	<b>70%</b>	<b>68%</b>	<b>69%</b>	<b>70%</b>	<b>&lt;75%</b>
<b>Students/Staff</b>	<b>7.3</b>	<b>7.6</b>	<b>8.6</b>	<b>8.3</b>	<b>&gt;11</b>

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Deed of subordination review trigger.

Grafton Customer

Clarence Valley Anglican School (CVAS)

Date: 15/10/2020

**Ratio analysis:**

- Ratio benchmarks highlighted in blue are key underwriting standards for the education sector.
- During 2018 and 2019
  - interest cover is above benchmark driven mainly by a return to profitability.
  - Debt/EBITDA adjusted to include new \$3m cap on subordinated debt exceeds benchmark in both 2018 and 2019 for maximum gearing/borrowings. It appears stressed and at an upper end of their ability to absorb.
  - Net profit margin is around the mark.
- Debt per student excluding any level of subordinated debt remains within benchmark and exceeds benchmark in both 2018 and 2019 when adjusted for the new \$3m cap.

**Capacity to service:**

Capacity to pay	2016 Audited	2017 Audited	2018 Audited	2019 Audited		
Operating Surplus	-\$ 263	-\$ 160	\$ 380	\$ 104		
Plus addbacks						
Depreciation	\$ 297	\$ 272	\$ 287	\$ 332		
Interest	\$ 171	\$ 158	\$ 137	\$ 127		
Other						
Solar Panel power cost reduction						
Budget allowance IT						
	<b>\$ 205</b>	<b>\$ 270</b>	<b>\$ 804</b>	<b>\$ 563</b>		
<b>Less Commitments</b>						
as at 30/9/20						
436030591 Working Capital ** \$850k limit	40	40	17	12	5.90%	\$ 850,000
Line Fee on OD	4	4	4	4	0.50%	
436032770 Secondary Campus*** \$1758k	165	165	165	165	5.90%	\$ 1,758,000
New Sub Debt facility \$3m Principal \$12,500 p/m	150	150	150	150	0.00%	\$ 3,000,000
** Working capital is based on peak Average OD usage for the year						
*** Secondary Campus facility P&I til expiry						
**** Subordinated debt						
<b>Total Finance Commitments</b>	<b>359</b>	<b>359</b>	<b>336</b>	<b>331</b>		<b>\$ 5,608,000</b>
<b>Net Surplus/Deficit</b>	<b>-\$ 154</b>	<b>-\$ 89</b>	<b>\$ 468</b>	<b>\$ 232</b>		
<b>Total Finance Commitments 7.50% sensitised Average rate 15 yrs</b>	<b>548</b>	<b>548</b>	<b>548</b>	<b>548</b>		
<b>Net Surplus/Deficit</b>	<b>-\$ 343</b>	<b>-\$ 278</b>	<b>\$ 256</b>	<b>\$ 15</b>		

- Capacity to service based on actual and sensitised rates can be demonstrated in 2018 and 2019 years.
- Actual capacity to service appears sound.
- Sensitised in house analysis gets tighter as the term is reduced to a maximum of 15 years and is 1.5%pa higher than current carded rate.

**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**

Deed of subordination review trigger.

Grafton Customer

Clarence Valley Anglican School (CVAS)

