



ANNUAL REPORT 2017

Join us and make a difference

Armidale Diocesan Investment Group · adig.com.au





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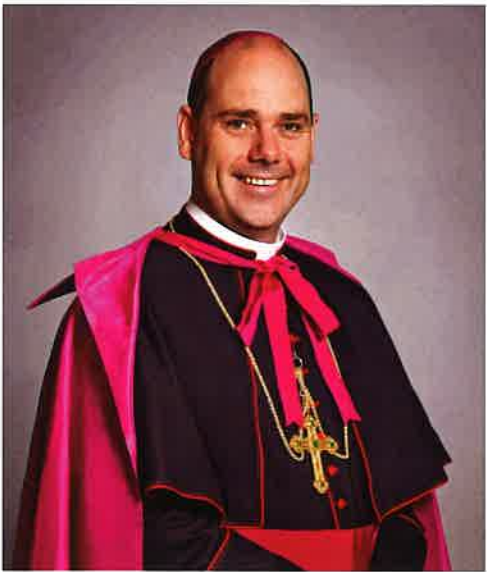
Tamworth Office

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Tamworth NSW 2340
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Agencies

Gunnedah	Gunnedah Discount Drug Store	204 Conadilly Street	Phone: 02 6742 0018
Moree	Webb and Boland Lawyers	31 Albert St (cnr Balo St)	Phone: 02 6752 2244
Inverell	Inverell Furniture Court	2/152 Byron St	Phone: 02 6722 3784
Tenterfield	Jeff Hollands Sports Store	269 Rouse Street	Phone: 02 6736 1140
Narrabri	C&W Financial Services	1/155 Maitland St	Phone: 02 6792 2195
Glen Innes	Roberts and Morrow	328 Grey Street	Phone: 02 6739 7600

DISCLOSURE STATEMENT: The Armidale Diocesan Investment Group (ADIG) is not prudentially supervised by the Australian Prudential Regulation Authority nor has it been examined or approved by the Australian Securities and Investments Commission. Therefore, an investor in ADIG will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959 (Cth). Investments in ADIG are intended to be a means for investors to support the charitable, religious and educational works of the Catholic Diocese of Armidale and for whom the consideration of profit are not of primary relevance in the investment decision. Furthermore, investors should be aware that neither ADIG nor the Trustees of the Roman Catholic Church for the Diocese of Armidale is subject to the normal requirements to have a disclosure statement or Product Disclosure Statement or be registered under the Corporations Act 2001 (Cth). CDPF Limited, a company established by the Australian Catholic Bishops Conference, has indemnified the Fund against any liability arising out of a claim by investors in the Fund.



This is the 6th year in which I have been involved with ADIG. With each passing year I am increasingly impressed with the work of the ADIG within our Diocese and I am reminded of ADIG's role as an essential element of Diocesan life. Without the support of ADIG to our parishes, schools, Diocesan organisations and the Diocese itself, our Diocesan life would be poorer.

At the heart of the success of ADIG is the way in which individual parishioners provide support by opening an account and retaining a savings balance. In fact our Diocese is proud to have the highest proportion of parishioners of all Dioceses in Australia supporting their local catholic development fund.

I am proud to be able to say that I am a personal account holder at ADIG. I hope that like me you too continue your own support and that you encourage those in your family, workplaces, parishes who do not have an account with ADIG to do so. As account holders we are best placed to explain to them the benefits of being with ADIG!

The continued success of ADIG is also a result of the stewardship of the Board and staff. I express to them all my gratitude for their dedication and commitment to ADIG and to the Diocese.

Yours in Christ

Most Reverend Michael Kennedy
Bishop of Armidale

At ADIG we recognise that the people of our diocese are committed to supporting the wider Catholic community through their investments. The people at ADIG are specialists giving personalised service, managing accounts and providing returns for investors, parishes and the diocese.



General Manager's Report

It is a pleasure to present the Annual Report of the Armidale Diocesan Investment Group for the year ended 31st January 2017.

The Group has completed another successful year with an addition of \$2,851,841 to reserve funds, after providing for a distribution of \$1,600,000 to the Diocese and Parishes.

I thank all Board members for their thoughtful and considered contributions to the overall management of the Armidale Diocesan Investment Group in 2016. The Board meets throughout the year to assist and provide guidance to the management of the Group, in strategic direction and policy implementation. I thank the staff of ADIG for their ongoing commitment to their work; their talents and dedication have enabled ADIG to continue to provide our Clients with superior customer service.

I acknowledge and sincerely thank the investors whose continued support demonstrates the important role that the Group plays within the Diocese. The mission of the Group is to assist the Bishop in advancing the pastoral role of the Church in the Diocese by providing:

- a) adequate low-cost funds for capital works
- b) distributions to the Diocese and Parishes.

