

GOVERNANCE LEADERSHIP FORMATION

Session 3 – Moving forward to the establishment of Mercy Ministry Companions



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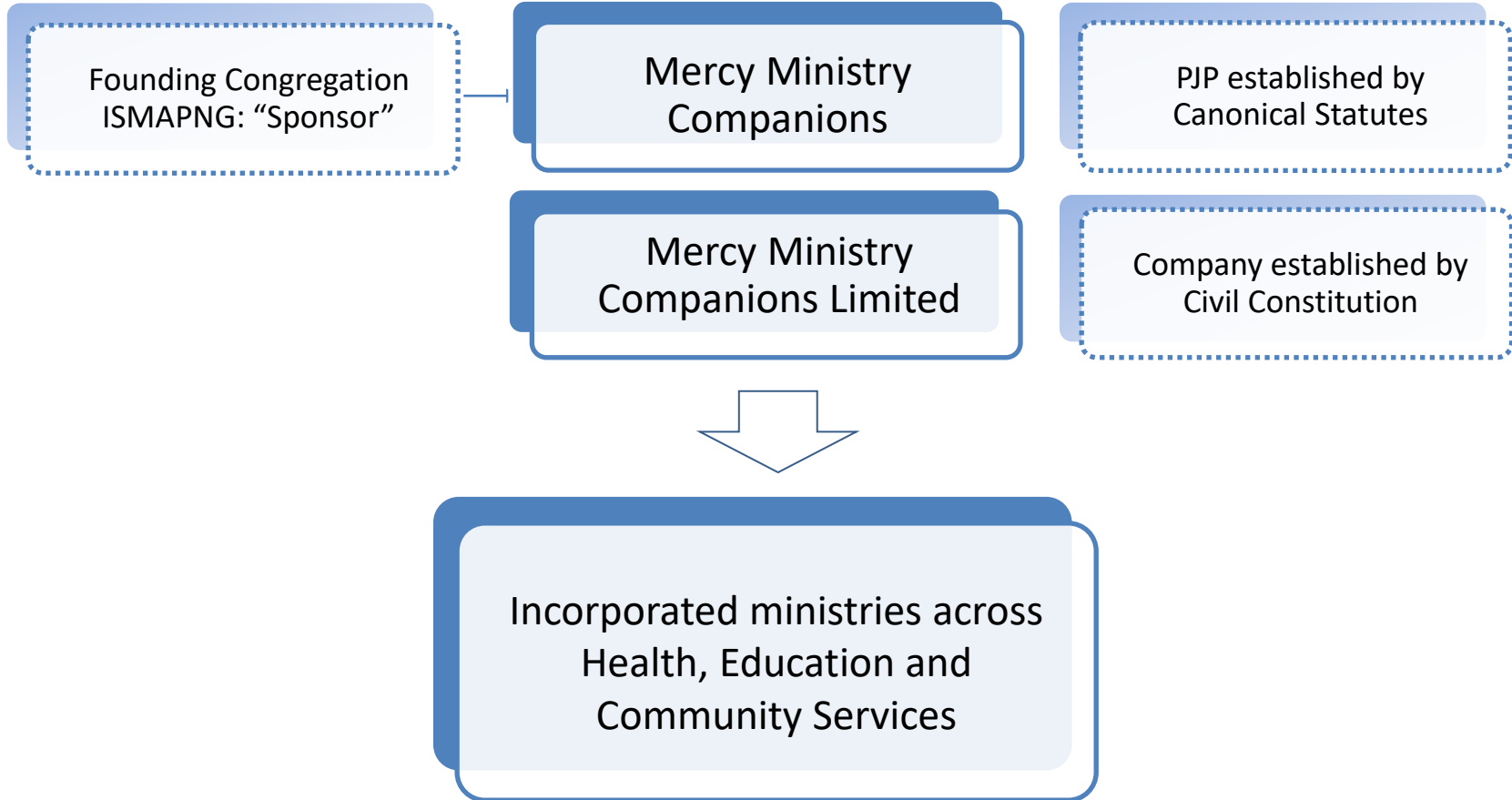
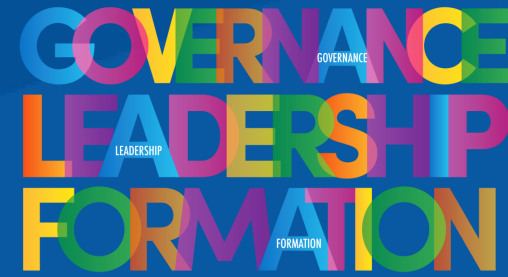
David Penny