Date: 15/10/2020

Scenario \$4m-

	2016	2017	2018	2019	
(\$000's)	Audited	Audited	Audited	Audited	
Student Numbers*	308	302	327	322	
Staff FTE*	28	27	26	27	
Non Teaching	14	13	12	12	
<b>Current Assets</b>	<b>\$ 261</b>	<b>\$ 351</b>	<b>\$ 255</b>	<b>\$ 271</b>	
Cash	\$ 83	\$ 76	\$ 56	\$ 24	
Trade	\$ 118	\$ 242	\$ 147	\$ 201	
other	\$ 60	\$ 33	\$ 52	\$ 46	
<b>Non-Current Assets</b>	<b>\$ 6,116</b>	<b>\$ 5,965</b>	<b>\$ 6,095</b>	<b>\$ 6,148</b>	
Property P&E	\$ 6,116	\$ 5,965	\$ 6,095	\$ 6,148	
<b>Total Assets</b>	<b>\$ 6,377</b>	<b>\$ 6,316</b>	<b>\$ 6,350</b>	<b>\$ 6,419</b>	
<b>Current Liabilities</b>	<b>\$ 1,523</b>	<b>\$ 1,727</b>	<b>\$ 1,259</b>	<b>\$ 1,126</b>	
Trade	\$ 422	\$ 421	\$ 533	\$ 375	
Borrowings	\$ 784	\$ 871	\$ 216	\$ 224	
Other	\$ 317	\$ 435	\$ 510	\$ 527	
<b>Non-Current Liabilities</b>	<b>\$ 8,758</b>	<b>\$ 8,538</b>	<b>\$ 5,822</b>	<b>\$ 5,912</b>	
Borrowings	\$ 2,103	\$ 1,926	\$ 1,793	\$ 1,768	
Borrowings subordinated	\$ 6,572	\$ 6,572	\$ 4,000	\$ 4,000	New sub debt Limit
other	\$ 83	\$ 40	\$ 29	\$ 144	
Non Interest Loan Diocese					
<b>Net Asset/Total equity</b>	<b>-\$ 3,904</b>	<b>-\$ 3,949</b>	<b>-\$ 731</b>	<b>-\$ 619</b>	
<b>Net Assets Ex Loans</b>	<b>\$ 6,294</b>	<b>\$ 6,276</b>	<b>\$ 6,321</b>	<b>\$ 6,275</b>	
<b>Income</b>					
Fees	\$ 1,446	\$ 1,280	\$ 1,477	\$ 1,477	
Gov Grants	\$ 3,844	\$ 4,177	\$ 4,713	\$ 4,936	
Capital Grants	\$ 250	\$ 116	\$ 266	\$ 9	
Other Revenue	\$ 200	\$ 293	\$ 313	\$ 426	
Diocesan Support	\$ 575	\$ -	\$ -	\$ -	
<b>Total Revenue</b>	<b>\$ 6,315</b>	<b>\$ 5,866</b>	<b>\$ 6,769</b>	<b>\$ 6,848</b>	
<b>Expenses</b>					
Staff Costs Teaching	\$ 3,704	\$ 3,680	\$ 3,894	\$ 4,223	
Staff Costs Non Teaching					
Other staff costs super etc	\$ 339	\$ 342	\$ 355	\$ 465	
Other operating costs	\$ 1,242	\$ 1,458	\$ 1,450	\$ 1,588	
Depreciation	\$ 297	\$ 272	\$ 287	\$ 332	
Interest	\$ 171	\$ 158	\$ 137	\$ 127	No change
<b>Total Expenses</b>	<b>\$ 5,753</b>	<b>\$ 5,910</b>	<b>\$ 6,123</b>	<b>\$ 6,735</b>	
Surplus	\$ 562	-\$ 44	\$ 646	\$ 113	
<b>Operating Surplus</b>	<b>-\$ 263</b>	<b>-\$ 160</b>	<b>\$ 380</b>	<b>\$ 104</b>	
EBIT	-\$ 92	-\$ 2	\$ 517	\$ 231	
EBITD	\$ 205	\$ 270	\$ 804	\$ 563	
<b>Ratio Analysis</b>					<b>Benchmarks</b>
Return on Investment	-4.2%	-2.5%	6.0%	1.7%	> 5%
Interest Cover (EBITD/Interest)	1.2	1.7	5.9	4.4	>2.0x
Debt EBITD	46.1	34.7	7.5	10.6	< 5.5x
Debt EBITD excluding subordinated	14.1	10.4	2.5	3.5	<5.5x
Net Operating Margin	3.7%	4.7%	12.4%	8.2%	> 10%
Debt per student	\$ 30.7	\$ 31.0	\$ 18.4	\$ 18.6	<\$10K
Debt per student excluding subordinated	\$ 9.4	\$ 9.3	\$ 6.1	\$ 6.2	<\$10K
Fee income per student	\$ 4.7	\$ 4.2	\$ 4.5	\$ 4.6	\$8K
Teachers Salary per student	\$ 12.0	\$ 12.2	\$ 11.9	\$ 13.1	
Teaching costs as a % of Revenue	64%	69%	63%	68%	<75%
Teaching costs as a % of Expenses	70%	68%	69%	70%	<75%
Students/Staff	7.3	7.6	8.6	8.3	>11

**Deed of subordination review trigger.**

**Grafton Customer**

**Clarence Valley Anglican School (CVAS)**

**Date: 15/10/2020**

**Ratio analysis:**

- Ratio benchmarks highlighted in blue are key underwriting standards for the education sector.
- During 2018 and 2019
  - interest cover is above benchmark driven mainly by a return to profitability.
  - Debt/EBITDA adjusted to include new \$4m cap on subordinated debt exceeds benchmark in both 2018 and 2019 for maximum gearing/borrowings. It appears stressed and at an exceeds their ability to absorb.
  - Net profit margin is around the mark.
- Debt per student excluding any level of subordinated debt remains within benchmark and exceeds benchmark in both 2018 and 2019 when adjusted for the new \$4m cap. Again, appears stressed.

