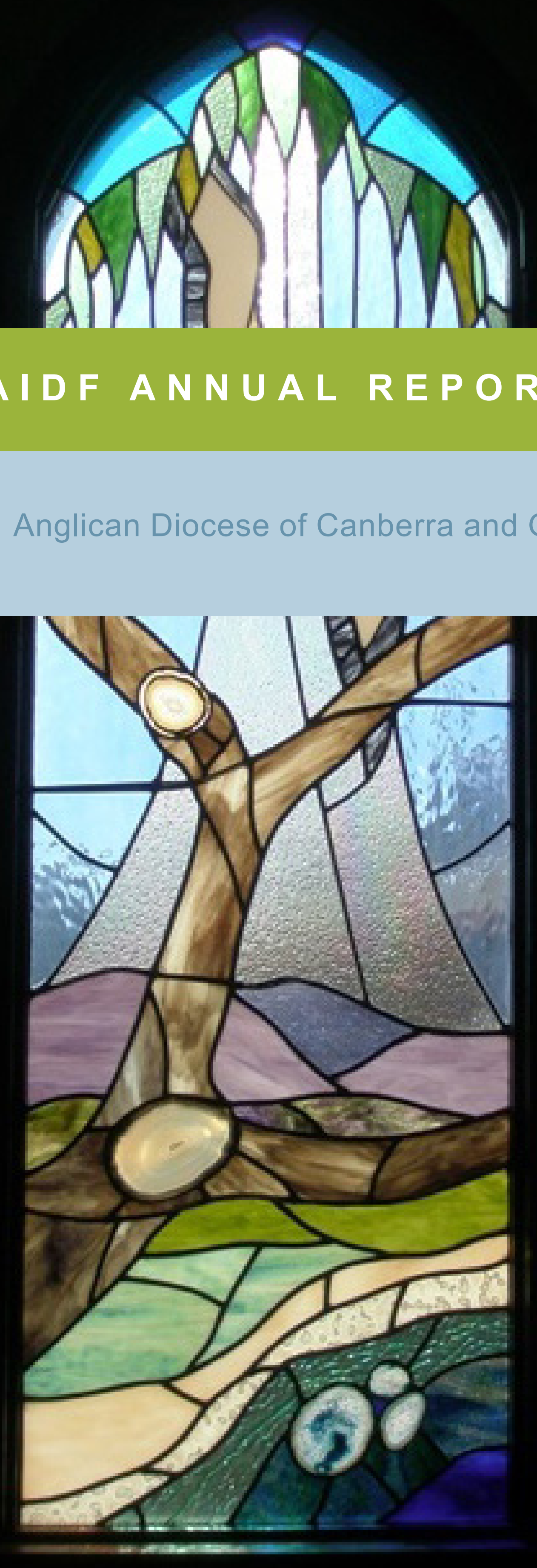

AIDF ANNUAL REPORT 2016

Anglican Diocese of Canberra and Goulburn

Foreword from the Bishop

It is a great pleasure to introduce the AIDF's Annual Report for 2016. I have just commenced my ninth year as Bishop of this wonderful Diocese and I believe God's grace and love to us has never been more present as together we continue to implement my dream (our dream) to see '*the love of Jesus transform people and communities*'.

My expectation, therefore, is for all our ministry units and agencies to coalesce around that dream in all their activities; we are, you see, an *interdependent* 'organism' ... though it is not without its complexities.

I do wish to thank the Board, CEO, staff and all clients of the AIDF for your support of and interest in the Diocese of Canberra and Goulburn. The AIDF continues to provide professional oversight, service and financial products to our Diocese. It is of the highest standard. Your Christ-honouring witness positively impacts the lives of thousands of people. I am personally grateful for your commitment and care.

Over the last three years I have outlined my three 'big ticket' agenda items (as you all know) that will advance our dream. These are:

- Deployment – To identify, train and deploy gifted and able people into situations where they can effect transformation and life change.
- Debt – To address debt – as it can (and does) easily distract from strategic deployment.
- Development – To creatively and courageously deploy the right people and to address debt we will, among other strategies, develop property and plant as responsible stewards of the resources that God has given us.

To conclude I wish to thank you all for your ongoing support of the AIDF and for being a part of this ongoing transformation across our communities.

Yours in Christ
+Stuart

Guiding principles

- *Prayer is essential for our common life.*
- *Reading, teaching and living in response to the Scriptures is a first order priority.*
- *Word and sacrament are the basis of worship. As a diverse diocese, we value different worship styles and we learn from each another.*
- *Building relationships with all people since the good news of the kingdom of God is for everyone.*
- *Growing disciples by sharing the Gospel with friends and neighbours; baptising and nurturing new believers in order to transform God's world.*
- *Alleviating human need and addressing injustice through advocacy, peace-building, reconciliation and loving service.*
- *Safeguarding the integrity of creation through responsible stewardship.*
- *Governance that is effective and transparent.*
- *Partnerships with other ministry agencies, Christian Churches and associations.*

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Report from the Chair

I am delighted to present the annual Anglican Investment and Development Fund (AIDF) Annual Report for the period to 31 December 2016. As I mentioned in my last report to Synod, the Board requested management to investigate the possibility of changing the AIDF's financial year end from 31 March to 31 December. The change was effected in 2016 with the result that this report includes the audited financial statements and financial highlights for the period from 1 April 2016 to 31 December 2016. I thank management and the auditors for their efforts in effecting the change in such an orderly manner and without disruption.

Even with the shortened reporting period, the financial results are gratifying with an operating surplus of $652,188 and an increase in reserves to $8,194,943.

The implementation of the Board's strategy of reducing reliance on debt funding is bearing fruit. As at 31 December 2016 the AIDF's financial facilities totalled $60 million. By March 2017, this was reduced to $40 million. This was achieved only with a significant and sustained growth in investor funds. I acknowledge all staff for their tireless efforts in strengthening existing relationships and establishing new ones.

The new exemption from the fundraising provisions of the *Corporations Act 2001* will limit the extent to which the AIDF can pursue its strategy of diversifying its investor base. For this reason, the Board has asked management to investigate the possibility of obtaining an Australian financial services licence from the Australian Securities and Investments Commission. That application is currently being prepared.

During 2016 the Board undertook a significant review of the AIDF Ordinance. A new Ordinance was drafted which was considered by Bishop-in-Council and enacted on 21 October 2016. The new Ordinance provides clear guidance on the governance of the AIDF and the conduct of its affairs. In keeping with good governance practice, it provides for the establishment of a Board Audit Committee and a Board Risk Committee. Both Committees will report to the Board on the outcomes of their deliberations. I wish to express my appreciation to Board members, particularly Mr Symons and Mr McGhie, for their efforts in preparing the new Ordinance.

Earlier this year we welcomed Liz Stamford and Eugene Kalenjuk to the Board. Liz is a chartered accountant and has an impressive background in audit, corporate recovery, standard setting, corporate governance and regulatory liaison. Eugene is a partner with Pricewaterhouse Coopers and head of PwC Private Clients Canberra. Eugene also sits on the Board of the CGS Foundation. I look forward to working with Liz and Eugene as we continue to strengthen the AIDF's governance structures.

I thank my fellow Board members for their dedication to the AIDF and the wider Diocese. We are indeed fortunate to have people of this calibre to call on to assist in the development of the AIDF as it positions itself for the future.

I also thank the management and staff of the AIDF for their unfailing commitment to the organisation and for the professional support they provide to the Board.

I look forward to working with the Board and the AIDF team in the coming year.

Mark Brandon-Baker

Steven Bowers, Principal of Burgmann Anglican School, inspecting the new development.

Overview

CHAPTER 1

Background

The AIDF was originally established by *The Diocesan Development Fund Ordinance of 1966*. It is now governed by the *Anglican Investment and Development Fund Ordinance 2016* (the AIDF Ordinance).

Purposes

The purposes of the Fund are:

(a) to provide a means for the Diocese, Diocesan agencies and Ministry units to finance developments that promote, support and expand the mission of the Diocese;

(b) to provide parishioners, Diocesan agencies and others with an opportunity to support the mission of the Diocese by investing with and lending to the Fund on appropriate terms as to interest or otherwise but which will provide funds for the developments contemplated by the Diocese, Diocesan agencies or Ministry units.

(c) to provide a means whereby the Diocese may access funds from financial institutions so as to provide funds for the developments contemplated by the Diocese, Diocesan agencies or Ministry units.

The AIDF supports the Diocese and Diocesan agencies by providing:

- grants and interest payments,
- attractive investment and loan rates,
- fee-free banking,
- an ethical financial investment option, with an emphasis on personal service and providing same day solutions either direct or online,
- direct crediting to assist parishes with the administration of giving programs,
- sponsorship/advertising when mutually beneficial,
- loans to the Diocese and Diocesan entities to facilitate their activities, and
- a competitive interest rate environment for investor funds.

Trustee

The Anglican Church Property Trust Diocese of Canberra and Goulburn (ACPT) is the Trustee of the Fund.

Board roles and responsibilities

The AIDF is managed by a Board of Management established by section 5 of the AIDF Ordinance. The functions of the Board are to direct and oversee the operation of the Fund, including:

(a) to receive investments for any or all of the purposes of the Fund and to pay interest on such investments at such rates as shall be determined by the Board;

(b) to make loans to the Diocese, Diocesan agencies and to Ministry units for developments, including buildings and other purposes that support the mission of the Diocese;

(c) to make loans to clergy and staff of the Diocese and Diocesan agencies for the purpose of purchasing a home;

(d) to make loans from the Fund to clergy and staff of the Diocese, Diocesan agencies and Ministry units for the purposes of personal expenditure;

(e) in accordance with section 15 to borrow funds and enter into transactions as necessary and prudent for the purposes of the Fund;

(f) to make grants to the Diocese out of any surpluses from its operations for use by Bishop-in-Council for such purposes as Bishop-in-Council may determine; and

(g) to make investments of the moneys in the Fund in accordance with section 16.

Section 16 of the AIDF Ordinance provides that the Board has the power to invest or re-invest funds not immediately required for loans or the ordinary operation of the Fund. Investments must be made in accordance with a regulation or regulations specifying investment options as approved and amended by Bishop-in-Council from time to time having regards to the special needs and circumstances of the Fund.

(c) In making the determination referred to in paragraph (b), the Board shall have regard to good commercial practice for the management of investment funds and the requirements of any relevant regulatory agency.

(d) The Board shall meet all the obligations and requirements imposed by external lenders to the Fund.

(e) In each year the Board shall, out of the profits of its operations in the preceding year, pay into the Reserve any amount determined by the Board necessary to ensure that the Reserve remains at the amount required under paragraph (b).

