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**Minutes**  
**Thursday 11<sup>th</sup> June 2020**  
**By Zoom Video Conference**

On the same day, prior to this meeting, the members of the AFGD Board met with the Corporate Trustees to discuss the audit with the auditor present and to have a general discussion on the AFGD operations and strategy.

1. **Opening** Meeting opened at 3.17pm.
2. **Attendees:** Mr David Ford (Chair), Mr Phil Crandon, Mr Ted Clarke,  
Mr John Adlington, Mr Gary Boyd, Bishop Murray Harvey

Non-members: Mr Chris Nelson, Mr Blaine Fitzgerald,  
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 Gary Boyd 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 30 April 2020 be accepted as true and correct*

**Moved:** Mr John Adlington

**Seconded:** Mr Phil Crandon

**Carried**

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

“That when comparing 30/4/20 actual liquidity against the forecast liquidity position, it has become evident that AFGD will not be in a position to release funds in early May 2020 to The Corporate Trustees and that based on the forecast liquidity position to 31/5/20, AFGD would need to wait until the actual data becomes available before it will be in a position to advise the Corporate Trustees further. AFGD anticipates it will be able to provide that information to the Corporate Trustees by 5/6/20.”

*That the Flying Minute on the withdrawal of Corporate Trustee Funds dated 12<sup>th</sup> May 2020 be ratified.*

**Moved:** Mr John Adlington

**Seconded:** Mr David Ford

**Carried**

On 3<sup>rd</sup> June 2020, the following was agreed by Flying Minute:

By email from Mr Blaine Fitzgerald –

I have a response from the Board of AFGD.

After taking in to consideration the request and advice from AFGD's solicitors Fishburn Watson O'Brien (FWO), AFGD confirm they are prepared to accept the following amendments:

Clause 6. No change

"The proposed deletion of clause 6 would be unusual in a commercial mortgage because it would allow the school to carry out works on the land without AFGD's consent or oversight. Because those works have the potential to change the value of the land itself, most mortgagees require that they not be carried out without the lender's consent."

Also I have obtained a copy of Westpac Mortgage provisions and note it contains a similar clause.

Refer clause 7.

Clause 8. Amended as requested.

"The proposed amendment to clause 8 is appropriate."

Clause 12. Amended as requested (deleted)

*That the Flying Minute on the Lindisfarne AFGD Loan Documents Mortgage Annexure dated 3<sup>rd</sup> June 2020 be ratified.*

**Moved:** Mr David Ford

**Seconded:** Mr Ted Clarke

**Carried**

On 3<sup>rd</sup> June 2020, the following resolution was agreed by Flying Minute:

"That the AFGD Board approves the following Term Investment rates effective immediately:

90 days 1.00% p.a.

180 days 1.55% p.a.

365 days 1.40% p.a."

Note that due to the time of day that responses from the AFGD Board were received on 3<sup>rd</sup> June 2020, the rate changes were processed in the client banking system effective 4<sup>th</sup> June 2020.

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

**Moved:** Bishop Murray Harvey

**Seconded:** Mr Phil Crandon

**Carried**

On 9<sup>th</sup> June 2020, the following resolution was agreed by Flying Minute:

"That when comparing 31/5/20 actual liquidity against the forecast liquidity position, it has become evident that AFGD will be in a position to release \$1.5m in early June 2020 to The Corporate Trustees and that based on the forecast liquidity position to 30/6/20, AFGD would need to wait until the actual data becomes available before it will be in a position to advise the Corporate Trustees further. AFGD anticipates it will be able to provide that information to the Corporate Trustees by 7/7/20."

*That the Flying Minute on the withdrawal of Corporate Trustee Funds - Updated Analysis 05/06/20 dated 9<sup>th</sup> June 2020 be ratified.*

**Moved:** Mr David Ford

**Seconded:** Mr Gary Boyd

**Carried**

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

There were no additional agenda items. There were two late paper items. The first late paper was forwarded by email from Mrs Annette Dent on 9<sup>th</sup> June 2020 and is included in Agenda Item 5.

'Confirmation of Minutes – Flying Minute Withdrawal of Corporate Trustee Funds Updated Analysis 05/06/2020'. The second late paper was forwarded by email from Mr Blaine Fitzgerald and is included in Agenda Item 8a. AFSA/AFGD Service Agreement 'Key Client Update' report.