**Capacity to service:**

Capacity to pay	2016 Audited	2017 Audited	2018 Audited	2019 Audited		
Operating Surplus	-\$ 263	-\$ 160	\$ 380	\$ 104		
Plus addbacks						
Depreciation	\$ 297	\$ 272	\$ 287	\$ 332		
Interest	\$ 171	\$ 158	\$ 137	\$ 127		
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<b>Less Commitments</b>						
as at 30/9/20						
436030591 Working Capital ** \$850k limit	40	40	17	12	<b>5.90%</b>	\$ 850,000
Line Fee on OD	4	4	4	4	<b>0.50%</b>	
436032770 Secondary Campus*** \$1758k	165	165	165	165	<b>5.90%</b>	\$ 1,758,000
New Sub Debt facility \$4m Principal \$16,666.67 p/m	200	200	200	200	<b>0.00%</b>	\$ 4,000,000
** Working capital is based on peak Average OD useage for the year						
*** Secondary Campus facility P&I til expiry						
<b>Total Finance Commitments</b>	<b>409</b>	<b>409</b>	<b>386</b>	<b>381</b>		<b>\$ 6,608,000</b>
<b>Net Surplus/Deficit</b>	<b>-\$ 204</b>	<b>-\$ 139</b>	<b>\$ 418</b>	<b>\$ 182</b>		
<b>Total Finance Commitments 7.50%</b>	<b>645</b>	<b>645</b>	<b>645</b>	<b>645</b>		
<b>sensitised Average rate 15 yrs</b>						
<b>Net Surplus/Deficit</b>	<b>-\$ 440</b>	<b>-\$ 375</b>	<b>\$ 159</b>	<b>-\$ 82</b>		

- Capacity to service based on actual rates can be demonstrated in 2018 and 2019 and fails on sensitised rates in 2019.
- Actual capacity to service appears manageable.
- Sensitised in house analysis gets tighter as the term is reduced to a maximum of 15 years and is 1.5%pa higher than current carded rate. Sensitised servicing deficit evident in 2019.

**Deed of subordination review trigger.**

**Grafton Customer**

**Clarence Valley Anglican School (CVAS)**

**Date: 15/10/2020**

**Blaine Fitzgerald  
Head of Anglican Funds South Australia**

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### **Disclaimer**

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**BOARD MEETING DATE:**

23/10/2020

**No 9 Matters for noting and status updates**

**Item: a**

**Title: AFGD Working Group – Terms of Reference and Meeting Outcomes**

**No of Pages. 9 incl Header**

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**AFGD Working Group**

1 message

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

11 September 2020 at 16:37

To: 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>, Bishop Murray Harvey <bishop@graftondiocese.org.au>  
Cc: Annette Dent <office@afgd.com.au>

Dear AFGD Board Members,

As you well know, a review of AFGD will be taking place and a working group is being formed.

Earlier this week, the Corporate Trustees finalised by resolution the Terms of Reference for that group whose membership will be:

Lee Archinal (Chair)  
Kelley Malaba  
Terry Shorten  
Stuart Webb  
David Ford  
Philip Crandon

I have attached a copy of the Terms of Reference for your information and for the use of those joining the working group.

In distributing this document to Bishop-in-Council, I have asked each member to note that the paper is marked Confidential. I explained that the working group will need to ascertain how and when to share information and that a preemptive release of information could be damaging to AFGD and the interests of the Diocese and its entities.

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Regards,

**Chris Nelson**

**General Manager/Registrar**

**Anglican Diocese of Grafton**

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 **Terms of reference - AFGD Working Group.pdf**  
253K

## **Corporate Trustees Working Group – Future of Anglican Funds Grafton Diocese (AFGD)**

On 21 August 2020 the Corporate Trustees resolved to establish a working group to formulate a strategy and plan for considering the future of Anglican Funds Grafton Diocese (AFGD).

### **Terms of Reference**

#### **Issue**

The Corporate Trustees of the Diocese of Grafton is legally required to act in the positive interests of the beneficiaries of all trust funds and property, and maximise returns on investment funds within prudent limits.