A key to the on-going success of the Group is the determination by the Board to maintain an interest rate structure that is fair to borrowers and investors. In the current low interest rate environment this presents a significant challenge. ADIG investment rates are usually in the middle to top half of any comparative table. When considering an investment we ask clients to consider not only the base rate quoted but the whole package of what the Group does.

ADIG expects that the low interest rate environment will continue for the coming period. From an operational perspective we are in the process of transition to comply with regulatory changes that will impact on the products and services that can be offered to our retail clients. We believe the Group is well positioned to meet this changing landscape through focusing on becoming a highly competitive savings institution for retail investors. It is our firm belief that you, our customers, will benefit from these changes and trust you will continue to support ADIG by saving and investing in the fund.

It is our aim to remain customer focused and to drive continuous improvement throughout the organisation. We are committed to continuing the sound prudential management of ADIG into the future.

Helen Dawson
helen@adig.com.au

ADIG Staff



Armidale team: Helen Wicks, Nikki Miller, Daniel Fox, Meg Lloyd, Helen Dawson, Deborah Burey, Sue Tyler



Tamworth team: Karen Chaplin, Cathy MacRae, Jason Crocker, Tracy Mitchell, Pauline Simpson



Relationship and Marketing Manager's Report

In writing this report I am surprised to realise it is over a year since joining the ADIG Team. Therefore, it is important at the outset to thank the Bishop, Jennifer Harman and Helen Dawson for the opportunity to serve ADIG and the Armidale Diocese. I am also grateful for the support of the dedicated ADIG staff, in particular my team mate Jason Crocker, and the welcome afforded me by the wider Diocesan community.

The past year has resulted in visits to each Parish and school in the Diocese, a freshening of the ADIG brand, an increase in advertising across the Diocese, in addition to many and varied sponsorship activities. I am grateful to Parishes and schools for the opportunity to advertise in their newsletters. The opportunities provided to the Armidale Diocese are the direct result of our many, loyal investors and to them I extend my heartfelt thanks. Individual investment assists the Bishop with his pastoral work and through various sponsorship opportunities, the broader Diocesan community. I was heartened last year to see the Diocesan community come together to celebrate the Feast of Christ the King and ADIG were thrilled to be the major sponsor of the following Grace on the Green.

The Marketing team has had a name change to 'Relationship and Marketing' to reflect the core values of ADIG, that of customer service and service to the Diocese. Relationship and Marketing, whilst

acknowledging our role to promote, also recognises the importance of established relationships with both our clients and broader community. Existing and prospective investors are encouraged to ask questions and explore our financial products. ADIG staff welcome the opportunity to serve our valued clients and does not rush or dismiss enquiries. We believe our dedication to high quality service, competitive interest rates and community benefits, differentiate us from commercial, profit- driven institutions.

I recently had the opportunity to talk with one of our Sydney clients. She began student banking when in a Diocesan Primary school. She has lived and worked in Sydney for the last 20 years but still has a savings account with ADIG, for long-term, purpose saving. Both she and her husband have Fixed Term Investments and her two children have had savings account opened. When I asked her why she has continued to invest with ADIG her answer was simple: service. She is lucky to speak to someone at her Sydney bank, let alone get a parking spot. She said the Tamworth staff knew her by name and always asked about her family. She had been to the Tamworth Branch in person only twice in the last 20 years but felt an established connection to ADIG. We couldn't ask for a better testimonial. I urge all members of the Armidale Diocese to enquire about our products and experience our service. Investment with ADIG assists the Diocese. Join us and make a difference.

ADIG Board Members



ADIG board: John Perkins, Cliff Stewart, Jennifer Harman, Peter Baxter, Bishop Michael Kennedy, Helen Dawson, Peter Lloyd, Bob Locke, Fr John McHugh, Alison Hamilton ABSENT: Tom Newsome and Joe Tonkin

