

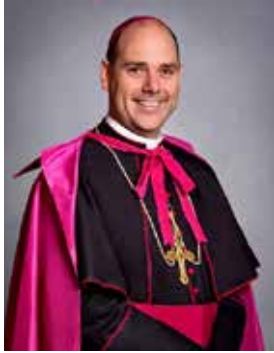
ADIG

ARMIDALE DIOCESAN INVESTMENT GROUP

ARMIDALE DIOCESAN INVESTMENT GROUP
adig.com.au

2021 ANNUAL REPORT

A MESSAGE FROM THE BISHOP



I am pleased to present the Armidale Diocesan Investment Group (ADIG) 2021 Annual Report.

This last year will be remembered for the many challenges we all faced as we dealt with the COVID-19 pandemic. Certain aspects of our daily lives changed with the uncertainty coming in many everyday actions we often take for granted.

The disruption across all of our communities was a catalyst for people to reflect on what is truly important in life. For many, this contemplation was undertaken in isolation or without the direct support of broader family, friends and community groups. During this time, the mission of the Church across our community was critical to maintaining services and support programs that the Diocese of Armidale delivers.

To enable the continuation of the great works of the Diocese in normal times requires considerable planning and financial resources. The Covid-19 crisis provided additional strain with the closure of our churches for a time followed by restrictions on the number of people allowed to attend Mass in person. Beyond the spiritual effects this had upon us, it led in turn to significant reductions in planned giving collections and cessation of all fund raising activities.

The ADIG served to support the Diocese of Armidale through the provision of financial funding critical to supporting our ongoing needs. It is remarkable that during this time, ADIG was able to allocate record distributions of \$3.88m, enabling the Charitable, Pastoral and Educational works of the Diocese. This is to be commended as ADIG strive to not only be better than their competitors in the market but different in the values we seek to uphold in every interaction.

The ability of the Diocese of Armidale to be supported financially by ADIG stems directly from your investment which is motivated by your support of the Church and desire to make a difference. ADIG has set a benchmark in performance and also has the highest standards for governance and compliance. Our ADIG is recognised by other development funds for its strength, innovation and performance which is something that causes me to give great thanks to God.

During the year we welcomed recently appointed Board Members, Ms Kerry Adbey, Mr John Stroud and Dr Paul Mazzola. These new appointments bring considerable industry experience, invaluable to the stewardship of the ADIG.

I would like to express my gratitude to Mr Grant Devine, Chief Executive Officer of ADIG, Board and staff for their commitment to serve over the last 12 months. Importantly though, I thank you, the investors of ADIG who through your faithfulness enable the great work that is possible.

Yours in Christ,



Most Reverend Michael Kennedy
Bishop of Armidale

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

It is with great pleasure that I provide the annual report outlining how ADIG has delivered on our purpose to support the Church and grow God's Kingdom.

With this in mind, we have sought to deliver on the vision of our business to provide sustainable distributions, operational efficiency while maintaining a people focus by being a great place to work and remaining consistent with our charitable and Catholic values.

The 2020-2021 Financial Year results demonstrate the financial strength and capability of ADIG by delivering a profit from continuing operations of \$2.1m. This is an extraordinary result in what will be remembered as a year that challenged both society and business at every level.

Diversity of our portfolio and the prudent management of our investments ensured that we were able to navigate volatile market. The historically low interest rate environment, while challenging has provided ADIG with opportunities to acquire new investments.

Total Assets grew a modest \$5.3m to reach a total \$372.4m, a notable conclusion to a turbulent and uncertain year.

It is with great pride that ADIG was able to provide a record distribution to support to the charitable, pastoral and educational works of the Diocese. Our distributions included support to the Wilcannia Forbes Diocese, normal operational funding as well as an extra ordinary allocation to the Armidale Diocese as a result of the Covid-19 Pandemic.

Our commitment to setting and maintaining the highest of standards of risk control, compliance and corporate governance continues to be a core focus of management. This was bolstered by the appointment of an internal auditor together with the Board member appointments. All of these appointments bring considerable industry experience which is invaluable to the oversight of ADIG.