(f) The Board must pay as a grant to the Diocese from the surplus remaining after the payment referred to in paragraph (e), such amount as is determined by the Board to be prudent.

(g) The funds in the Reserve –
    (i) are funds of the Diocese and are to be invested by the Board for the purposes of paragraph (a); and
    (ii) shall be applied for the purposes of paragraph (a).

(h) The Board shall pay to the Diocese interest on the funds in the Reserve at such rate as is determined by the Board.

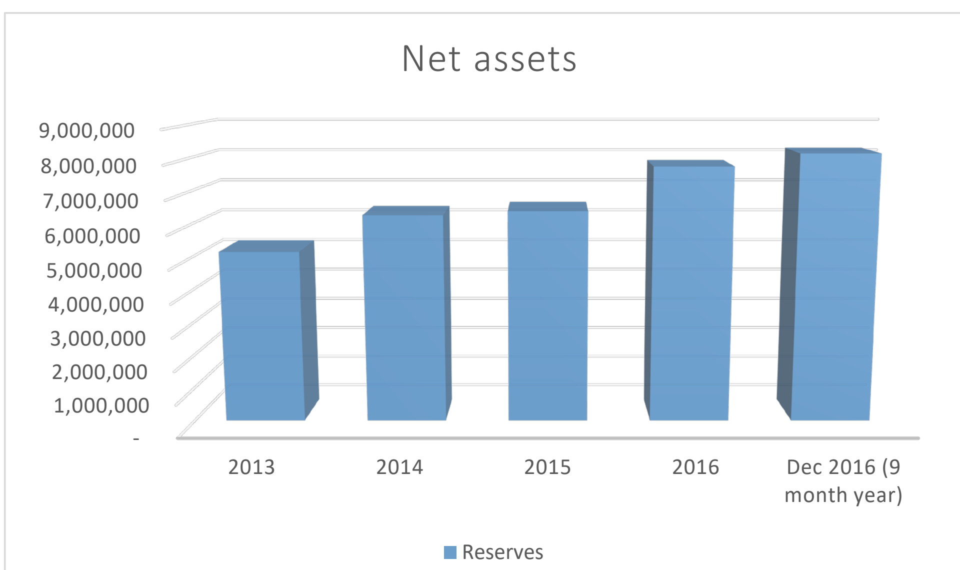
(i) Payments under paragraph (f) shall be deemed to be expenses incurred by the Board in operating the Fund.

Reserve

Sub-clause 20.1 of the AIDF Ordinance provides that the Board is required to maintain a Reserve within the Fund which is to be managed as follows:

(a) The Reserve will be available to meet any losses incurred by the Fund and in meeting the liability of the Diocese under Part 9.

(b) The Reserve will not fall below an amount as is at the time ascertained in accordance with a method determined by the Board with the approval of Bishop-in-Council.



Membership and Governance

CHAPTER 2

Mark Brandon-Baker

CHAIR (Appointed 5th June 2015)

Mark has held senior roles within the private and public sectors and within political circles. Currently a partner of strategic advisory firm Endeavour Consulting, Mark was previously Westpac's Group Head of Government Relations and Regulatory Affairs and served as a Senior Adviser to then Prime Minister John Howard. He spent 15 years with Advance Bank, culminating in his appointment as Chief Executive – ACT Region. He also served as Secretary of the Department of Business, Arts, Sport and Tourism (ACT Govt) and was President of the ACT Chamber of Commerce.

Mark Glover

DEPUTY CHAIR (Appointed October 2011)

Up to March 2011 Mark was Director and Country Treasurer responsible for the funding and liquidity risk of the combined Bank of America Merrill Lynch Australian- group of entities. Mark is a qualified geologist with BSc (Hons) in Mining Geology from Leicester University and also has a Financial Diploma from the Australian Financial Markets Association. (MAICD)

Lorraine Lenthall

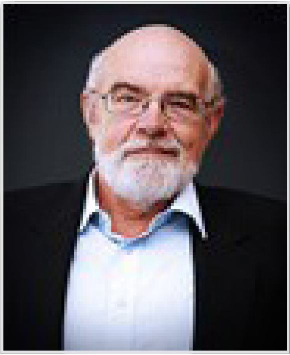
DIRECTOR (Appointed October 2011)

Lorraine was a Senior Adviser, Retail Investor Division, The Treasury and previously worked with the Australian Prudential Regulation Authority. She has a Bachelor of the Arts from the University of Melbourne, majoring in Economics and Political Science, and a Graduate Diploma of Legal Studies from the University of Canberra. (MAICD)

Nick Symons

DIRECTOR (Appointed 16 October 2015)

Nick was one of Canberra's leading property lawyers with 38 years' experience in the Canberra region prior to his retirement in 2014. He was awarded Solicitor of the Year by the Real Estate Institute of the ACT in 1999, 2001, 2004 and 2005 together with the President's Award in 2003 . Nick also specialised in commercial and business law. During his career as a lawyer, Nick was active in educational training with CIT, the Law Society of the ACT, the Legal Workshop (ANU) and the Real Estate Institute of the ACT



Robert Arthur
DIRECTOR (Appointed 2007)

Robert is a member of the Diocesan Property Trust and a past member of the Bishop-in-Council and the Diocesan Finance Committee. He has held senior policy and managerial positions in the Commonwealth Public Service and the Australian National University. Robert completed a Bachelor of Arts at ANU in 1964. (MAICD)

Elizabeth Stamford
DIRECTOR (Appointed April 2017)

Liz is a Chartered Accountant and her current role is Policy Leader at Chartered Accountants Australia and New Zealand. Since 2012, she has been responsible for leading policy and advocacy work on behalf of the profession, primarily in the audit, assurance and insolvency regulatory areas. Prior to this, she ran operations from New York as the Director of Assurance Risk & Quality for the global PwC network. She has lived and worked in the UK, Australia and US, in audit and corporate recovery roles, as well as standard setting, corporate governance and regulatory liaison roles.

Eugene Kalenjuk
DIRECTOR (Appointed June 2017)

Tim McGhie
DIRECTOR (Appointed 1999)

Tim retired in 2012 after working in the private and public sectors in the ACT for nearly 40 years, including time as an Associate Director in the Economic Studies and Strategies Unit, Corporate Finance and Recovery, for PwC, and as a Senior Policy Advisor to the ACT Legislative Assembly. Tim is a member of Bishop-in-Council as Chair of the Diocesan Finance Committee. Tim is an Associate of CPA Australia; he completed his Bachelor of Economics, majoring in macro-economics and accounting, at the University of Tasmania. (MAICD)

Trevor Ament
DIRECTOR (EX OFFICIO) (January 2011 - February 2017)

Trevor is the Registrar and General Manager of the Diocese of Canberra and Goulburn. He was appointed as Executive Director in February 2016. He has extensive experience in the insurance and funds management sectors which included roles with the Territory Insurance Office and as the Chief Financial Officer for the Australian Reinsurance Pool Corporation. Trevor has a Bachelor of Business (Economics/Finance), Masters in Accounting and is a Fellow of CPA Australia.

Governing Body

The AIDF Ordinance provides that the Board of Management consists of the Chair, the Deputy Chair and not less than five or more than six other members appointed by Bishop-in-Council for a term of not more than three years.

The Chair and Deputy Chair are eligible for re-appointment at the expiry of their terms provided that the re-appointments would not result in a person occupying the position of Chair or Deputy Chair for more than six years. Each other member is eligible for re-appointment at the expiry of his or her term, provided that no member may serve for more than nine consecutive years. Bishop-in-Council may appoint a person to serve more than six or nine years respectively if Bishop-in-Council finds that there are exceptional circumstances which justify such an appointment.

In making appointments, Bishop-in-Council is to have regard to the skills required for the effective and prudent operation of the Fund including, but not limited to, accounting, banking, financial services, legal, financial, governance and business expertise.

At least one member of the Board must be a member of Bishop-in-Council and at least one member must be a member of the Property Trust, but no more than three Members in total may be either a member of Bishop-in-Council or of a Diocesan agency. At least five Members must be independent Members. Bishop-in-Council may fill any casual vacancy occurring in the membership of the Board.

Board meetings

Board meetings are held at least every second month. A total of nine meetings were held during the period 1 January 2016 to 31 December 2016. The following table details the membership of the Board and the number of meetings attended by each member during that period.

Member	Meetings attended	Meetings eligible to attend
Mr Mark Brandon-Baker (Chair)	8	9
Mr Mark Glover (Deputy Chair)	7	9
Mr Trevor Ament (Registrar, Ex Officio)	4	4
Bishop Matt Brain (Acting Registrar April - October 2016, Ex Officio)	4	5
Mr Robert Arthur	8	9
Mr Lorraine Lenthall	6	7
Mr Tim McGhie	8	9
Mr Nick Symons	9	9

Governance

The AIDF is regulated by the Australian Charities and Not-for-profits Commission (ACNC). The ACNC publishes governance standards which must be met in order for a charity to be, and remain, registered with the ACNC. The standards and how the AIDF complies those standards are set out below.

Standard	Compliance
Standard 1: Purposes and not-for-profit nature Charities must be not-for-profit and work towards their charitable purpose. They must be able to demonstrate this and provide information about their purposes to the public.	The AIDF was set up as a not-for-profit with a charitable purpose and is run as a not-for profit working towards that charitable purpose. The AIDF is registered with the ACNC as a charity which has the purpose of advancing religion and its governing document (the AIDF Ordinance) has been lodged with the ACNC and is published on the ACNC website. The AIDF also provides information about its charitable purpose to the public via its own website.
Standard 2: Accountability to members Charities that have members must take reasonable steps to be accountable to their members and provide them with adequate opportunity to raise concerns about how the charity is governed.	While the AIDF does not have members per se, the AIDF Ordinance provides that it must report to the Property Trust and Bishop-in-Council at least quarterly and those reports must include a copy of the current financial statements. The annual audited financial statements are lodged with the ACNC and published on the ACNC website. The AIDF also reports annually to Synod. The AIDF Ordinance provides for the appointment of Board members by Bishop-in-Council.
Standard 3: Compliance with Australian laws Charities must not commit a serious offence (such as fraud) under any Australia law or breach a law that may result in a penalty of 60 penalty units (currently $10,200) or more.	The AIDF financial statements are independently audited each year. All compliance obligations have been identified and recorded in a compliance register.
Standard 4: Suitability of responsible persons Charities must take reasonable steps to: • be satisfied that its responsible persons are not disqualified from managing a corporation under the *Corporations Act 2001* (Cth) or disqualified from being a responsible person of a registered charity by the ACNC Commissioner, and • remove any responsible person who does not meet these requirements.	Background checks are conducted on each person before they are appointed to the Board by Bishop-in-Council. The AIDF Ordinance provides the circumstances in which a Board member's appointment is terminated, including disqualification under the *Corporations Act*.
Standard 5: Duties of responsible persons Charities must take reasonable steps to make sure that responsible persons are subject to, understand and carry out the duties set out in this standard.	Each Board member understands the duties imposed on directors of corporations. The attendance of Board members at Board meetings is reported annually in the report to Synod. A conflicts of interest policy and procedures have been approved by the Board.