As cash held with AFGD dominates the Corporate Trustee endowment investments, overall returns for the Corporate Trustees and its beneficiaries have been modest given the very low interest environment of the last few years. AFGD has required the Corporate Trustees to maintain a high level of investment in cash to provide adequate liquidity. This is well past what the Corporate Trustees consider appropriate to also be able to make adequate and responsible returns on investment of endowment funds.

Increased ASIC regulations placed on charitable investment fundraising in 2016 meant that AFGD had to be closed to retail depositors in May 2017 and \$6.1 million in deposits were returned by October 2018. Low interest rates have meant small operating margins and the required improvements to capital adequacy have not been able to be achieved. After the closure of the retail component, the Corporate Trustees and AFGD explored various options for AFGD in its new operating environment. It seems these options have been exhausted and the current situation is:

- There is very limited scope now for new depositors.
- Capital adequacy has never been sufficient for the Diocese to consider moving to incorporate AFGD as may have once been envisaged.
- The auditors have notified the Corporate Trustees and AFGD Board on an insufficiency of capital adequacy for a number of years.
- The challenges presented by low liquidity, low capital adequacy and now Covid-19 mean that an enhanced partnership (e.g. integration) with Anglican Funds South Australia (AFSA) is no longer a viable option with further negotiations put on hold in April 2020.

The inability of the Corporate Trustees to withdraw cash investment (essentially the proceeds from the sale of St Cuthbert's deposited in 2019) was in part due to the impact of the Covid-19 pandemic on the Diocese and schools. It was also, however, due in greater part to an existing lack of AFGD liquidity and capital adequacy. The seriousness of this only became properly clear as the Corporate Trustees met to manage its investments through the pandemic crisis. At the same time, it also became evident that AFGD had committed to loans to schools in excess of its deposit holdings.

The AFGD is the primary way in which the Diocese supports school financing and lending. Now that other depositors are limited, Corporate Trustee investment funds underpin school loans and the AFGD contribution to the Diocese with an associated opportunity cost that is not appropriately recognised. This is not a transparent or properly accountable arrangement for meeting trustee obligations or satisfying investment expectations for the beneficiaries of Corporate Trustee trust funds.

The financial position of AFGD needs close management by all Diocesan stakeholders as a matter of priority, with the development of an action plan for restructuring or orderly wind up of the Fund to avert an impending liquidity crisis and shore up the Diocese's financial position.



## Purpose

The working group will:

- gain a detailed understanding of the cash flow requirements of AFGD, other Diocesan entities (particularly the schools) and the Diocese
- develop a strategy for communication with AFGD stakeholders, Bishop in Council and Corporate Trustees that will work to reassure all parties that appropriate actions are being taken with respect to the AFGD and the Diocese' financial position
- develop a plan for AFGD reporting to the working group, including appropriately calculated capital adequacy and liquidity ratios, sensitivity analysis based on a range of assumptions (including assumptions about withdrawal of deposits, school calls on Lines of Credit, Bishop in Council cash needs and parish/ministry cash needs) and other key financial indicators that will need close monitoring over the rest of 2020 and into 2021
- ensure AFGD and the Grafton Anglican Schools Commission (GASC) monitor the progress of schools seeking alternative arrangements with commercial lenders for existing loan facilities
- encourage Bishop in Council to identify the scope of banking services required to support the Diocese, ministry units and other Diocesan entities, excluding schools, and to provide a report to the working group
- seek professional advice on the process for a staged wind up of AFGD or, if identified, a transition to an alternative structure - including how to meet liquidity and regulatory requirements
- provide a report outlining an appropriate solution to the current issues identified in these Terms of Reference, including timelines
- recommend any required Diocesan governance changes that arise from the considerations of the working group.

## Working group

### Role

The working group is established by the Corporate Trustees and will provide the Corporate Trustees with reporting on cash flow and scenario testing as well as a recommended plan of action for restructuring or winding up AFGD in an orderly fashion.

The working group will be the mechanism for representatives of the Corporate Trustees, Bishop in Council and AFGD to seek information from, and report on progress to, their respective entities. Bishop in Council may also wish to consult with ministry units, schools and other Diocesan organisations about banking needs if necessary.

AFGD Board representatives will liaise with the AFGD Board and ensure the working group is provided with all requested data and information on AFGD operations.