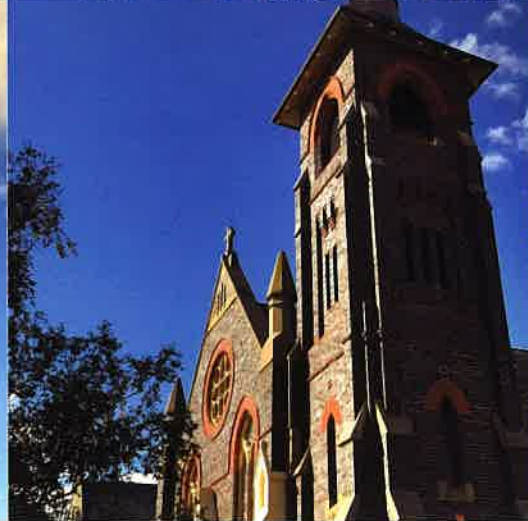
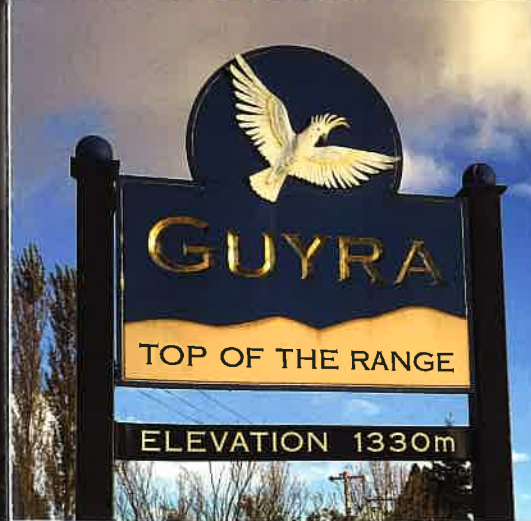
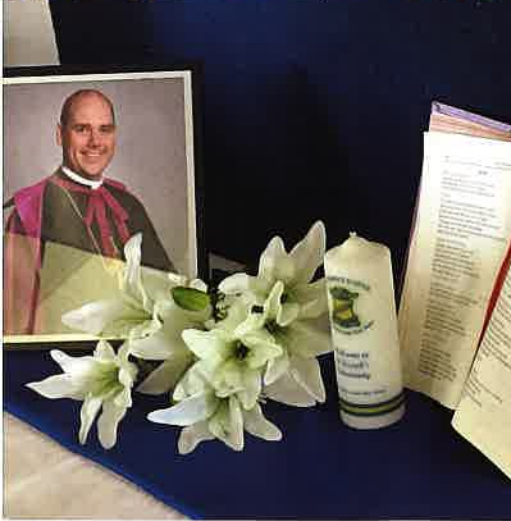
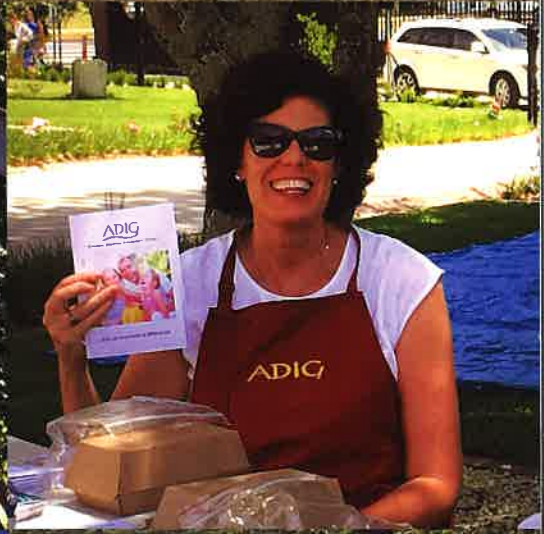
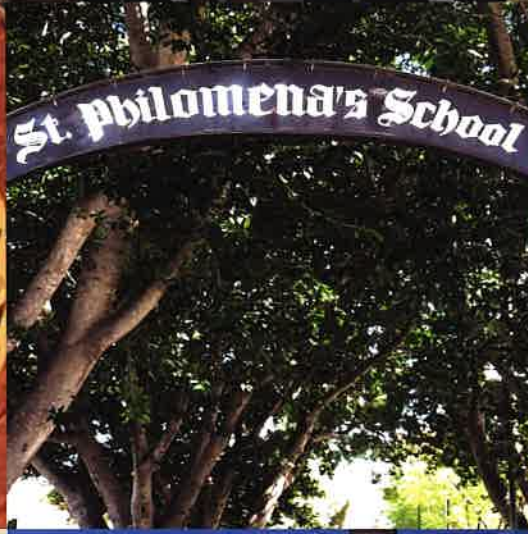
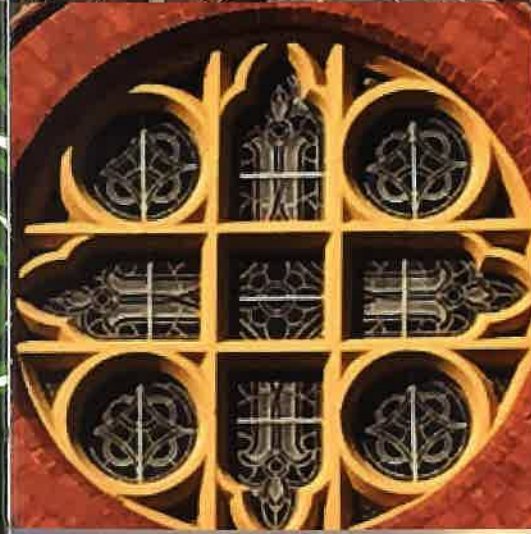
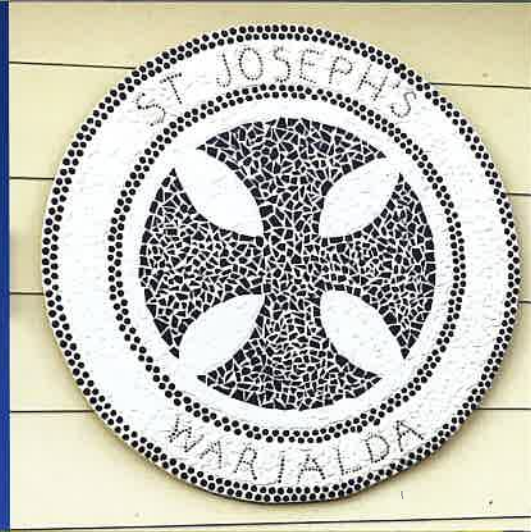
NAME	ROLE & SKILLS	BOARD POSITION	TOWN	SINCE
BISHOP MICHAEL KENNEDY	Bishop of Armidale		Armidale	2012
PETER BAXTER	Surveyor & Consultant	Property Committee	Tamworth	2008
FR JOHN MCHUGH	Parish Priest	Board Chairman	Gunnedah	2011
JOHN PERKINS	Grazier & Director		Gunnedah	1986
PETER LLOYD	Company Director	Executive	Armidale	1993
CLIFF STEWART	Surveyor & Consultant	Property Committee	Gunnedah	2015
BOB LOCKE	Chartered Accountant	Financial & Accounting Services Professional	Armidale	1984
JOE TONKIN	Chartered Accountant	Audit & Risk Committee	Toowoomba	2008
JENNIFER HARMAN	Diocesan Chancellor and Financial Administrator		Armidale	1990
TOM NEWSOME	Company Director & Consultant	Executive	Armidale	2015
ALISON HAMILTON	Chartered Accountant	Audit & Risk Committee	Tamworth	2016
MEGAN LLOYD	Relationship & Marketing Manager		Armidale	2016
HELEN DAWSON	General Manager		Armidale	2014