The duties in standard 5 are to:

(a) act with reasonable care and diligence,

(b) act honestly in the best interests of the charity and for its purpose,

(c) not misuse the position of the responsible person,

(d) not misuse information obtained in performing duties,

(e) disclose any actual or perceived conflict of interest,

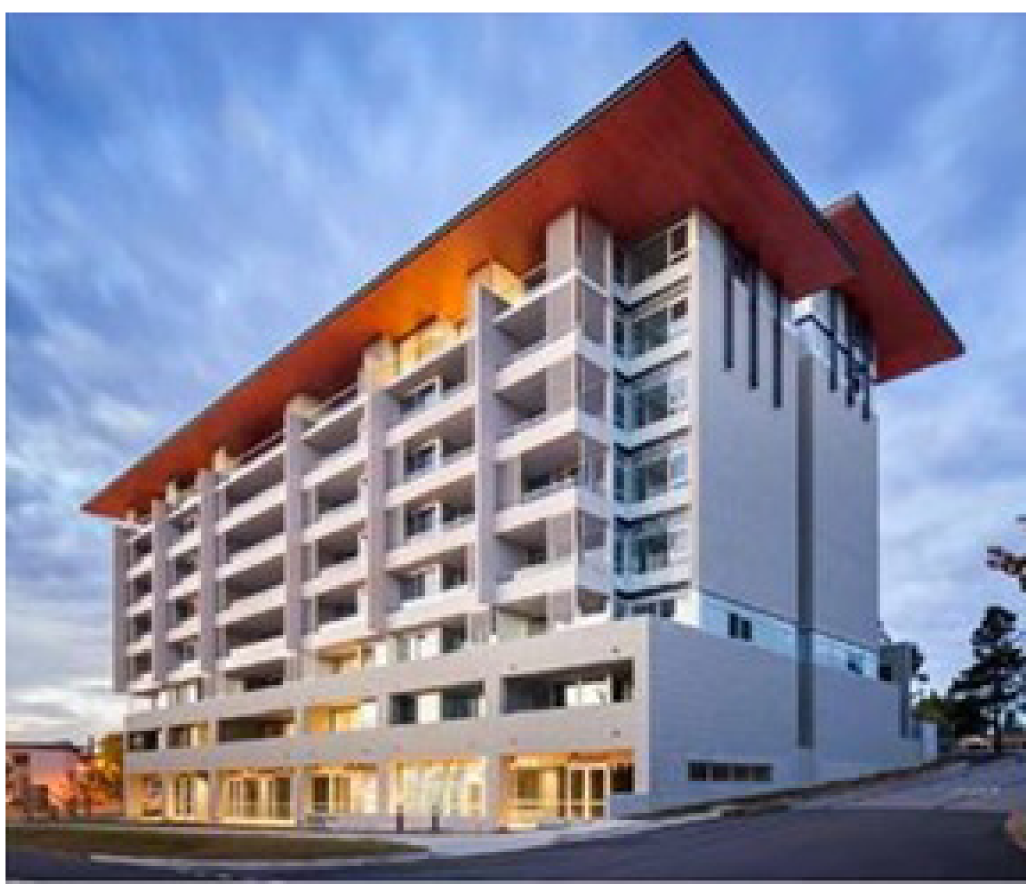
(f) ensure that the charity's financial affairs are managed responsibly, and

(g) not to allow the charity to operate while insolvent.

Reporting

The AIDF is required to provide a report to the Property Trust and Bishop-in-Council on the operations of the Fund, together with a current financial statement, at least once a quarter and at such other times as Bishop-in-Council requires.

The AIDF is also required to provide a report on its activities to each ordinary Session of Synod.



The Jamieson Apartment Development was funded by the AIDF.

Strategy and Structure

CHAPTER 3

Strategy

Over 2016, the AIDF has pursued a focussed strategy of building financial strength, growing its assets and reserves, entrenching operational efficiencies and mitigating risk to the Diocese. Specifically, this strategy has involved:

(a) providing competitive interest rates for both loans and investments;

(b) reducing reliance on debt funding through growing and diversifying its own investor base. This is being achieved through marketing to existing associated investors and to Diocesan entities which have not previously invested with the AIDF;

(c) pursuing a means to market to non-associated investors (see the discussion in relation to the Australian financial services licence at chapter 5);

(d) maintaining commercial lines of credit allowing it to manage required liquidity levels and meet payment obligations; and

(e) Developing business systems and policies that underpin good governance and operational efficiency.

The appointment of Adam Wright as Relationship Manager is contributing to the growth and diversification of the AIDF's investor base. Adam was appointed in June 2016 and brought to the organisation a wealth of experience, having spent almost 20 years in the banking and finance industry. Adam has deepened the AIDF's understanding of its client base and their needs, strengthened existing relationships through outstanding customer service and marketed AIDF products and services to Diocesan agencies which had traditionally not invested with the AIDF.

Structure

In 2016 the Board undertook a review of the AIDF Ordinance. The new Ordinance was enacted by Bishop-in-Council on 21 October 2016. The structural changes effected by the new AIDF Ordinance are:

- there is no longer a position of Executive Director,
- the Board appoints a Chief Executive Officer who is responsible for the efficient and effective management, operation and administration of the Fund,
- two Board committees have been established – a Board Audit Committee and a Board Risk Committee.

Trevor Ament has been appointed to the position of CEO. Trevor has been on the AIDF Board for over six years and brings with him significant experience in the financial services sector, the operations of the Diocese and its agencies.

The AIDF and Anglican Diocesan Services have entered into a service level agreement (SLA) for the period 24 February 2017 to 31 March 2019. The SLA covers the services provided by ADS to the AIDF in the areas of payroll, injury management, HR administration, HR leadership, Board secretariat, risk management, business support and projects. The SLA with ADS provides the AIDF with a broad range of management skills and experience on which to draw.

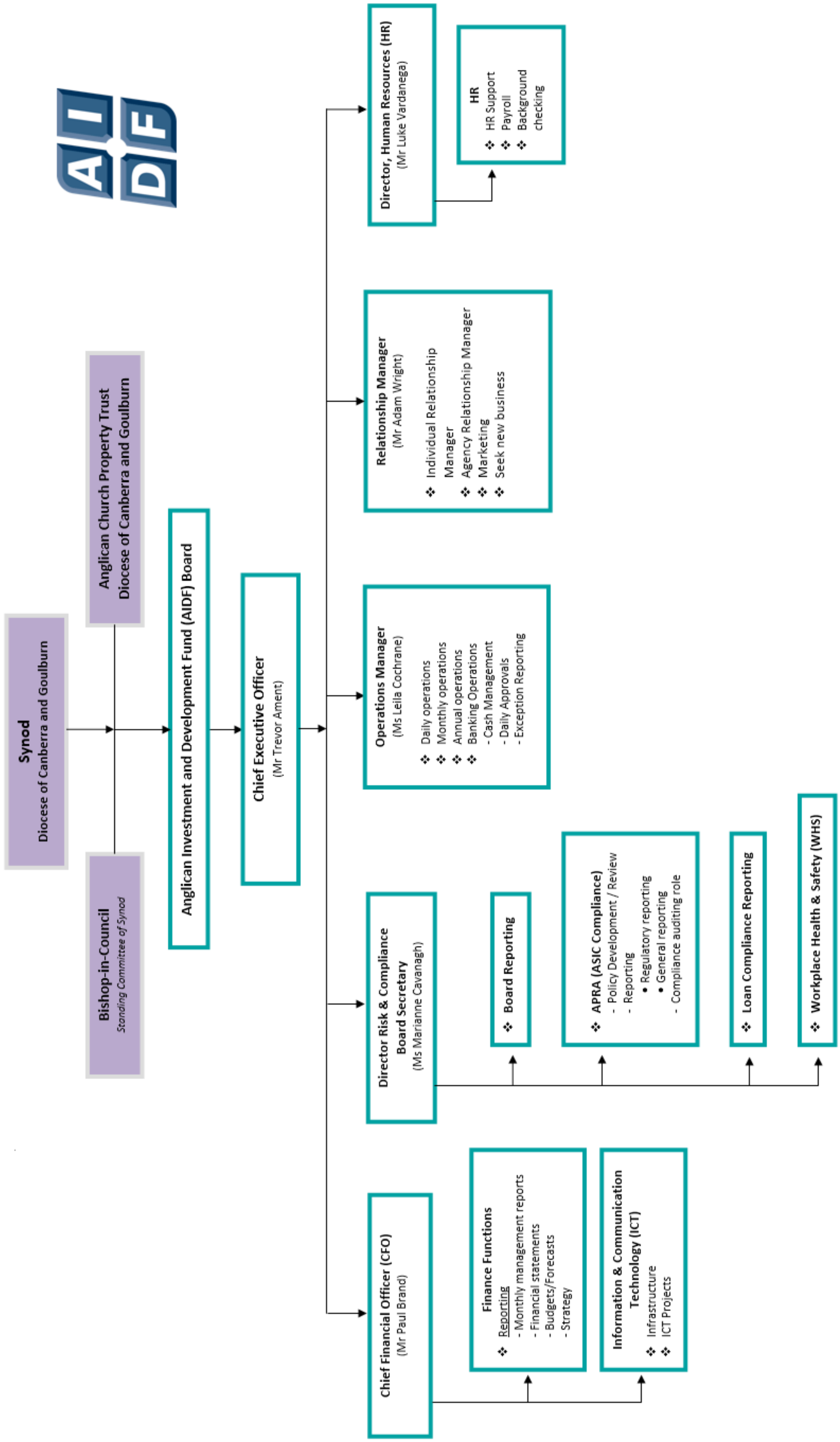
A major project undertaken by ADS personnel under the SLA has been a review of the AIDF's policies and procedures. Policies and procedures have either been updated or, where there was no existing document, new policies and procedures have been developed. All policies have been mapped back to regulatory standards of the Australian Prudential Regulation Authority or Standards Australia to ensure that the AIDF's policies are robust and in accordance with current practice.

Since its last report to Synod, the Board has considered and approved policies, procedures and frameworks in the following areas:

- complaint handling,
- compliance,
- conflict of interest,
- delegations,
- outsourcing,
- prudential, and
- risk management.

Organisation chart

The organisational chart follows.


