

PRESBYTERIAN CHURCH OF QLD (ABN 43 015 755 489)
CAPITAL FUND
IDENTIFICATION STATEMENT

1. **IDENTITY**

The Presbyterian Church of Queensland (**PCQ**) was created by Letters Patent issued in 1876 under The Religious Educational and Charitable Institutions Act of 1861 and is thus recognised in law as being constituted for religious, educational, community and other charitable purposes. Given that it is incorporated under this Act, it is a “non-registered” entity. In addition, PCQ is exempt from registration under s.44 of the Associations Incorporation Act.

PCQ is also on the register of Australian Charities and Not for Profits Commission (**ACNC**).

The Trustees of PCQ are those who hold the positions of Moderator, Clerk of Assembly and Treasurer.

The business address of PCQ is Level 4, 19 Lang Pd Milton QLD 4064.

2. **CHARITABLE INVESTMENT SCHEME**

PCQ’s only fundraising activities relate to its Capital Fund whereby it raises funds to support its charitable purposes by issuing debentures.

PCQ intends to rely on the exemption in subsections 5(1)(b) and (2) of *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (ASIC Instrument)*, namely:

- (a) an exemption from the requirement to have a trust deed and trustee (Ch 2L);
- (b) an exemption from the requirement to issue a prospectus and comply with certain fundraising requirements, including the prohibition on securities hawking (Parts 6D.2 & 6D.3); and
- (c) an exemption from the requirements to hold an Australian Financial Services Licence (**AFSL**) for the following financial services:
 - (i) issuing a debenture; and
 - (ii) providing general advice that is included in an offer document for

debentures.

PCQ ensures compliance with the conditions of the relevant exemptions by:

- (a) Lodging this Identification Statement with the Australian Securities and Investments Commission (ASIC) and publishing it on its website: www.pcq.org.au.
- (b) Regularly reviewing its Identification Statement, offer documents (if any), promotional material to ensure they are up to date, complete and not misleading, and that any Identification Statement is lodged with ASIC.
- (c) Issuing debentures only to:
 - (i) Wholesale clients; or
 - (ii) Retail, associated clients.
- (d) None of PCQ itself, its products, its promotional material or offer documents has been examined or approved by ASIC, nor does PCQ or any of the above documents state or imply that PCQ, its promotional material or offer documents have been examined or approved by ASIC.
- (e) PCQ does not issue any debentures to a person as a retail client or accept additional investments from a person that holds a debenture unless it has disclosed the following information to the person:
 - (i) the investment funds will be used to support the charitable purposes of PCQ;
 - (ii) this Identification Statement may be viewed on PCQ's websites;
 - (iii) PCQ is required by law to notify investors that its products are not subject to the normal Corporations Act protections for investors under the Corporations Act or regulation by ASIC;
 - (iv) PCQ does not hold an AFSL;
 - (v) the investment is only intended to attract investors whose primary purpose for making the investment is to support the charitable purposes of PCQ;

- (vi) investors may be unable to get some or all of their money back when the investor expects or at all; and
 - (vii) the investment is not comparable to investments with banks, finance companies or fund managers,
- (f) PCQ lodges audited financial statements, which comply with relevant accounting standards, with the ACNC within 6 months after the end of each financial year. These statements are made available to the public on its website for a minimum period of 3 years from the date of issue.
- (g) PCQ has processes in place to ensure that any breaches or likely breaches of the conditions of the relevant exemption under the ASIC Instrument are reported to ASIC within 15 business days of becoming aware of the breach or likely breach.

3 FINANCIAL YEAR

PCQ has a financial year from 1 January to 31 December.

4 AUSTRALIAN FINANCIAL SERVICES LICENCE

PCQ does not hold, and is not required to hold, an AFSL.

5 PCQ'S CHARITABLE PURPOSE

PCQ's charitable purpose is Religious, Charitable and Educational.

The Fund came into being many years ago when a number of significant bequests were accumulated and invested so that the revenue generated could be used to assist congregations to erect new buildings and property extensions, by granting low interest loans. To build up the Fund further, it was decided to seek deposits at call from congregations and Church members, either interest-free or at a low rate of interest.