Armidale Diocesan Investment Group Extracts from Audited Financial Statements

Income Statement

	31-Jan-15	31-Jan-16	31-Jan-17
Income			
Interest & investment income	14 624 262	7 955 372	13 640 997
Interest paid to depositors	(6 080 518)	(5 252 605)	(5 773 295)
Gross Margin	8 543 744	2 702 767	7 867 702
Operating Expenses	(1 425 661)	(1 570 229)	(1 748 127)
Operating surplus from ordinary activities	7 118 083	1 132 538	6 119 575
Add/(less) transfers from/(to) reserves	(3 265 000)	2 900 000	(2 851 841)
SURPLUS AFTER RESERVE TRANSFERS	3 853 083	4 032 538	3 267 734
Reserves Brought Forward	19 975 360	23 793 443	22 525 981
Transfers (from)/to reserves	3 265 000	(2 900 000)	2 851 841
Distributions	(3 300 000)	(2 400 000)	(1 600 000)
RESERVES & RETAINED PROFITS AT YEAR END	23 793 443	22 525 981	27 045 556
Balance Sheet	31-Jan-15	31-Jan-16	31-Jan-17
Assets			
Loans	7 221 307	13 167 010	13 113 633
Investments	238 779 387	241 831 769	245 285 292
Other Assets	959 197	558 630	15 541 826
TOTAL ASSETS	246 959 891	255 557 409	273 940 751
Liabilities			
Depositor funds - individuals	109 249 417	103 672 572	106 134 822
Depositor funds - Other (see Note A)	113 459 901	128 647 629	136 250 213
Creditors & accruals	237 074	386 784	497 882
Other Liabilities	220 056	324 443	4 012 278
TOTAL LIABILITIES	223 166 448	233 031 428	246 895 195
NET ASSETS	23 793 443	22 525 981	27 045 556
Represented by Retained Profits & Reserves			
Retained profits	7 158 157	8 790 695	10 458 429
Reserve funds	16 635 286	13 735 286	16 587 127
TOTAL RESERVES & RETAINED FUNDS	23 793 443	22 525 981	27 045 556
Note A: Short Term deposits included in deposit or funds-other	50 531 402	51 601 486	56 606 064

Auditors: Forsyths 92 Rusden St Armidale NSW 2350 Phone: 02, 6773 8400



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