Synod
Diocese of Canberra and Goulburn
Bishop-in-Council
Standing Committee of Synod
Anglican Church Property Trust
Diocese of Canberra and Goulburn
Anglican Investment and Development Fund (AIDF) Board
Chief Executive Officer
(Mr Trevor Ament)
Chief Financial Officer (CFO)
(Mr Paul Brand)
Finance Functions
❖ Reporting
- Monthly management reports
- Financial statements
- Budgets/Forecasts
- Strategy
Information & Communication Technology (ICT)
❖ Infrastructure
❖ ICT Projects
Director Risk & Compliance
Board Secretary
(Ms Marianne Cavanagh)
❖ Board Reporting
❖ APRA (ASIC Compliance)
- Policy Development / Review
- Reporting
• Regulatory reporting
• General reporting
- Compliance auditing role
❖ Loan Compliance Reporting
❖ Workplace Health & Safety (WHS)
Operations Manager
(Ms Leila Cochrane)
❖ Daily operations
❖ Monthly operations
❖ Annual operations
❖ Banking Operations
- Cash Management
- Daily Approvals
- Exception Reporting
Relationship Manager
(Mr Adam Wright)
❖ Individual Relationship Manager
❖ Agency Relationship Manager
❖ Marketing
❖ Seek new business
Director, Human Resources (HR)
(Mr Luke Vardanega)
HR
❖ HR Support
❖ Payroll
❖ Background checking

Financial Highlights

CHAPTER 4

Key financial results

The table below presents the financial highlights for 31 December 2016 and 31 March 2016.

	31 Dec 2016 (9 months)	31 March 2016
Net interest revenue	$1,742,010	$2,951,800
Operating revenue	$1,771,496	$3,049,345
Operating expenses	$1,141,219	$2,038,807
Net profit	$630,277	$1,010,538
Total Comprehensive income	**$652,188**	**$1,010,538**
General reserve	$8,194,943	$7,805,255
Investor's fund	$58,255,267	$48,529,932
Financial Liabilities	$34,249,702	$39,283,208
Distributions to the Trust	$262,500	$380,002

Financial year end

The Board approved the change to the financial year end from 31 March to 31 December. This decision aligns the AIDF's year end to nearly all other agencies of the Diocese. It is important to note that the financial result reported for the 31 December 2016 is for a nine-month period.

The AIDF is a key agency of the Anglican Diocese of Canberra and Goulburn as it provides a range of investment products and lending services to our Anglican Community. The AIDF's operations are guaranteed by the Diocese; however it is important the financial capacity of the AIDF continues to strengthen.

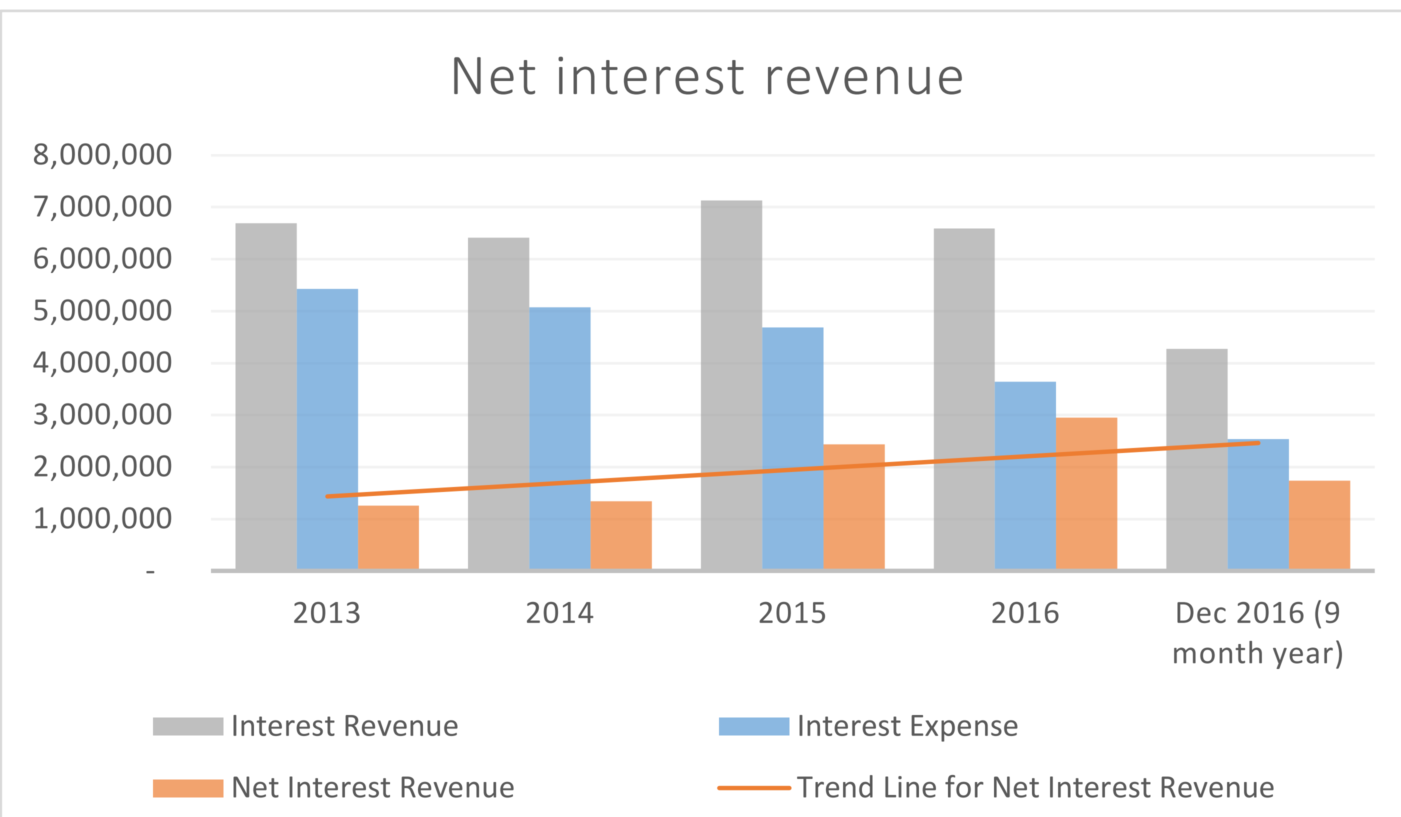
The financial strength of the AIDF is reflected across its areas of operation. These include:

- the operating result for the nine months of $652,188;
- the continued growth in its General Reserves to $8,194,943;
- investor growth and diversification to $58,255,267;
- bank facilities of $60million, which are secured by direct mortgages over property with a total value of $120 million.

The structure of the AIDF means it is the only entity within the Diocese which can seek institutional funding from multiple banks. This allows the AIDF to source funding at a lower cost of funds and pass this benefit on to agencies of the Diocese via lower interest rates. During 2016 the Board reviewed its interest rate levels and passed on two reductions.

For the nine months to 31 December 2016 the AIDF achieved an operating surplus of $652,188 and increased its reserves to $8,194,943.

The following graph outlines the net interest revenue since 2013.



Interest rates

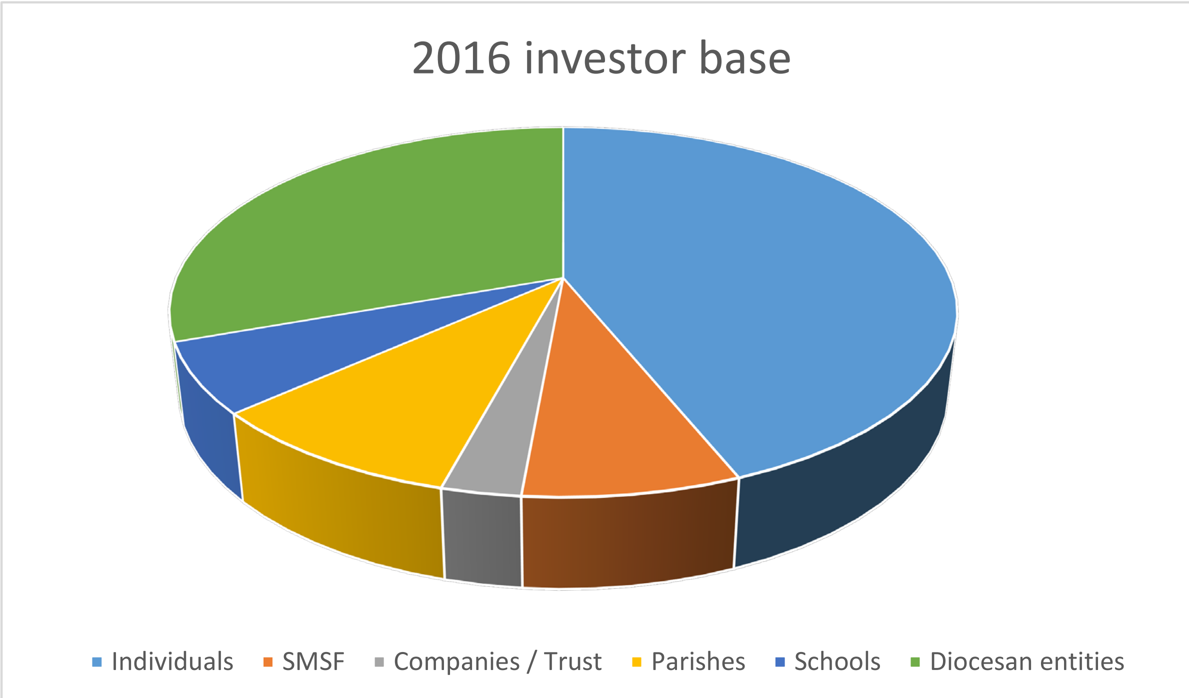
During 2016 the AIDF assessed its interest rates and, in line with the Reserve Bank of Australia decisions to lower the official interest rates, passed on two interest rate cuts to its clients in July and September. These movements ensured the AIDF was providing interest rates at competitive levels compared to the broader banking sector. The AIDF Board will continue to review its rates to ensure its ongoing financial strength and to pass on benefits to all its clients.

The following table provides the current interest rates offered by the AIDF.