### Membership

The working group will comprise two Corporate Trustees, two AFGD Board members and two Bishop in Council members. The initial members of the working group are:

<u>Corporate Trustees</u>	<u>Bishop in Council</u>	<u>AFGD Board</u>
Lee Archinal (chair)	Terry Shorten	David Ford
Kelley Malaba	Stuart Webb	Phil Crandon

### Support

The working group will be supported by the Registrar with the assistance of Annette Dent, the new Finance and Information Systems Manager, and other Registry staff as required.

## **Resources**

The working group may, with the assistance of the Registrar, engage the assistance of consultants with expertise in banking or accounting and audit services up to an amount of \$20,000 to be paid by AFGD.

Where the committee identifies the need for advice and assistance requiring greater resources, this will be recommended to the Corporate Trustees for decision.

## **Timeframe and reporting**

The working group will commence considerations in September 2020 and will report back to Corporate Trustees each month from October to January 2021. A final plan of action and any other recommendations are to be presented by no later than 22 January 2021.

## **Background**

### **Corporate Trustee investment policy and framework**

In March 2019 the Corporate Trustees commenced a review of its investment responsibilities. Investment performance is below expectations because of the dominance of cash investment and a heavy weighting in direct property investment. The review of investments during 2019 confirmed that Corporate Trustee investments needed to be diversified. Advice also indicated that the fragmentation of investment and what has been a 'DIY' approach needed to be addressed due to hidden costs and its contribution to lower investment performance. This approach was seen to be contradictory to the endowment investment approach expected of a trustee.

The Corporate Trustees established a new investment policy and framework in October 2019. By January 2020, in line with that framework, an asset manager had been appointed and commenced work with the Corporate Trustees. Advice indicated very clearly that if returns to investment were to improve, the Corporate Trustees should diversify its investments away from cash and direct property holdings. In February 2020, the Corporate Trustees adopted a new investment strategy that would require a proportion of the cash invested with the AFGD to be moved into a diversified investment portfolio.

Despite its strategy and investment decisions, the Corporate Trustees were greatly restricted in withdrawing cash invested with the AFGD. The Corporate Trustees were therefore unable to move to take advantage of the opportunity provided by the pandemic, which in terms of investment, would have been a positive time for adjusting its investments and targeting increased investment return. The Corporate Trustees are also prevented from substantially acting upon its new investment policy.

### **Anglican Funds Grafton Diocese**

Anglican Funds Grafton Diocese (AFGD) is established under Chapter 18 of the *Diocesan Governance Ordinance 2008* (the Governance Ordinance).

AFGD's mission is to be "a fiscally responsible commercial entity which generates financial resources to support and serve the community of faith that is the Anglican Diocese of Grafton". Its role is to "seek deposits of funds which it invests, or lends for profit to assist and grow the mission of the Anglican Church in the Diocese. AFGD provides funds from any surplus achieved in any given year to the Anglican Diocese of Grafton." It is to "act in the interests of depositors, provide returns where possible to the Anglican Diocese of Grafton and optimise returns on investment funds within prudent limits and diversity."

AFGD may make loans to parishes, Diocesan Bodies Corporate (this includes the Diocesan schools), clergy and full time Stipendiary Lay Ministers using sums of money from the Fund at such interest rates as determined by the Board. The AFGD Board approves these loans.

AFGD can also invest any funds surplus to this as is authorised by the Corporate Trustees. It may also "make available to Bishop-in-Council funds from any surplus achieved in any given year, after creation of all necessary provisions and reserves as determined by the AFGD Board."

The AFGD Board have put interim measures in place to support the liquidity and capital adequacy requirements of AFGD, to allow the working group time to carry out the strategic analysis and planning that is required to provide financial security to the Diocese during this challenging time.

### **Current governance of AFGD**

Section 220.1 of the Governance Ordinance places the fund under the control of the Corporate Trustees who delegates responsibility for the administration and management of the Fund to the AFGD Board. The board reports to the Corporate Trustees and may develop and recommend changes to AFGD Policy, for review and approval by the Corporate Trustees.

The financial statements of AFGD form part of the consolidated statements of The Corporate Trustees of the Diocese of Grafton. The Corporate Trustees are also large investors in the AFGD on behalf of trust beneficiaries with cash deposits of around \$14.9 million held with AFGD (31 July 2020), which is 49.4 per cent of its total deposits. The Corporate Trustees investment in AFGD is a dominant proportion of the funds held by the Corporate Trustees for investment and the previously quoted deposits in AFGD represent 53.4 per cent of the combined value of bequests and trusts held by the Trustees (30 June 2020).

