



## SEVENTH-DAY ADVENTIST CHURCH

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### South Pacific Division

2 July 2012

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Dear Gentlemen,

In this part of the world a mortgage can be used as security for a range of interests and is not limited to a loan. It can be used to secure guarantees, future performance, loans, third party agreements to name just a few. The ASIC report was very superficial with regards to the secured creditors and said that the report did not deal with their interests but was to do with the unsecured creditors. In our situation some of the joint venture interests and contributions have been secured by mortgages and I will not elaborate more than that.

At this point of time I am not able to share any more with you than I have already. The directors have dealt with this and I have shared with the appropriate governing bodies in the South Pacific Division the details of what is in place. You are not constituents of the South Pacific Division but I have still shared with you what I am able to. The newspaper report is now over a year old and if as was inferred the church had lost a high portion of a claimed \$70m Division finances would be in crisis - but they are not which should say something about the accuracy of the reports.

Unfortunately in this part of the world church attendance is very low and the media sees Christianity as irrelevant and out of step with society so we have to cope with negative publicity on a regular basis. The same sex relationships debate is very active and I do not think it is a coincidence that churches are being targeted for negative publicity - even the Salvation Army is the recipient of that. There are groups pushing to change tax laws and we are about to be subject to greater tax and regulation.

I know that I have not answered all your questions and I hope that you can appreciate and respect the reasons. I have explained what I can and explained the reasons why some questions that are commercially sensitive cannot be put into the public domain. In the church system of governance matters of mission and vision is what is given to every member but there are some selected operational matters that are confidential/commercially sensitive that the church through its processes appoints a smaller group to care for. In the SPD with its large institutional base that happens more than other Divisions as tithe finances less than 7% of the total activity. Even though it was not required we have supplied interested SPD members the Grant Thornton report to give them an assurance about was inaccurately reported in the media.

I will probably be passing through California over year end. I am yet to finalise my plans but if you were interested I may be able to arrange things so that I could meet with you. Let me know if that is of interest.

Regards

Rodney Brady  
Chief Financial Officer  
South Pacific Division