Deposits	Rate
Cash Management Account - Parish	2.00%
Community Online Saver	Current 3.00% being 2.50% (plus 0.50% donation)
Term Deposit	
3-8 months	3.00%
9-11 months	3.10%
12-23 months	3.20%
2 years	3.25%
3 years	3.30%
Loans	**Rate**
Housing loans	4.90%
Parish and agency rate	5.75%
Personal Loans	10.00% fixed
Current School rate	6.25%

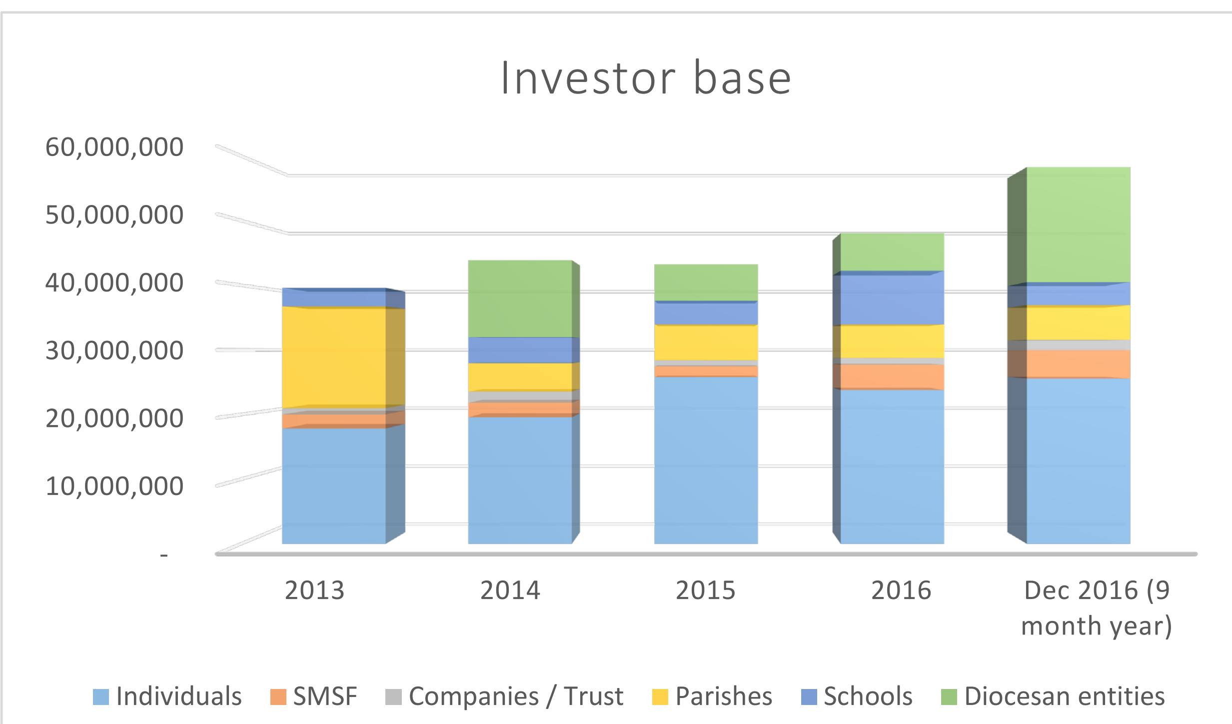
Investor base

During 2016 the AIDF pursued a strategy of reducing its reliance on external debt funding by seeking to increase and diversify its investor base. This has been achieved to date by continuing to build strong relationships with, and a deeper understanding of, its existing associated investors and Diocesan entities. A major attribute of an investment in the AIDF is it is an ethical and secure investment in the ministries of the Diocese. Every dollar invested enables the AIDF to facilitate the ministry of schools, Diocesan agencies, community service providers and the Parishes through loans and by providing high yielding accounts and term investments.



During 2016 the AIDF introduced a new cash management account for Parishes and other Diocesan entities. All major banks offer an equivalent product and they are very popular as a means of obtaining a better return whilst ensuring the funds remain available when needed. By introducing the cash management account, we sought to retain existing customers and attract new customers by providing a product that meets current market expectations.

The following graph outlines the increase and diversification achieved in the investor funds.



Financial liabilities

The AIDF now manages multiple commercial lines of credit which are secured by mortgages. This has been a major improvement whereby the AIDF has transitioned from a single bank and facility of $67 million with a single maturity date, to multiple funders and facilities with varying maturity dates. This has ensured the AIDF has mitigated the significant financial risks associated with a single provider and a single maturity date.

The AIDF draws on these facilities to the extent necessary to maintain its liquidity requirements and meet its obligations.

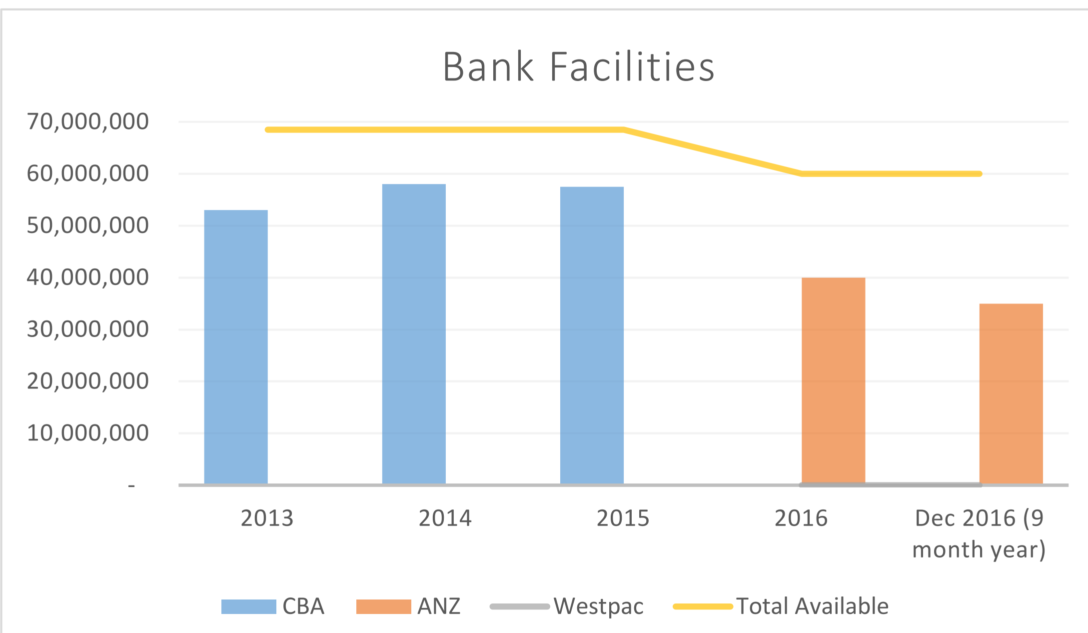
As at 31 December 2016, the AIDF's financial facilities were:

- $40 million – Australia and New Zealand Banking Group (ANZ):
    - $15 million – 18 months
    - $25 million – 3 Years

- $20 million – Westpac Banking Corporation (WBC):
    - $20 million – 5 years

By March 2017 the AIDF was able to reduce the total facilities to $40 million. This is a reduction of $20 million and was only achieved with the significant and sustained growth in investor funds. This adjustment has continued to improve the security position of the AIDF. The loan to valuation ratio is now in excess of 140% which has lowered the cost of funds.

The following graph outlines total facilities available and the amount drawn.



Loan portfolio

The loan portfolio reduced to $82.4 million (2016: $84.1 million). This was achieved with the continuing pay down of the Jamieson House loan and the standard capital repayment.

During 2016 the Board delegation policy was amended so all loan applications are to be approved by the Board. The loan application process provides for applicants to submit a loan application including the purpose of the borrowing, a copy of the financial statements for the last two years, updated management accounts and projections, along with any other relevant information or documentation. A full credit analysis is completed, including assessment of historical performance and projections, along with various financial ratios and serviceability calculations. Once the loan application has been assessed and found satisfactory it is recommended to the CEO who reviews the application before giving his support and the application is then submitted to the Board for approval.

In addition to the application process the AIDF regularly reviews the loan portfolio and the performance of individual borrowers. The following table outlines the categories and total values of the loan portfolio.

Category	**Amount**
Schools	65,545,540
Diocese	12,757,194
Personal loans (unsecured)	156,722
Mortgage loans	2,321,216
Parishes	1,645,976
Total Loans as at 31 December	82,426,648

The review process includes obtaining and reviewing the supporting information. This includes:

(a) review of the audited financial statements each year to assess the financial position,

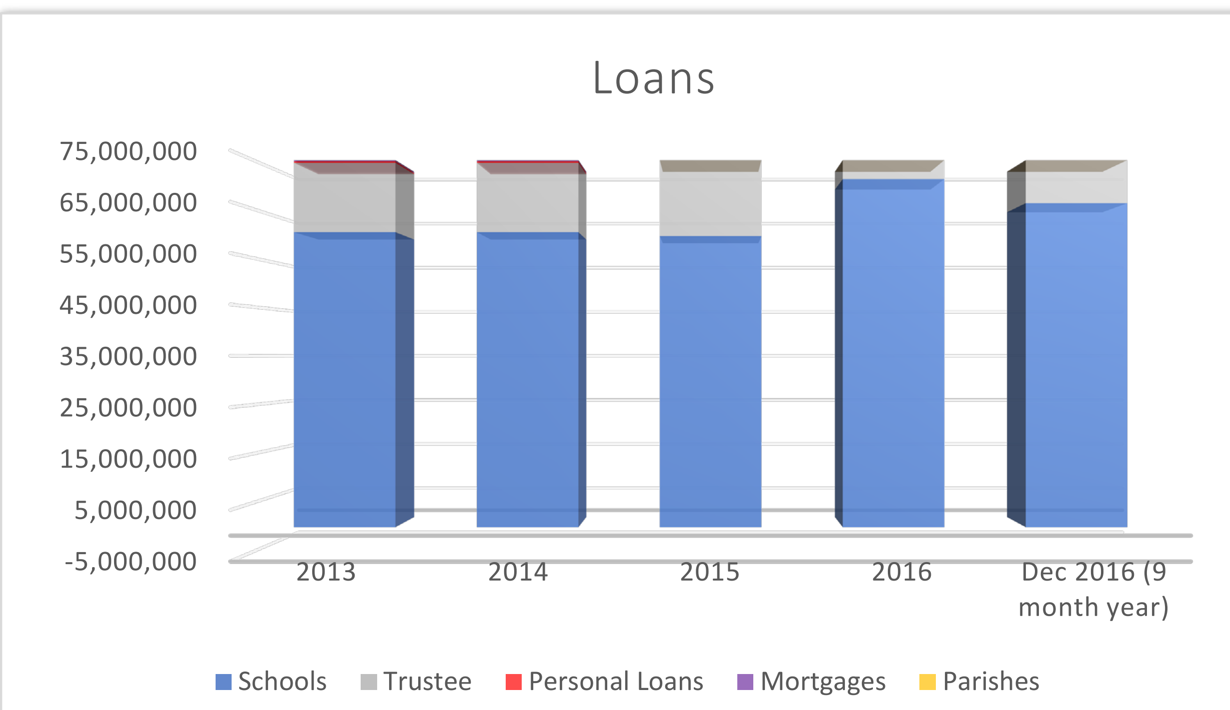
(b) review the board approved budget (including cash flows) and existing projections,

(c) review any changes to Government policies, and

(d) external economic indicators.