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

### **a. Finance Reports**

The finance reports to 31<sup>st</sup> May 2020 were considered. Mr Blaine Fitzgerald spoke to the reports and advised that the fund is tracking ahead of budget and will be in a strong position if the trend continues. It was noted that there may be a clawing back towards the end of the year based on the timing of loan income however it is a conservative budget and the margins are holding well. Expense lines are well maintained. There was further discussion in regards to the Ord Minnett portfolio. Mr Blaine Fitzgerald advised that he had received a 'credit worthiness' report from Ord Minnett and that he will share the report with the Board. The current holdings comply with the interest bearing security policy. It was noted that the Ord Minnett portfolio is tracking in line with budget expectations and that it is receiving a reasonable return based on the level of risk and current market conditions.

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

**Moved:** Mr Phil Crandon

**Seconded:** Mr Gary Boyd

**Carried**

#### **b. Audit Update**

The Board considered the 2019 Financial Statements and the presentation by the auditor.

*That the Board of Anglican Funds Grafton Diocese accepts the general purpose financial report for the year ending 31 December 2019 which has been prepared in accordance with the accounting policies described in Note 2 to the financial statements.*

*The Board declares that*

1. *The financial statements and notes, as set out on pages 5 to 25 present fairly the Fund's financial position as at 31 December 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.*

2. *In the Board's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.*

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

**Moved:** Mr Phil Crandon

**Seconded:** Mr John Adlington

**Carried**

*That the Audited Financial Statements for 2019 for Anglican Funds Grafton Diocese as presented to Board be presented to Synod by Mr David Ford on behalf of the Fund.*

**Moved:** Mr John Adlington

**Seconded:** Mr Gary Boyd

**Carried**

### **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

Mr Blaine Fitzgerald spoke further to his report with a summary of the current position of each of the schools. SCAS has reported that they will be positioned better than forecast for the end of the year and that they are currently awaiting signing clause updates on deed documents for release of remaining Westpac funding for fitout costs associated with the Performing Arts Centre of Excellence. Mr Blaine Fitzgerald advised that after considerable follow up work, LAGS loans documents have been finalised and are now in the process of being signed by all parties. This means that the LAGS purchase of the Berger Land is on track for settlement on 30 June 2020 and AFGD is in position to meet & honour our commitment to LAGS on this matter. Any further shift of LAGS facilities to Westpac requires a move forward from Westpac. The shift of SCAS and BDC line of credit facilities is also dependant on the level of urgency from Westpac to move forward. There was extensive discussion in regards to the current position of EAC negotiations with Westpac. It was noted that from the Diocese point of view the relationship and 'go forward' of the school is the big picture priority. The AFGD Board asked that Mr Blaine Fitzgerald clarify with EAC Principal Rob Tobias if the College

Council wants to proceed on the proposal currently presented to them by Westpac. If the response is yes then Mr Blaine Fitzgerald has been asked by the AFGD Board to complete an Executive Summary on the proposal to be presented to the Corporate Trustees and Bishop-in-Council for consideration. The Chair acknowledged Mr Blaine Fitzgerald and thanked him for all of the work he has completed to date on the strategy to shift large line of credit exposures under Pari Passu arrangements from AFGD to Westpac.

**b. Ordinance Requirements**

Mr Chris Nelson spoke to the two Diocesan Governance Ordinance clauses referenced in the business papers. The AFGD Board discussed further and resolved the following.

*That the AFGD Board request permission from Bishop-in-Council that Clause 220.8 is not activated and reviewed in December 2021 due to the AFGD Board exploring strategic options.*

**Moved:** Mr John Adlington

**Seconded:** Mr David Ford

**Carried**

*That the AFGD Board request permission from Bishop-in-Council to amend Clause 221.1 to 'The AFGD Board shall meet a minimum of 6 times per calendar year'.*

**Moved:** Mr Gary Boyd

**Seconded:** Mr Phil Crandon

**Carried**

**c. Withdrawal of Corporate Trustee Funds – updated May actuals and June forecast.**

The Chair thanked Mrs Annette Dent for her work on providing the analysis and confirmed that the next update with June actuals and July forecast is to be provided by 07/07/2020.

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

**a. Corporate Trustees Resolution regarding AFGD and AFSA**

The Chair noted the resolution forward by email from Mr Chris Nelson on 4<sup>th</sup> May 2020 as presented.

**10. Correspondence**

**In:**

- Nil

**Out:**

- Nil

**11. Next meeting – scheduled for 20 August 2020.**

**12. Meeting close –the meeting closed at 4.38pm**

**CONFIRMED** as true and correct record of proceedings of Anglican Funds Grafton Diocese Board meeting of 11 June 2020



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Chair – David Ford