Online Governance Forum, July 2021



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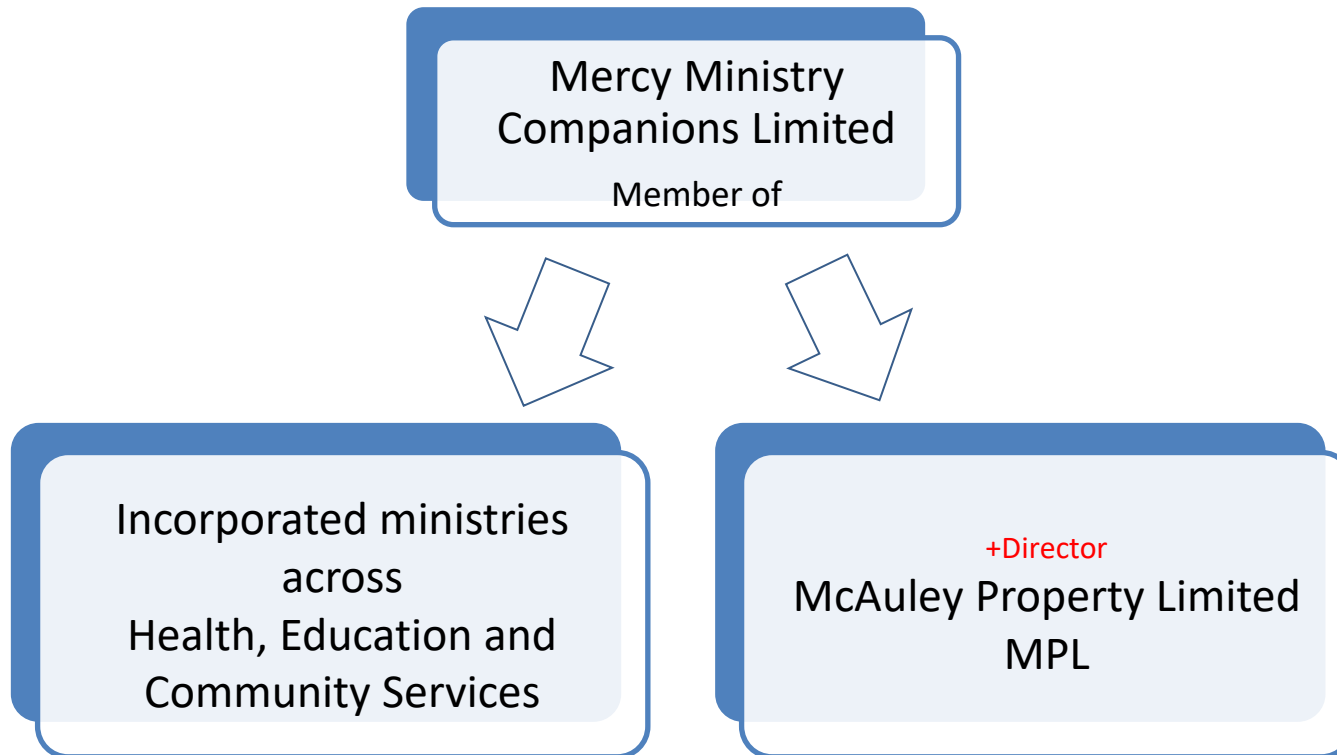
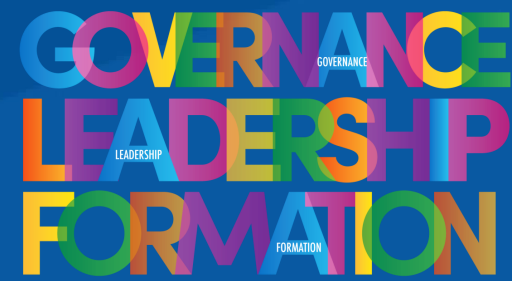
Mercy Ministry Companions