In 2016 the AIDF introduced a master asset finance facility with Anglican Diocesan Services (ADS). The facility is designed to allow the ADS to assist with the acquisition of products which support the day-to-day operations of Anglican schools and Diocesan agencies, eg IT hardware and software and vehicles. The facility has an overarching limit of $5 million within which the ADS may establish (subject to AIDF Board approval) various individual loans in order to assist in the purchase of assets or products. The total balance owing against the combined individual loans at any one time cannot exceed the overarching facility limit and the maximum term of each loan is set so as to be commensurate with the life of the asset or product being purchased.

The following graph outlines the loan portfolio.



Statutory Compliance
CHAPTER 5

Australian Charities and Not-for-Profits Commission

The AIDF is a registered charity and complies with its obligations under the ACNC legislation.

Australian Prudential Regulation Authority

APRA and ASIC reviewed the exemptions from the Banking Acting 1959 and the Corporations Act 2001 in relation to charitable investment funds. New exemptions were issued, both of which are effective from 1 January 2017. The table on the following page shows the conditions on which the exemptions are given.

APRA Banking Exemption No 1 of 2016	*ASIC (Corporations (Charitable Investment Fundraising) Instrument 2016/813*
From 1 January 2017 any retail product issued to a non-affiliated retail investor must have a minimum term or call period of 31 days.	Unless the charitable investment fundraiser (CIF) obtains an Australian financial services licence, it must not offer investment products to retail non-associated clients after 31 December 2016
Funds have until 1 January 2018 to convert retail products issued to non-affiliated retail investors before 1 January 2017 to term or notice accounts.	From 1 January 2018 no CIF (whether wholesale or retail) may have investment products issued to retail non-associated clients with less than a 31 day term
Except in exceptional circumstances which may lead to hardship, non-affiliated retail investors must not be able to redeem any funds for 31 days from the date of the investment.	The hardship provisions apply to individual investors who are retail non-associated clients
Funds must have written procedures setting out the basis upon which the fund will determine such exceptional circumstances.	
Non-affiliated retail investors must not be offered cheque account or BPAY facilities.	
Funds must not offer EFTPOS or ATM facilities to any investors.	
Marketing material must contain, at a minimum, the following disclosure: *The Fund is not prudentially supervised by APRA. Therefore, an investor in the Fund will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. Investments in the Fund are intended to be a means for investors to support the charitable purposes of the Fund.*	Offer documents and promotional material directed to retail clients must contain a prominent statement that the CIF is required by law to notify investors that: • the investment is only intended to attract investors whose primary purposes is to support the charitable purpose, • investors may be unable to get some or all their money back, • the investment is not comparable to investments with banks, financial companies or fund managements. Investors who are retail non-associated clients must sign a statement to the effect that they understand the disclosures.
	All retail clients must be advised, inter alia, that the investment is not subject to the usual under the Corporations Act or regulated by ASIC
The expressions "deposit" or "at call" or any derivatives may not be used in relation to retail products sold to a non-affiliated retail investor.	Retail CIFs may not use the expressions "deposit" or "at call" or any derivatives
	An identification statement must be lodged and accepted by ASIC by 28 February 2017
	Breach reporting conditions apply

The identification statement required by ASIC was lodged on 2 February 2017 and accepted by ASIC on 24 February 2017.

Because of the different conditions attached to the APRA and ASIC exemptions, the AIDF is complying with the condition which imposes the stricter requirement. For example, the APRA exemption allows the issue of retail products to non-affiliated retail investors provided the product has a minimum term or call period of 31 days. On the other hand, the ASIC exemption does not allow the issue of investment products to retail non-associated clients unless an Australian financial services licence has been granted. The AIDF is complying with the ASIC requirement and is not issuing any investment products to retail non-associated clients.

One of the risk mitigation strategies identified by the AIDF Board is to grow the AIDF's investor base in order to reduce the AIDF's reliance on debt funding. To achieve this objective, the Board endorsed a marketing strategy aimed at increasing investments from retail investors who are not necessarily associated investors, such as parishioners and the parents of children attending Anglican schools within the Diocese. This strategy cannot be pursued unless the AIDF has an Australian financial services licence. To this end, the Board authorised management to investigate the possibility of the AIDF obtaining an Australian financial services licence.

Management has obtained high level advice from King & Wood Mallesons in relation to the Australian financial services licensing process and is preparing the documentation necessary in order to apply for a licence.

The following are the definitions used by APRA and ASIC for affiliates and associates respectively.

APRA - affiliate	**ASIC - associate**
A body constituted by or under the authority of a decision of the central governing body of a related religious organisation	A body constituted by or under the authority of a decision of the charity or which is controlled by the charity
A body in relation to which the central governing body of a related religious organisation is empowered to make ordinances or other binding rules	A person or body that constituted the charity or under whose authority the charity was constituted or that controls the charity
A body that is of the same religious denomination	A charity with a related charitable purpose
A person acting as a trustee of a trust for or for the use, benefits or purposes of a related religious organisation	A person acting as a trustee of a trust for the charity or a charity with a related charitable purpose
An employee or voluntary staff member of a body mentioned above	A member of the clergy, employee or voluntary staff member who works for a body mentioned above
A member of the clergy within a related religious organisation	
A person undertaking training or education for the purposes of becoming a member of the clergy within a related religious organisation	A person undertaking training or education to enable them to be a member of the clergy, employee or voluntary staff member who received receives money or money's worth from a body mentioned above

Staffing and Office Accommodation
CHAPTER 6

Staffing

Current employees of the AIDF are:

Trevor Ament, Chief Executive Officer
Paul Brand, Chief Financial Officer
Marianne Cavanagh, Board Secretary
Leila Cochrane, Operations Manager
Sarah Henderson, Marketing Assistant
Nienke Lucas, Customer Service Officer
Luke Vardanega, HR support
Adam Wright, Relationship Manager

Office accommodation

Level 4, 221 London Circuit is leased by ADS. The AIDF occupies offices at that site and the cost of the lease is apportioned between the occupants. The AIDF pays rent to ADS in proportion to the space it occupies.

Access

The AIDF operates online and from Level 4, 221 London Circuit, Canberra, ACT, and the usual hours of operation are from 9.00 am to 4.00 pm Monday to Friday.

Contact details

Ph: 02 6247 3744
Email aidf@aidf.com.au
Web www.aidf.com.au,

Audited Financial Statements for the period ending 31 December 2016.

Building a better working world

Ernst & Young
121 Marcus Clarke Street
Canberra ACT 2600 Australia
GPO Box 281 Canberra ACT 2601

Tel: +61 2 6267 3888
Fax: +61 2 6246 1500
ey.com/au

Independent Auditor's Report to the Members of Anglican Investment Development Fund

Opinion

We have audited the financial report of the Anglican Investment Development Fund, which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Anglican Investment Development Fund is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the Anglican Investment Development Fund 's financial position as at 31 December 2016 and of its financial performance for the period ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Anglican Investment Development Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

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

Building a better working world

In preparing the financial report, the directors are responsible for assessing the Anglican Investment Development Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Anglican Investment Development Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Anglican Investment Development Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Anglican Investment Development Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Anglican Investment Development Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Ben Tansley
Partner
Canberra
18 May 2017

ANGLICAN INVESTMENT AND DEVELOPMENT FUND

General Purpose
Reduced Disclosure Requirements
Financial Report
For the period ended 31 December 2016

Contents

Statement of profit or loss and other comprehensive income
For the period ended 31 December 2016

	Notes	Nine months to 31 December 2016 $	Twelve months to 31 March 2016 $
Revenue			
Operating activities			
Interest received	4(a)	**4,278,004**	6,590,090
Interest paid	4(b)	**(2,535,994)**	(3,638,290)
Net interest revenue		**1,742,010**	2,951,800
Other revenue	4(c)	**29,486**	97,545
Operating result		**1,771,496**	3,049,345
Operating expenses	4(d)	**(1,141,219)**	(2,038,807)
Profit for the period		**630,277**	1,010,538
Other comprehensive income			
Gain on cash flow hedge	8	**21,911**	-
Total comprehensive income		**652,188**	1,010,538

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

* During the financial period the Board approved a change of accounting year end to 31 December, commencing the nine months to 31 December 2016.

Statement of financial position
As at 31 December 2016

	Notes	31-Dec-16 $	31-Mar-16 $
Assets			
Cash and short-term deposits	5	**18,676,463**	11,853,008
Receivables	6	**39,089**	2,424
Loans and advances	7	**82,426,648**	84,119,287
Other financial assets	8	**73,846**	80,509
Plant and equipment	9	**92,473**	129,346
Total assets		**101,308,519**	96,184,574
Liabilities and equity			
Liabilities			
Trade and other payables	10	**531,646**	497,775
Investor funds	11	**58,255,267**	48,529,932
Financial liabilities	12	**34,249,702**	39,283,208
Employee benefit liabilities	13	**51,961**	44,104
Provisions	14	**25,000**	24,300
Total Liabilities		**93,113,576**	88,379,319
Equity			
General reserve		**8,173,032**	7,805,255
Hedge reserve		**21,911**	-
Total equity		**8,194,943**	7,805,255
Total equity and liabilities		**101,308,519**	96,184,574

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity
As at 31 December 2016

	Retained earnings	Hedge reserve	General reserve	Total
	$	$	$	$
At 1 April 2016	**-**	**-**	**7,805,255**	**7,805,255**
Profit for the period	**630,277**	**-**	**-**	**630,277**
Distribution to the Trustee	**(262,500)**	**-**	**-**	**(262,500)**
Hedge reserve	**-**	**21,911**	**-**	**21,911**
Transfer from retained earnings to general reserve	**(367,777)**	**-**	**367,777**	**-**
At 31 December 2016	**-**	**21,911**	**8,173,032**	**8,194,943**
At 1 April 2015	-	(700,371)	7,174,719	6,474,348
Profit for the period	1,010,538	-	-	1,010,538
Distribution to the Trustee	(380,002)	-	-	(380,002)
Reclassification of adjustment of hedge reserve to profit or loss*	-	700,371	-	700,371
Transfer from retained earnings to general reserve	(630,536)	-	630,536	-
At 31 March 2016	-	-	7,805,255	7,805,255

* The reclassification adjustment is the amount reclassified to profit or loss in the current period that was recognised in other comprehensive income in the current or previous period.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows
For the period ended 31 December 2016

	Notes	Nine months to 31 December 2016 $	Twelve months to 31 March 2016 $
Operating activities			
Other income received		-	97,545
(Purchase) of financial assets		-	(93,893)
Interest received from financial assets		**258,914**	347,214
Interest received from loans		**3,982,424**	6,249,056
Interest paid to Investors/ borrowings		**(2,535,994)**	(3,498,121)
Payments to suppliers and employees		**(830,296)**	(1,855,484)
Decrease in loans and advances		**1,692,639**	11,497,674
Net payments of borrowings from bank facilities		**(5,237,215)**	(17,500,000)
Increase in investor funds		**9,725,335**	5,310,689
Net cash flows from operating activities		**7,055,807**	554,680
Investment activities			
Proceeds from sale of plant and equipment		**30,148**	-
Purchase of plant and equipment		-	(3,822)
Distribution to the Trustee		**(262,500)**	(380,002)
Net cash flows used in investment activities		**(232,352)**	(383,824)
Net increase in cash and cash equivalents		6,823,454	170,856
Cash and cash equivalents at the beginning of the financial period		**11,853,008**	11,682,152
Cash and cash equivalents at end of the financial period		**18,676,462**	11,853,008

The above statement of cash flows should be read in conjuction with the accompanying notes.