The Bishop is an ex officio member of the AFGD Board and, in consultation with Bishop in Council, appoints the Board of AFGD. The Bishop appoints the Chair of the AFGD Board. In the past, the AFGD was the primary avenue by which the Diocese supports the schools via AFGD loans. The AFGD makes a contribution to the Diocese each year – \$175 000 in 2016, \$150,000 in 2017, \$175 000 in 2018 and \$175 000 in 2019. The Diocese also requires its ministry units, schools and other Diocesan entities (Anglicare) to bank with AFGD.

The Board of AFGD manages the operations of the AFGD with the support of the Registrar, banking and administrative officer, Annette Dent, and a consultant manager of large clients, Blaine Fitzgerald. The Fund Manager position has not been filled since 31 January 2018. The Corporate Trustees investment policy excludes the investment activities of AFGD, with the AFGD having its own Investment Policy and the AFGD Credit policy. AFGD holds its investments with Ord Minnett.

AFGD has a services agreement with Anglican Funds South Australia (AFSA) that provides for back office and reporting services. This includes operation of EFT and BPay clearing, branch financial reporting, and operational liaison with Data Action, the banking platform provider. AFSA also provides a line of credit (temporary overdraft facility) when required.

Under the Governance Ordinance, the Bishop, Bishop-in-Council and the AFGD Board are to ensure that the AFGD Board has the appropriate level of skills and experience required to properly fulfil its responsibilities, with special emphasis on legal, financial, business and strategic skills and review the mix of skills and experience of its members on a regular basis.

### **Conclusion**

The Corporate Trustees have established this working group to provide the strategic analysis and planning that is required to support AFGD in the short term and to recommend a long term plan to ensure that AFGD does not impact on the financial security of the Diocese.

Corporate Trustees of the Diocese of Grafton  
8 September 2020

## AFGD Future Working Group

### 18 September 2020 meeting outcomes

**Attendance:** Lee Archinal, Kelley Malaba, Terry Shorten, Stuart Webb, David Ford, Phil Crandon

**Support:** Chris Nelson, Annette Dent

The working group commenced its work in reflection and prayer.

As not all members of the working group had met each other, members introduced themselves and spent some time getting to know one another and our relevant backgrounds.

There was acknowledgement of the important contribution AFGD had made to the Diocese and its history. The working group also discussed the changes in the banking environment of the last few years that work to make bank management much more complex than in the past.

### Terms of reference

Lee introduced the terms of reference and provided some background on how the Corporate Trustees' concerns about the future of the AFGD had developed over the year, culminating in the formation of the working group.

- In March 2020, consideration of AFGD's balance sheet due to concerns about the financial fall out of the pandemic, alongside information on future loan commitments, showed that AFGD's approved borrowing facilities were significantly greater than its customer investments.
- While immediate action was taken in April 2020 to see if Westpac would take over some of the line of credit and approved loan facilities this has not been as straightforward as hoped. Since then we have also had to deal with outflow of \$2m for redress settlements and are anticipating more.
- The longer AFGD remained stretched in terms of liquidity, the longer we were running a significant risk to the Diocese' financial position. In the financial situation of the pandemic we would need to closely manage AFGD and the Diocese' cash flow, through the end of the year into 2021.
- The future of AFGD has been under consideration for some time.
- It became clear that CTs, AFGD board and BIC would need to work together to be fully across the challenge being faced by AFGD and the Diocese. An agreed strategy needs to be developed.

Members of the working group had the opportunity to clarify the challenges faced by the AFGD and discuss the terms of reference, in particular the group's purpose.

Lee and Kelley made it clear that no decisions about the future of the AFGD had yet been made by the CTs. The priority is for the working group to ensure the short term financial viability of AFGD so that a longer term strategy for its future can be identified in consultation with BIC and AFGD.

Particular concerns raised in discussing the terms of reference were:

- lack of communication around the issue between CTs and BIC
- CTs are responsible for return on investment to beneficiaries as a whole. There is a disconnect between expectations by beneficiaries of investment return and the understanding of the cost to the Diocese (and investment return) of operating a bank
- isolation of decision making around critical financial issues across Diocesan boards
- the need for greater support of the AFGD Board in its work and in addressing the challenges it faces

- the lost opportunity (cost) for the Diocese as a whole in supporting the continuing liquidity requirements of AFGD.

The working group discussed how the formation of the working group should address most of these issues, in particular with better and timelier communication and decision making across various Diocesan governance entities. The aim of the working group is to ensure that we have a more flexible and nimble way of working across the three groups with less delay than within our usual processes. It was noted that the working group may develop recommendations for governance changes as a result of the work being completed.