The issue of PCQ debentures by accepting deposits into its Capital Fund supports this charitable purpose. PCQ's charitable purpose is promoted by the issue of debentures because the objects of the Fund are to make low interest loans and grants to support church extension and ministry. For example:

- (a) making loans and grants in new areas for the purchase of land and/or maintenance of ministry;

- (b) assisting with financing the erection of halls, manse and churches in new areas; and
- (c) assistance with such other undertaking of Congregations, Presbyteries or of the Assembly.

Applications are examined thoroughly by the Capital Fund Committee before any loans are granted, to ensure that the congregation has the ability to repay the loan within a twenty year period. As the Church is the registered owner of all Presbyterian property in Queensland (with one exception), the Church has the ability to sell up property to recover the amount owing should the position of the loan become untenable. This action has not been taken in the history of the Fund.

Any surplus funds not required by congregations are either placed on deposit with Australian financial institutions or, invested in a Managed Portfolio Service managed on behalf of the Church by ABN AMRO Morgans Limited and withdrawn as required.

The day-to-day operations of the Fund are closely monitored by the Church's Finance and Administration Board.

6 KEY TERMS

PCQ debentures are unsecured debentures as defined in the Corporations Act, as they are an undertaking by PCQ to repay, as a debt, money that has been lent to PCQ.

Interest rates

PCQ has one debenture product with the rate of return varying depending on the amount invested. For example, different interest rates are offered to investors for:

- (a) balances up to \$20,000;
- (b) balances between \$20,000 and \$100,000; and
- (c) balances over \$ 100,000.

Interest is paid to depositors annually on 30 June or when a deposit is withdrawn in full.

Interest rates are determined and reviewed by the Church's Finance and Administration Board and investors (congregations and Church members) will be

notified by mail of any resulting changes

Fees and costs:

There are no fees and costs paid by the holder of PCQ debentures.

The Fund is operated in such a manner that no material benefits are paid to any person for any reason whatsoever.

7 INVESTORS

PCQ offers investments in the Capital Fund only to 'retail, associated clients' (within the meaning of the ASIC Instrument) and wholesale clients. These include Presbyterian Churches, organisations e.g. schools and persons associated with PCQ e.g. clergy and staff.

PCQ does not offer investments in the Capital Fund to 'retail, non-associated clients' (within the meaning of the ASIC Instrument) e.g. general PCQ churchgoers.

Prospective investors in the Capital Fund are provided with an application form which includes all of the relevant terms of the investment. PCQ then assesses the application form to confirm that the client is a wholesale client or retail associated client before accepting the investment and issuing the debenture.

Whilst PCQ has voluntary staff members, PCQ does not make offers to those people in their capacity as voluntary staff members.

8 FINANCIAL STATEMENTS

The Capital Fund is audited on an annual basis by the Church's auditors, BDO Chartered Accountants.

PCQ is required to lodge audited financial reports with the ACNC.

9 GUARANTEES

No person provides guarantees or promises to holders of PCQ debentures. No person other than PCQ owes obligations to holders of PCQ debentures.

As a Christian organisation, it can be assumed that in the event of the Fund sustaining major losses, the Church would ensure that all depositors were repaid in full.

10 ASSETS

PCQ holds the following types of assets in Australia:

- (a) land holdings (used for churches associated with PCQ);
- (b) cash investments with Australian financial institutions or, invested in a Managed Portfolio Service managed on behalf of the Church by ABN AMRO Morgans Limited.
- (c) loans to churches, ministers, other clergy, employees, and other PCQ associated organisations.

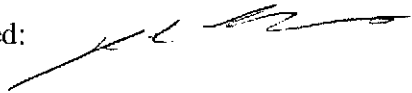
There are no assets outside Australia.

11 SPONSOR

No sponsor is involved in the acceptance of this Identification Statement.

Dated: 26 FEB 2018 .

Signed:



Ronald Clark

Assembly Clerk