Notes to the financial statements
For the period ended 31 December 2016

1 FUND INFORMATION

The financial report of Anglican Investment and Development Fund (the "Fund"), a not-for-profit entity, for the period ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 18th May 2017.

The Fund is an unincorporated body established under the Anglican Development Fund (Diocese of Canberra and Goulburn) Ordinance 1971 (the "Ordinance"). The Anglican Church Property Trust Diocese of Canberra and Goulburn is the trustee of the Fund (the "Trustee").

The principal place of business of the Fund is Level 4, 221 London Circuit Civic, ACT 2601.

The principal activities of the Fund are to receive funds from investors and to invest those funds in loans.

An investment in the Fund is designed for those people who wish to promote the activities of the Anglican community and for whom the consideration of profit is not of primary relevance in their investment decision. Investors should be aware of the information below:

(a) The Fund, which is an income tax exempt charity, is not required to have a prospectus and trust deed under the Corporations Law pursuant to an exemption granted by the Australian Securities and Investment Commission (ASIC). The Fund is required to lodge annual audited financial statements with ASIC but has not been examined nor approved by ASIC.

(b) The Fund is a party to Banking exemption No 1 of 2016 from the *Banking Act 1959* granted by the Australian Prudential Regulation Authority (APRA).

Neither the Fund nor the Trustee is prudentially supervised by APRA. Contributions to the Fund do not obtain the benefit of the depositor protection provisions of the *Banking Act 1959*.

Under Section 9 of the Ordinance, the Fund is required to maintain a reserve fund which will be available towards meeting any losses incurred by the Board in its operation of the Fund and in meeting any liability of the Trustee under its guarantee of the Fund. The Diocese of Canberra and Goulburn guarantees investor funds, loans and advances held by the Fund (Note 7 and 11).

APRA has granted an exemption from the *Banking Act 1959* to religious charitable development funds (RCDF) and the Fund has the benefit of that exemption. Banking exemption No. 1 of 2011 was replaced by Banking exemption No. 1 of 2016, which came into effect on 1 January 2017. The major differences between the previous order and the new order are:

(i) accounts offered to retail non affiliated investors are required to have a term or call period of at least 31 days,

(ii) any existing at call accounts held by the retail non-affiliated investors must be transitioned to comply with paragraph (i) above by 1 January 2018,

1 FUND INFORMATION (continued)

(iii) funds may be released early if the investor demonstrates that he or she is subject to exceptional circumstances that may lead to hardship (RCDFs must develop their own procedures setting out the basis on which the RCDF will determine exceptional circumstances),

(iv) retail non-affiliated investors must not be offered BPAY facilities in relation to retail products,

(v) the words "deposit" or "at call" or any derivatives may not be used in relation to any retail products,

(vi) there are enhanced disclosure requirements.

The Australian Securities and Investments Commission (ASIC) considers that charitable investment funds (CIF) which seek to raise money on the basis that the money will be repaid or a monetary return will be paid on it are likely to be offering and issuing debentures or interests in managed investment schemes. In usual circumstances, the fundraising provisions of the *Corporations Act 2001* (Cth) would apply. These include having a trust deed, issuing a prospectus and product disclosure statement and holding an Australian financial services (AFS) licence.

ASIC Class Order 02/184 exempts CIFs from the fundraising provisions of the *Corporations Act* in relation to debentures and managed investment schemes. The 2002 class order was repealed and replaced with ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 which came into effect on 1 January 2017. The major differences between the 2002 order and the 2017 order are:

(i) no new accounts may be issued to retail non-associated clients after 31 December 2016 unless the CIF has an Australian Financial Services Licence,

(ii) any new accounts issued to retail non-associated clients after 31 December 2016 must have a fixed term of at least 31 days,

(iii) any existing at call accounts held by retail non-associated clients must be transitioned to comply with paragraph (ii) above by 1 January 2018,

(iv) funds may be redeemed early if the redemption would alleviate financial hardship,

(v) the words "deposit" or "at call" or any derivatives may not be used in relation to any retail products,

(vi) there are enhanced disclosure requirements.

The Fund will comply with the new account requirements by 31 December 2017 and, therefore, believes that these changes will not affect the Fund as a going concern.

Notes to the financial statements (continued)
For the period ended 31 December 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Accounting Standards – Reduced Disclosure Requirements, the Fund's Ordinance and the *Australian Charities and Not-for-Profits Commission Act 2012*. The financial report has also been prepared on an accruals basis of accounting and the historical cost basis, except for financial assets measured at fair value through either profit or loss or other comprehensive income (OCI).

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

During the financial period the Board approved a change of accounting year end from 31 March to 31 December, commencing the nine months to 31 December 2016. This change was made to align the Fund to the same accounting year as the Anglican Church Property Trust.

The financial report is presented in Australian dollars ($).

(b) Going Concern

The directors of the Fund have prepared the financial statements under the going concern assumption. The directors note that the Fund is subject to a level of concentration risk as loans are only provided to Diocesan entities and members. The Fund has received a letter from the Diocese of Canberra and Goulburn outlining that it will support controlled entities if required. The directors have concluded that the Diocese has sufficient capital to be able to meet these obligations if required.

(c) Changes in accounting policy, accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period. The Fund has not early adopted any new standards, amendments to standards and interpretations that have been issued or amended but are not yet effective, except AASB 9 Financial Instruments which was early adopted for the financial year ended 31 March 2014.

(d) Receivables

Receivables may include amounts for interest and goods and services tax (GST) recoverable from the Australian Taxation Office (ATO).

Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(m). Amounts are generally received within 30 days of being recorded as receivables.

(e) Income tax

The Fund is a tax exempt body under S50-5 of the *Income Tax Assessment Act 1997*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Fund depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are as follows:

Office furniture and equipment	10% to 33.33%
Leasehold improvement	14.29%
Motor vehicle	33.33%
Software	14.29% to 40%

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as either amortised cost or fair value on the basis of both:

(a) the entity's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

A financial asset is recognised initially at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

The Fund's financial assets classified as amortised cost include receivables, term investments and loans and advances.

The Fund's financial assets classified as at fair value through other comprehensive income (OCI) include investment in fixed-income securities, investment in debentures and derivatives that are deemed effective for hedging accounting purposes.

The Fund may revise the financial asset classification when, and only when, the Fund changes its business model for managing financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- The Fund has transferred the contractual rights to receive the cash flows from the asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the following conditions:

(a) The Fund has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the Fund with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

(b) The Fund is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(c) The Fund has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents.

Impairment
At the end of each reporting period, an assessment is made whether there is objective evidence that a financial assets has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are measured initially at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

The Fund's financial liabilities include trade payables, investor's funds and Bank Bill Facility.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for:

(a) financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value;
(b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
(c) financial guarantee contracts;
(d) commitments to provide a loan at a below-market interest rate.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement or profit or loss.

(iii) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Fund uses derivative financial instruments, namely an interest rate swap and an interest rate cap, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Fund formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Fund will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

Cash flow hedges
The Fund uses an interest rate swap as a hedge against its exposure to interest rate risk in forecast transactions. The ineffective portion relating to interest rate swaps is recognised in finance costs (hedging instruments) as part of operating expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non- financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI is transferred to profit or loss.

(iv) Impairment of non-financial assets
The Fund assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Fund's of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Fund bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Fund's assets. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Fund estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(j) Trade and other payables

Trade payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial period that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Provisions and employee benefit liabilities

General

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits, which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Provisions and employee benefit liabilities (continues)

Long service leave and annual leave
The Fund does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Fund recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(l) Cash and short term investments

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognised.

Interest revenue
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocation the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(n) Loans

Interest on loan accounts is accrued on a daily basis and charged to accounts at the end of each month. Interest rates are generally variable in nature and set regularly by the Fund Board. In general school interest rates are fixed for 6 month periods. Loans to parishes, schools and other diocesan entities are guaranteed by the Diocese of Canberra & Goulburn.

(o) Investor's funds

Interest on investor's funds is accrued on a daily basis and for call accounts is credited to accounts on 31 March and 30 September. Interest on term investments are paid in terms of arrangements with customers. Unpaid interest on term investments which has accrued in the financial period has been treated as an interest cost for the period and the ongoing accrued liability recognised in the statement of financial position. Investor funds are guaranteed by the Diocese of Canberra & Goulburn.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable;

- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from the taxation authority is included as part of receivables in the statement of financial position. Commitments and contingencies, if any, are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(q) Reserves

General reserve

The general reserve records amounts set aside from retained earnings to help ensure certain levels of equity are maintained to meet funding requirements.