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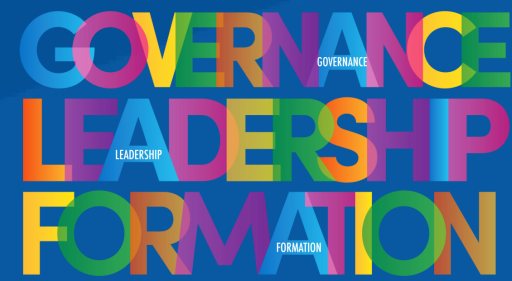
Mercy Ministry Companions Civil Structure



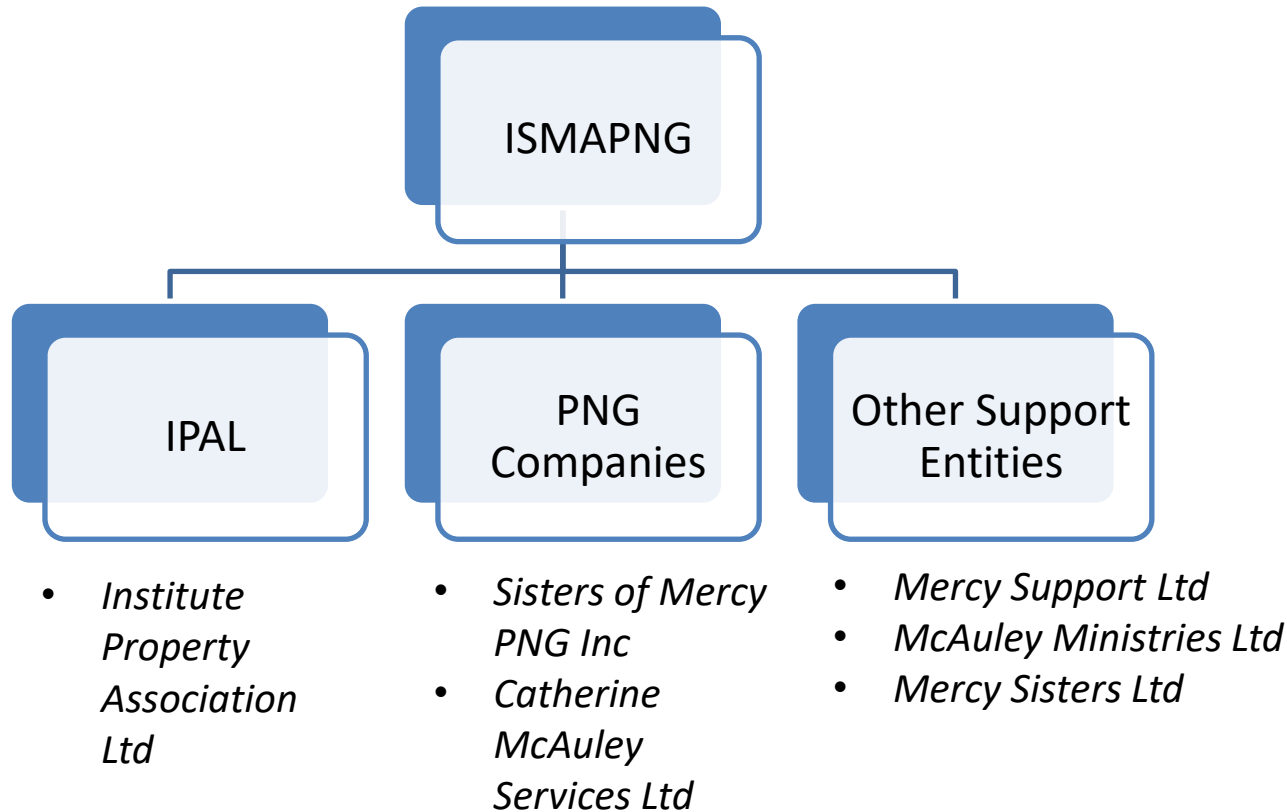


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ISMAPNG 'Post PJP'



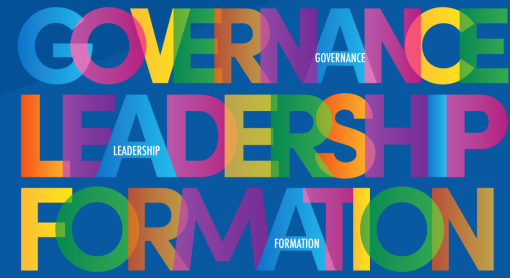
6 Entities to stay with ISMAPNG





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Areas to Discuss



1. Funding Stewardship Fee
2. Loans



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Funding MMC

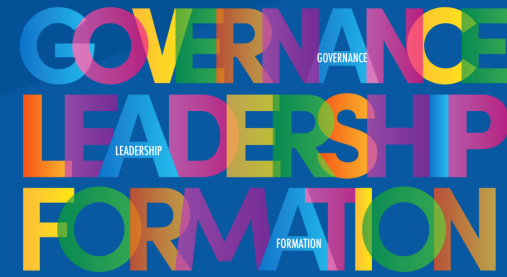


- Estimated cost for MMC is \$1.5 million per year
- All ministries will need to contribute to costs of MMC
- Payment comes from Governance and Stewardship Fee



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Governance and Stewardship Fee