I acknowledge and commend the significant efforts of the ADIG staff as they perform their duties in a professional, humble, sacrificial, loving and honest way and my sincere thanks to the Board for their valuable insights over the past year.

The support of our loyal customer base who place their trust in ADIG is unparalleled. You provide ongoing certainty and security for our fund for which we thank you.

I look forward to continuing to lead ADIG and enabling the future growth of our Diocese in the mission of the Catholic faith.



Grant Devine
Chief Executive Officer



ADIG distributions (\$m)



STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED 31 JANUARY 2021

	2020	2021
Income	\$	\$
• Interest & Investment Income	23,360,359	6,874,933
• Interest Paid to Depositors	(7,606,816)	(2,736,670)
Gross Margin	15,753,543	4,138,263
• Operating Expenses	(2,262,593)	(2,071,624)
Operating Surplus from Ordinary Activities	13,490,950	2,066,639
• Add/(Less) Transfers from/(to) Reserves	(10,000,000)	1,663,806
Surplus after Reserve Transfers	3,490,950	3,730,445
Accumulated Surpluses & Reserves Bought Forward	35,850,171	46,453,388
• Transfers (from)/to Reserves	10,000,000	(1,663,806)
• Doubtful Debts Transferred from Reserves	(349,450)	
• Distributions Paid	(2,538,283)	(3,888,561)
RESERVES & ACCUMULATED SURPLUSES AT YEAR END	46,453,388	44,631,466

FINANCIAL POSITION AS AT 31 JANUARY 2021

	2020	2021
Assets	\$	\$
• Loans	13,161,890	12,211,273
• Investments	353,036,979	358,632,518
• Other Assets	964,899	1,576,151
TOTAL ASSETS	367,163,768	372,419,942
Liabilities		
• Depositor Funds	87,401,398	75,151,612
• Depositor Funds Other *	232,621,000	251,671,530
• Creditors & Accruals	517,015	870,501
• Other Liabilities	170,967	94,833
TOTAL LIABILITIES	320,710,380	327,788,476
NET ASSETS	46,453,388	44,631,466
• Accumulated Surpluses	14,702,186	14,544,070
• Reserve Funds	31,751,202	30,087,396
TOTAL RESERVES & ACCUMULATED SURPLUSES	46,453,388	44,631,466
* Short Term deposits	80,534,761	83,548,282

Customer's funds as at 31 January 2021



Church Institutions
Diocesan and other external religious agencies.



Individuals
Associates and lay parishioners.



Diocesan Entity – Short Term
CSO Short Term Investments and cheque accounts.



Parishes
Local parish funds.



Our purpose - is to support the Church and grow God's Kingdom and to help others do the same

Our difference - is in the charitable, pastoral and educational works we enable and support within the Church

Our vision - is to provide financial stability to the Diocesan community, to have operational efficiencies, to be people focused and to have consistent charitable and Christian values



ARMIDALE DIOCESAN INVESTMENT GROUP

ABN 20 375 580 300

Intermediary authorisation with CDF AFSL NSW LTD ACN 617 161 805, AFSL No. 497040

DISCLOSURE STATEMENT

The Armidale Diocesan Investment Group (**ADIG**) is required by law to make the following disclosure. Investment in ADIG is only intended to attract investors whose primary purpose for making their investment is to support the charitable purposes of ADIG. Investor's funds will be used to generate a return to ADIG that will be applied to further the charitable, religious and educational works of the Catholic Diocese of Armidale. 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 (**ASIC**). 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). The investments that ADIG offers are not subject to the usual protections for investors under the Corporations Act (Cth) or regulation by ASIC. Investors may be unable to get some or all of their money back when the investor expects or at all and investments in ADIG are not comparable to investments with banks, finance companies or fund managers. ADIG's identification statement may be viewed at <http://adig.com.au> or by contacting ADIG. ADIG does not hold an Australian Financial Services Licence. ADIG has entered into an intermediary authorisation with CDF AFSL NSW Ltd ACN 617 161 805, AFSL No. 497040 to issue and deal in debentures. CDPF Limited, a company established by the Australian Catholic Bishops Conference, has indemnified ADIG against any liability arising out of a claim by investors in ADIG