Hedge reserve

The hedge reserve records movements in the fair value of derivatives. Amounts in the reserve are reclassified to the statement of profit or loss and other comprehensive income during the periods that the hedged forecast cash flows affect profit or loss.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Fund's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

Notes to the financial statements
For the period ended 31 December 2016

4 REVENUE AND EXPENSES

	31-Dec-16 $	31-Mar-16 $
(a) Interest received		
Interest income - term deposits	**258,914**	341,034
Interest income - loans and advances	**4,019,090**	6,249,056
	4,278,004	6,590,090
(b) Interest paid		
Interest paid to investors	**1,313,619**	1,441,636
Interest paid to the Trustee on reserves	**130,337**	143,887
Interest paid on borrowings	**1,092,038**	2,052,767
	2,535,994	3,638,290
(c) Other revenue		
Other income	**29,486**	97,545
	29,486	97,545
(d) Operating expenses		
Administrative expenses	**6,200**	19,233
Advertising expense	**10,042**	9,138
Agency fees	**299,997**	58,333
Audit and accounting	**25,000**	36,792
Bank charges	**11,311**	19,481
Cleaning expense	**1,656**	2,024
Banking and office systems cost	**88,277**	111,105
Courier service fees	**384**	417
Depreciation of plant and equipment	**36,212**	53,774
Electricity expense	**1,414**	1,952
Amortisation	**213,723**	99,000
Fringe benefit tax	**4,182**	11,636
Insurance expense	**2,846**	14,626
(Loss) / gain on hedges	**28,574**	-
Loss on derecognition of hedging instruments	**-**	676,458
Motor vehicle expense	**10,333**	16,260
Office expense	**1,385**	3,210
Postage expense	**1,589**	1,690
Printing and stationery expense	**8,335**	8,727
Provision for annual leave	**6,333**	(3,383)
Provision for long service leave	**1,524**	8,820
Professional service fees	**39,193**	207,068
Rental expense	**27,750**	33,917
Superannuation	**20,018**	51,057
Telephone expense	**3,025**	4,881
Travel expense	**1,787**	6,729
Wages	**290,129**	585,862
	1,141,219	2,038,807

5 CASH AND SHORT TERM DEPOSITS

Cash on hand	**10,065,445**	4,914
Cash at bank	**8,611,018**	11,848,094
	18,676,463	11,853,008

Notes to the financial statements
For the period ended 31 December 2016

6 RECEIVABLES

	31-Dec-16	31-Mar-16
	$	$
Debtors	**36,931**	-
GST receivable	**2,158**	2,424
	39,089	2,424

There are no amounts within receivables that are impaired or past due. It is expected that funds will be received when due.

7 LOANS AND ADVANCES

At amortised cost:		
Loans to schools	**65,545,540**	66,198,362
Loans to the Trustee (Note 15(a))	**12,757,194**	12,453,172
Personal loans (unsecured)	**156,722**	217,935
Mortgage loans	**2,321,216**	3,839,020
Advances to parishes	**1,645,976**	1,410,798
	82,426,648	84,119,287
Less: Provision for impairment in the value of loans	**-**	-
	82,426,648	84,119,287

At the reporting date no loans were considered impaired and consequently no specific provisions have been made. Loans to parishes, schools and other diocesan entities are guaranteed by the Trustee. A quarterly report on the position of these loans is provided to the Trustee and Bishop-in-Council.

Loans approved but not advanced as at 31 December:	**6,852,041**	4,180,058

8 OTHER FINANCIAL ASSETS

a) Derivatives not designated as hedging instruments

The Fund has an interest rate cap which was derecognised as a hedging instrument in 2015/2016. Movements in the fair value of the cap are recognised directly to the Statement of Profit or Loss. The fair value of the cap as at 31 December 2016 was:

Interest rate cap at fair value through profit or loss	**51,935**	80,509

b) Derivatives designated as hedging instruments

The interest rate cap and swap is used to hedge a portion of cash flow risk associated with potential future increases in the interest rates incurred by bank facility draws (Note 12). The continuing requirement for bank facility draw downs is highly probable. The cash flow hedge was assessed as effective, and as at 31 December 2016, a net unrealised gain of $21,911 was included in OCI in respect of this contract.

Interest rate swap at fair value through OCI	**21,911**	-
Total other financial assets	**73,846**	80,509

Notes to the financial statements
For the period ended 31 December 2016

9 PLANT AND EQUIPMENT

	31-Dec-16	*31-Mar-16*
	$	*$*
Office furniture and equipment		
At cost	**19,784**	19,784
Accumulated depreciation	**(9,556)**	(9,002)
Net carrying amount	**10,228**	10,782
Leasehold improvement		
At cost	**81,440**	81,440
Accumulated amortisation	**(62,983)**	(54,218)
Net carrying amount	**18,457**	27,222
Motor vehicle		
At cost	**42,391**	42,391
Disposal at cost	**(42,391)**	-
Accumulated depreciation	**-**	(35,497)
Net carrying amount	**-**	6,894
Software		
At cost	**195,992**	195,992
Accumulated depreciation	**(132,204)**	(111,544)
Net carrying amount	**63,788**	84,448
Total plant and equipment		
At cost	**339,607**	339,607
Disposal at cost	**(42,391)**	-
Accumulated depreciation and amortisation	**(204,743)**	(210,261)
Net carrying amount	**92,473**	129,346

Reconciliation of carrying amounts at the beginning and end of the period

	Office furniture and equipment	**Leasehold improve-ments**	**Motor vehicles**	**Software**	**Total**
Balance at 1 April 2016	10,782	27,222	6,894	84,448	129,346
Addition - at cost	-	-	-	-	-
Disposal - at cost	-	-	(6,232)	-	(6,232)
Depreciation on disposals	-	-	(662)	-	(662)
Depreciation expense	(554)	(8,765)	-	(20,660)	(29,979)
Carrying amount at 31 December 201	**10,228**	**18,457**	**-**	**63,788**	**92,473**

Notes to the financial statements
For the period ended 31 December 2016

10 TRADE AND OTHER PAYABLES

	31-Dec-16 $	31-Mar-16 $
Trade payables	**56,061**	1,116
Accrued interest	**475,585**	496,659
	531,646	497,775

11 INVESTOR FUNDS

Call accounts	**6,599,551**	6,665,197
Cheque accounts	**1,276,513**	1,297,857
Term investments	**24,972,380**	22,399,112
Cash management accounts	**25,406,823**	18,167,766
	58,255,267	48,529,932

12 FINANCIAL LIABILITIES

Bank Bill Facilities	**35,000,000**	40,000,000
Capitalised transaction costs	**(750,298)**	(716,792)
	34,249,702	39,283,208

Balance at 1 April 2016	**39,283,208**	57,500,000
Principal paid	**(5,000,000)**	(57,500,000)
Facility drawn during the period	**-**	40,000,000
Movement in capitalised transaction costs	**(33,506)**	(716,792)
Balance at 31 December 2016	**34,249,702**	39,283,208

The Fund had at the end of the period three cash advance bank facilities with a total timit of $60m as follows:

	Bank	Term	Limit	Drawn	Undrawn
Facility 1	ANZ	3 years	$25m	$20m	$5m
Facility 2	ANZ	18 months	$15m	$15m	-
Facility 3	Westpac	5 years	$20m	-	$20m
Total Facilities			**$60m**	**$35m**	**$25m**

The facilities are secured over Anglican property by a first letter of comfort by the Trustee over Episcopal Certificate from the Bishop of the Anglican Diocese of Canberra and Goulburn.

Principal is not required to be paid until maturity and all loans are at a variable interest rate.

13 EMPLOYEE BENEFIT LIABILITIES

	31-Dec-16 $	31-Mar-16 $
Long service leave	**34,535**	33,011
Short-term employee benefit	**17,426**	11,093
	51,961	44,104

Notes to the financial statements
For the period ended 31 December 2016

14 PROVISIONS

	31-Dec-16	31-Mar-16
	$	$
Audit fees	**25,000**	24,300
	25,000	24,300

15 RELATED PARTY DISCLOSURES

(a) The Trustee

The Anglican Church Property Trust Diocese of Canberra and Goulburn is the Trustee of the Fund.

Under Section 9 of the Ordinance, the Fund is required to maintain a reserve fund which will be available towards meeting any losses incurred by the Board in its operation of the Fund and in meeting any liability of the Trustee under its guarantee of the Fund. The Diocese of Canberra and Goulburn guarantees the investors' funds and loan and advances held by the Fund (Note 7 and 11).

The value of investments held on behalf of the Trustee and the value of the loans to the Trustee as at reporting date are as follows:

	31-Dec-16	31-Mar-16
	$	$
Investments	**4,755,846**	1,553,294
Loans to the Trustee	**12,757,194**	12,453,172

Investments lodged in the Fund by the Trustee and loans to the Trustee are transacted on normal commercial terms.

(b) Employees

At 31 December 2016 there were four (31 March 2016: 3) employees of the Fund. Any employee's accounts with the Fund are conducted on normal commercial terms.

(c) Directors

According to Section 5 of the Ordinance, the Trustee must be represented by at least one director on the Fund's Board. One director must also be a member of Bishop-in-Council. During the reporting period, Mr Arthur represented the Trustee and Mr McGhie represented Bishop-In-Council. The Registrar holds an ex-officio appointment to the Board.

The Directors of the Fund during the reporting period were:

Mark Brandon Baker	Retired Financial Industry Professional
Nicholas Symons	Retired Solicitor
Robert Hugh Arthur	Business Manager
Timothy Randall McGhie	Economist
Trevor Ament	Diocesan Registrar
Lorraine Jeanette Lenthall	Retired Financial Industry Professional
Mark Glover	Retired Financial Industry Professional

Notes to the financial statements
For the period ended 31 December 2016

15 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Directors (continued)

There were no directors' loans outstanding at the reporting date and no directors' loan made, guaranteed or secured during both of the 2016 financial periods.

The Directors receive no remuneration and any accounts with the Fund are conducted on normal commercial terms.

(d) Key Management Personnel

In relation to AASB124 - Related Party Disclosures, the Board has determined that key management personnel are the Directors and the positions of the Chief Executive Officer, Chief Finance Officer, and the Director of Risk and Compliance. These positions are provided to the Fund under a Service Level Agreement with Anglican Diocesan Services and so are not paid directly by the Fund.

	31-Dec-16	*31-Mar-16*
	$	*$*
Compensation of key management personnel of the Fund	-	428,938

16 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Commitments

There are no commitments as at the reporting date which would have a material effect on the Fund's financial statements as at 31 December 2016 (31 March 2016: $nil).

Contingencies

There are no contingent assets or contingent liabilities as at the reporting date which would have a material effect on the Fund's financial statements as at 31 December 2016 (31 March 2016: $nil).

17 EVENTS AFTER THE REPORTING DATE

The Fund has reduced the limit that can be drawn for its bank facilities from $60m to $40m as detailed below:

	Bank	**Previous limit**	**New limit**
Facility 1	ANZ	$25m	$25m
Facility 2	ANZ	$15m	$5m
Facility 3	Westpac	$20m	$10m
Total Facilities		**$60m**	**$40m**

Directors' declaration

In accordance with a resolution of the directors of the Anglican Investment and Development Fund, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the Anglican Investment and Development Fund for the financial period ended 31 December 2016:

(i) present fairly the Fund's financial position as at 31 December 2016 and its performance for the period ended on that date;

(ii) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Fund's Ordinance and satisfy the requirements of the *Australian Charities and Not-for-Profit Commission Act 2012* ; and;

(b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors dated 18 May 2017.

On behalf of the Board

Mark Brandon-Baker
Chair, Board of Management
18/05/2017

Anglican Investment and Development Fund
GPO Box 1243
Canberra City ACT 2601
Tel: (02) 6247 3744
Email: aidf@aidf.com.au