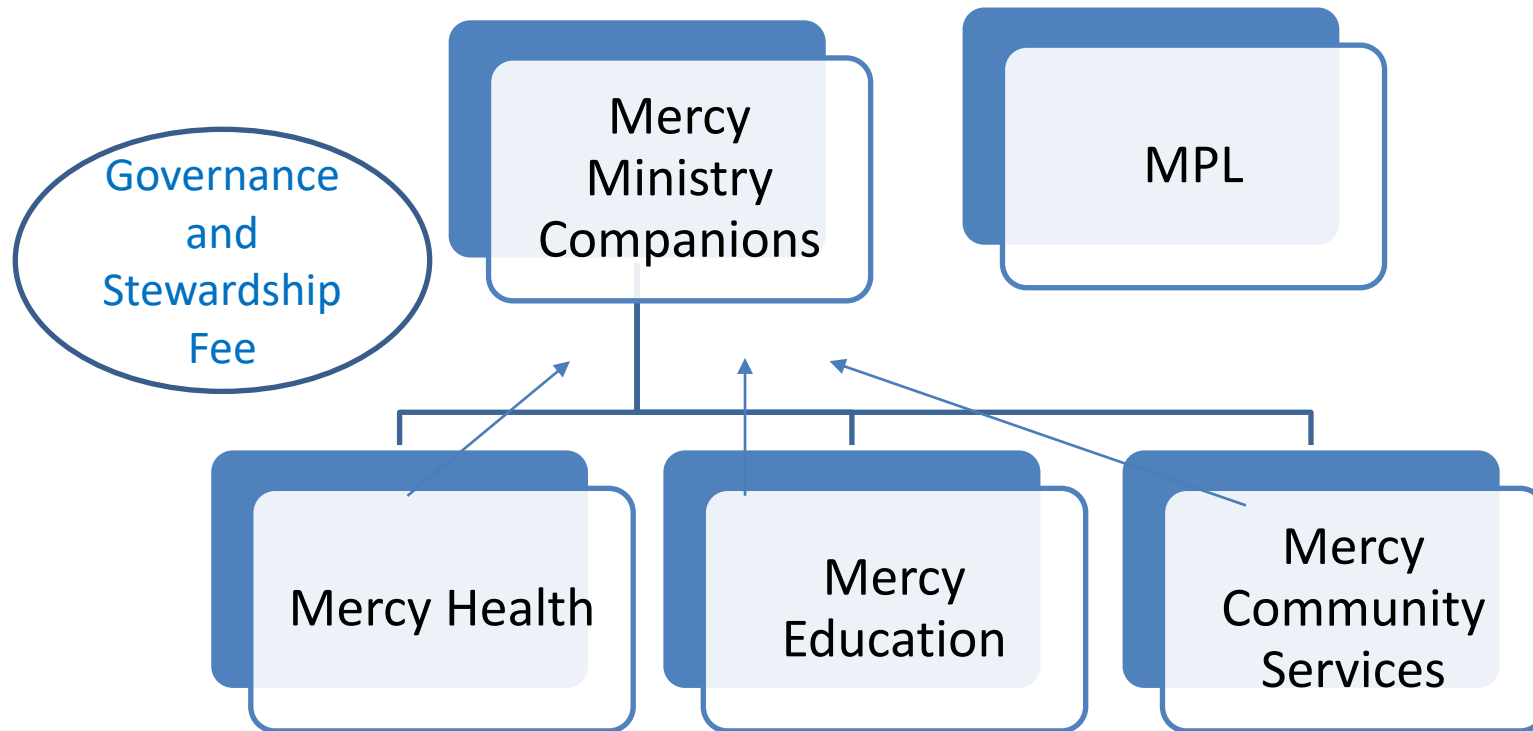
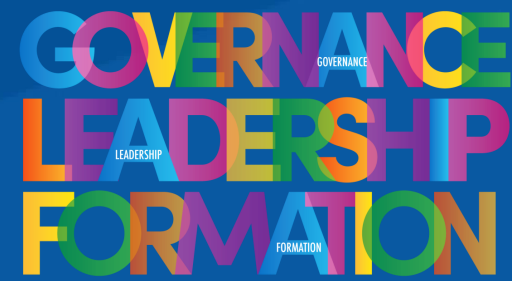
For the **first 3** years the Governance and Stewardship Fee will be apportioned to each of the ministries based on their gross revenue less Government funding and fundraising as declared in the most recent audited accounts. *(Financial year ending 2020 for all Ministries except Mercy Education where the calendar year ending 2019 has been used).*

The apportionment also includes a weighting against all land holdings.



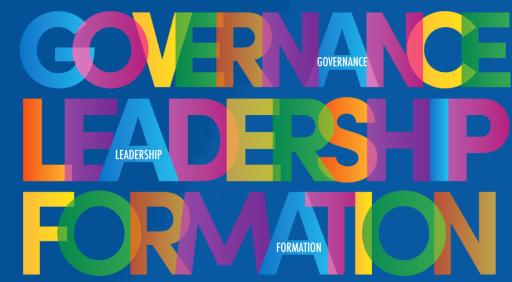
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Funding the PJP Governance and Stewardship Fee





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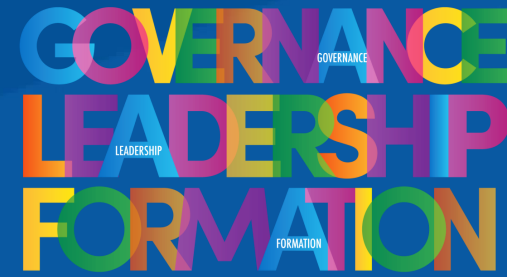