Members were comfortable they understood the purpose of the working group, its terms of reference, and the work the group will need to do over the coming months.

### Information needs and priority actions

The working group turned to discussion of the particular issues and the work listed under 'Purpose' in the terms of reference.

In considering the information the working group will need it was agreed that the immediate priority was the cash flow analysis, drawing together a complete cash flow picture for the Diocese as a whole, across a rolling six months. There needs to be specific conversations with schools about what their cash requirements will be as part of this. It will be an important part of being able to support the AFGD through this period and gaining a better understanding of the time line we have to make further decisions.

- David and Phil will organise for the AFGD Board with Blaine Fitzgerald to seek a six month rolling cash flow forecast from the schools and any other AFGD cash flow figures required.
- Chris will supply to AFGD for inclusion the anticipated cash flow requirements for the Diocese, in particular those relating to redress settlement payments and insurance.
- AFGD board will circulate the complete six month cash flow forecast to working group members by **2 October 2020** for working group consideration.

As the portfolio of school loans is AFGD's major commitment, it is important that actions to shift the loans to alternative lenders where possible proceed with some urgency. The process of schools moving to Westpac has not gone to plan. One school has gone out to tender for alternative lenders. Others are limited by existing pari passu arrangements. Westpac's tardiness in this has been unprecedented and finding alternatives may take some time. There is also the need to balance any move of loans against the need for AFGD to have income into 2021. A priority action is therefore to establish where each school is up to in the process.

- David and Phil will, with Chris and Blaine's assistance, draft a follow up to the April 2020 letter to the schools regarding the transfer of financing to alternative lenders and seek detailed advice about each school's progress.
- It was noted for future consideration that, as information comes to hand on whether and when the school loan commitments can move to a commercial lender, the working group will need to consider the issue of timing and balance of school loan movements to ensure adequate income for AFGD.

Discussion also indicated that the working group will need a clearer picture of AFGD depositors and loans and parish banking activity.

- Lee and Chris will work with Annette on putting together a set of appropriate information.

An outcome will also need to be a soundly based strategic direction for future business planning. It was noted here that there is a high level of risk in running a bank with a lack of capital adequacy and therefore not fully stable. Avenues for growth for AFGD are very constrained since the changes in APRA regulations. The opportunity costs of running AFGD versus other investment will need

consideration as a part of assessing future directions. Chris noted that a conservative estimate of that cost is probably \$0.5m a year to beneficiaries. The CTs have committed to leaving \$8m invested in AFGD but that is a large component of its investment portfolio to hold in cash. The ability of the CTs to preserve its deposits is going to be put under significant pressure by the need to make professional standards redress settlement payments.

- A future agenda item will be 'Dreaming' to begin to discern a direction for AFGD.

The working group discussed the banking needs of parishes and ministry units. It was agreed that this would be a matter BIC would need to explore but that it can be treated as a secondary issue for when we see where we are after the immediate issues of securing cash flow. Expert advice may need to be sought for the development and assessment of options.

- Stuart and Terry will keep BIC informed and take those discussions to BIC when necessary.

The working group did not discuss in detail the development of a plan for AFGD reporting that includes appropriate measures of capital adequacy and liquidity and other key financial measures.

- Lee will liaise with David and Phil on what is already available from AFGD reporting and look at what might need to be expanded for monitoring over this period.

### **Communication**

The working group also discussed the need to be careful with respect to any communications out to stakeholders such as the schools, and considered how to frame the description of the work being done by the group.

At this point schools are only aware that AFGD can't support additional borrowing because of the impact of Covid 19. A request for a six month cash projection will be unusual but the schools are used to Blaine asking for information. Covid 19 is considered to be a more than adequate reason to be asking for additional information. The school business managers will have that information available and schools are currently doing their budgets. The request for detailed information should not cause alarm.

- Lee and Chris will work on elements of a communications strategy, realistically probably as matters arise.
- The AFGD board will run the draft follow up letter to the schools about refinancing progress and cash flow past Lee and Chris.
- Lee and Kelley will ensure there are broad talking points about the working group developed ahead of Synod for use in any communication required with schools or the Schools Commission, in the CTs presentation to Synod, and to address any questions received at Synod.
- Annette advised that, although not something specifically for the working group, a communication will be going to parishes shortly regarding banking services changing from Westpac to Bank at Post at 31 December 2020. Parishes will already be experiencing changes in banking services.