Loans

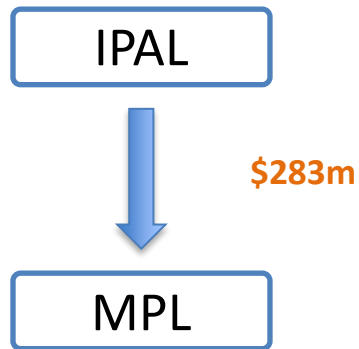


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Current Loans



Current:

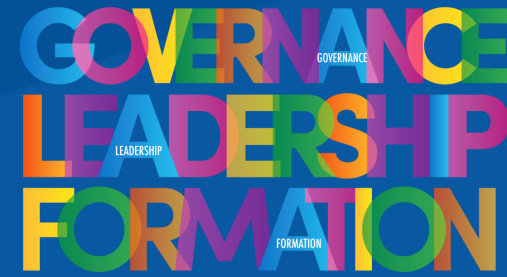


- Currently in place is a loan from IPAL to MPL of \$283m
- Established at reconfiguring
- Represents the land value of properties which were part of Sisters patrimony
- Interest Free and repayments need 13 months' notice



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Novation of Loan



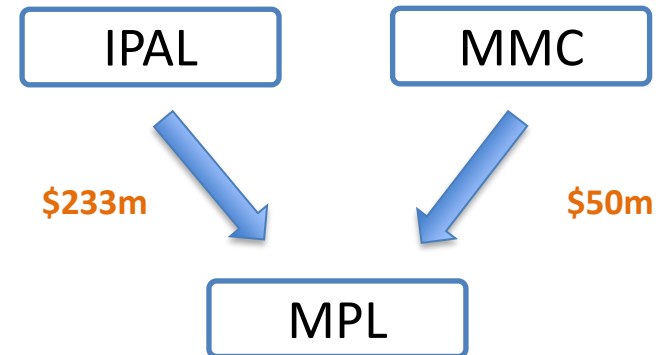
The Directors of IPAL will novate part of this loan to MMC.

The amount will be \$50m.

MPL will then have 2 loans - one with IPAL, and one with MMC.

The MMC - MPL loan conditions will be the current conditions applying: Interest Free and repayments need 13 months' notice

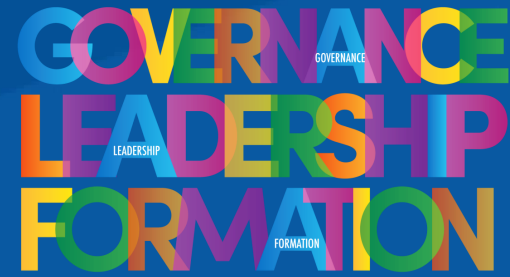
Future:





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Novation of Loan

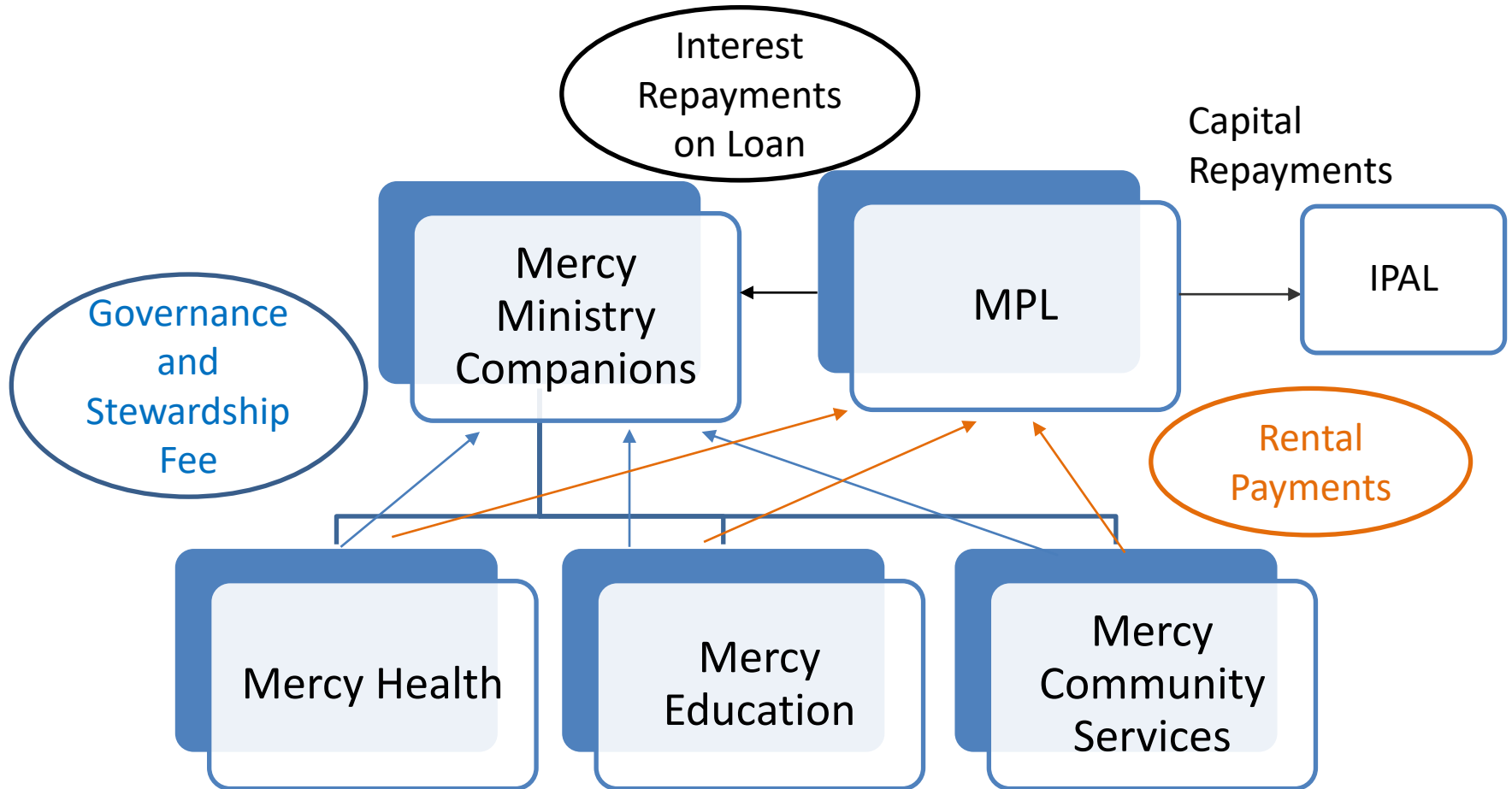
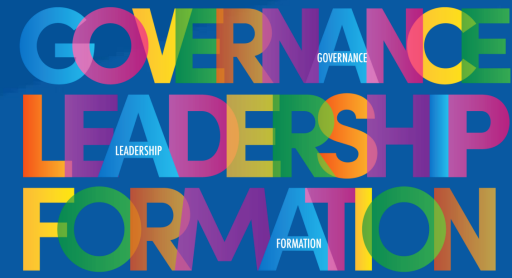


- Providing MMC with part of the loan provides options for the future
- The intent would always be to act with the interest of the ministries in mind



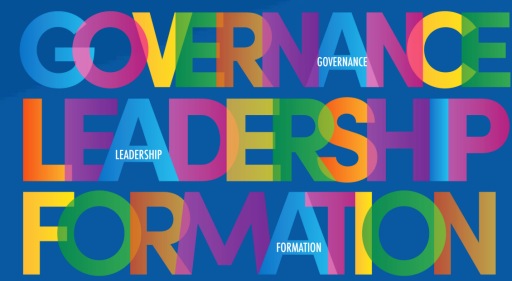
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Funding the PJP





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What message or question would you like to give to the Trustee Directors of Mercy Ministry Companions in that role or in their role as Directors of McAuley Property Limited?