The working group will continue its work by email with a meeting to be scheduled for the first week in November 2020.

Lee Archinal (Chair)  
20 September 2020



**BOARD MEETING DATE:**

23/10/2020

**No 10 Correspondence**

**In**

**30/09/2020 – letter to BiC from Lindisfarne Anglican School requesting to hold discussions with other financial institutions**

**No of Pages. 3 incl Header**



30 September 2020

Bishop-in-Council  
C/- Mr Chris Nelson  
Registrar  
Anglican Diocese of Grafton  
PO Box 4  
GRAFTON NSW 2460

Dear Members of Bishop-in-Council,

Lindisfarne Anglican School has had a long term relationship with Anglican Funds Grafton Diocese and an established pari passu funding arrangement with Westpac Bank incorporating an existing AFGD Line of Credit, AFGD Financing for the Berger Land at 34 Mahers Lane Terranora, an existing Westpac Bank Line of Credit facility and a new loan application to Westpac Bank for construction of our Middle School building. Over the past 12 months, the School has been working with Westpac Bank to finalise our funding requirements for current projects and initial discussions for future projects including our proposed Early Learning Centre at Sunshine Avenue, Tweed Heads and our Senior School Centre at Mahers Lane, Terranora. Whilst AFGD has been excellent to deal with the same cannot be said for Westpac Bank. Westpac Bank has come back to the School with an offer of finance but the terms of the offer are not satisfactory to the School at this time.

The School Council, therefore, seek approval from Bishop-in-Council under clause 5.5.3 and 5.4.3(b) of the Constitution of Lindisfarne Anglican School to hold discussions with other major banks and enter into a borrowing arrangement on terms suitable to the School with the financial institution who provides the best overall terms and conditions to the School.

There is some urgency in our request for approval to hold discussions with other major lenders as the construction of our Middle School building project is progressing quickly and the financing of the facility needs to be finalised.

We believe that the full support of Bishop-in-Council is in the best interests of both the School and the Diocese.



Our request to consider other lenders is no reflection on the longstanding commitment and support that has been provided by Anglican Funds Grafton Diocese. The School Council acknowledges that the support of Anglican Funds Grafton Diocese has been fundamental to the success of Lindisfarne Anglican Grammar School. However, we are increasingly disappointed in the approach of Westpac Bank in relation to timely attention to and understanding of our financing requirements.

We believe that giving due consideration to other major lenders will ensure that Lindisfarne Anglican Grammar School continues to deliver excellence in educational outcomes and ministry while having the backing and support of a financier with the capital base to support the growth and development of the School.

We appreciate your consideration of this matter and look forward to a favourable outcome.

Yours faithfully,



Stuart Marquardt  
**Principal**



William (Bill) Adler  
**Chair of School Council (Acting)**

cc:

Mr Phillip Bonser, Chair Grafton Anglican Schools Commission  
David Ford, Chair Anglican Funds Grafton Diocese



**BOARD MEETING DATE:**

23/10/2020

**No 10 Correspondence**

**Out**

**20/08/2020 – email to Chris Nelson for Corporate Trustees  
– AFGD Board Resolution in regards to the ‘AFGD Working  
Group’**

**No of Pages. 2 incl Header**

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**AFGD Board Resolution**

1 message

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

20 August 2020 at 10:01

Hi Chris

At their meeting of Wednesday 19th August 2020, the AFGD Board made the following resolution;

*That the AFGD Board support the formation of a working group consisting of two AFGD Board Members, two Corporate Trustees, one member of Bishop-in-Council and staff from AFGD to plan the future of AFGD.*

Further, the AFGD Board also nominates Mr David Ford and Mr Phil Crandon as the AFGD Board representatives in the working group.

Kind regards  
AnnetteAnnette Dent  
Office Admin / Customer Service  
Anglican Funds Grafton Diocese  
Level 1, 50 Victoria Street GRAFTON NSW 2460  
PO Box 4 GRAFTON NSW 2460  
FreeCall 1800 810 919 (NSW Only)  
Ph: 02 6642 4480 Fax: 02 6643 2391Visit [www.anglicanfundsgraftondiocese.com.au](http://www.anglicanfundsgraftondiocese.com.au) for details on our Investment Products,  
Saver and Term Investment Accounts - currently paying up to 1.00% pa*The contents of this email are confidential. Any unauthorised use of the contents is expressly prohibited. If you have received this email in error, please advise by telephone (reverse charges) immediately and then delete/destroy the email and any printed copies.**Thank you.*