

# **Diocesan Development Fund**

81 462 509 988

## **Financial Statements**

For the Year Ended 30 June 2015



**Diocesan Development Fund**

81 462 509 988

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**For the Year Ended 30 June 2015**

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## Board Report

For the Year Ended 30 June 2015

The Board presents its report on Diocesan Development Fund for the financial year ended 30 June 2015.

### 1. General information

#### Board

The names of the Board members in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>
Mr Tim McGhie	Chairman
Ms Elizabeth Walsh	
Mr Robert Franklin	
Mr James Kahl	
Mr Ron Perry	

Board members have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal activities

The principal activities of Diocesan Development Fund during the financial year were to:

- receive funds from the Armidale Diocese and Parish investors and to invest these funds in cash, securities and interest-earning securities to provide a return to the Armidale Diocese and its Parish investors; and
- make loans available to Armidale Diocesan entities, clergy and Diocesan staff.

#### Objective

The objective of the Diocesan Development Fund is to support the mission of the Diocese of Armidale by funding the facilities within the Diocese and to make grants to the Diocese out of the profits generated from its activities for such purposes as the Diocesan Council may from time to time determine.

#### Strategy for achieving the objective

To achieve these objectives, the Diocesan Development Fund has adopted the following strategies:

- to accept funds from the Diocese and Parish investors and to use these funds as a basis for lending to Diocesan bodies, clergy and staff or to invest or re-invest funds not immediately required for loans. The strategy is intended to realise a profit out of which a dividend might be paid to the Diocese to support its work.

#### Performance measures

The following measures are used within the Diocesan Development Fund to monitor performance:

- the fund's ability to earn profits out of which a dividend might be paid to the Diocese; and
- an increase in funds flowing to Diocesan entities and projects from the on-line savings facility it offers to investors.

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**Board Report**

**For the Year Ended 30 June 2015**

Signed in accordance with a resolution of the Board of the Diocesan Development Fund:



Board Member: .....



Board Member: .....

Dated this 17th day of September 2015

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**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2015**

		Parent 2015
	Note	\$
Revenue	2	49,470
Other income	2	846,213
Employee benefits expense		(2,375)
Depreciation and amortisation expense		(100)
Interest paid on deposits		(3,066)
Distributions paid		(7,000)
Other expenses		(3,268)
<b>Profit before income tax</b>		<b>879,873</b>
Income tax expense		-
Fair value movements of investments		(3,410)
<b>Other comprehensive income for the year, net of tax</b>		<b>(3,410)</b>
<b>Total comprehensive income for the year</b>		<b>876,463</b>

The accompanying notes form part of these financial statements.

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**Balance Sheet**  
**As At 30 June 2015**

	Note	Parent 2015 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	3	170,313
Trade and other receivables	4	<u>285,394</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>455,707</b></u>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables	4	276,245
Investments available for sale at market value	5	417,375
Property, plant and equipment	6	<u>1,023</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>694,643</b></u>
<b>TOTAL ASSETS</b>		<u><u><b>1,150,350</b></u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	7	7,029
Other liabilities	8	<u>266,858</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>273,887</b></u>
<b>NON-CURRENT LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>		<u><b>273,887</b></u>
<b>NET ASSETS</b>		<u><u><b>876,463</b></u></u>
<b>EQUITY</b>		
Reserves		(3,410)
Retained Earnings		<u>879,873</u>
<b>TOTAL EQUITY</b>		<u><u><b>876,463</b></u></u>

The accompanying notes form part of these financial statements.

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**Statement of Changes in Equity**

**For the Year Ended 30 June 2015**

2015

	Retained Earnings	Investment revaluation reserve	Total
Note	\$	\$	\$
<b>Balance at 1 July 2014</b>	-	-	-
Decrease in reserves during the year	-	(3,410)	(3,410)
Profit for the year	879,873	-	879,873
<b>Balance at 30 June 2015</b>	<b>879,873</b>	<b>(3,410)</b>	<b>876,463</b>

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

For the Year Ended 30 June 2015

### Introduction

The financial statements cover the Diocesan Development Fund as an individual entity. The Diocesan Development Fund is a not-for-profit organisation established under an instrument by the Anglican Diocese of Armidale.

The functional and presentation currency for the Diocesan Development Fund is Australian dollars.

### Basis of Preparation

The Board has prepared the financial statements on the basis that the Diocesan Development Fund is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Synod of the Diocese of Armidale and other stakeholders.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The significant accounting policies disclosed below are those which the Board has determined are appropriate to meet the needs of the Board and other users. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

## 1 Summary of Significant Accounting Policies

### (a) Income Tax

No provision for income tax has been raised as the Diocesan Development Fund is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

### (b) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### (c) Revenue and other income

Revenue is recognised when the business is entitled to it.

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Summary of Significant Accounting Policies continued

#### Interest revenue

Interest is recognised using the effective interest method.

#### Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

#### (d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Diocesan Development Fund, commencing when the asset is ready for use.

#### (f) Investments and other financial assets

##### Available-for-sale financial assets

Investments are carried at cost or market value if listed on the Australian Stock Exchange. Unrealised gains and losses arising from changes in market value are taken directly to equity.

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 2 Revenue and Other Income

#### Revenue from continuing operations

	2015
	\$
<b>Revenue</b>	
- Interest - DIF	21,483
- Interest received - bank	3,796
- Interest received - loans	20,964
- Dividend and imputation credits refundable	3,134
- Contributions	82
- Gain on sale of financial assets	11
<b>Total Revenue</b>	<u>49,470</u>
<b>Other income</b>	
- Distributions received - DIF	353,393
- Distributions received - DPF	290,000
- Distributions received - Ex DDF	202,820
<b>- Total other income</b>	<u>846,213</u>
<b>Total income</b>	<u><u>895,683</u></u>

### 3 Cash and cash equivalents

	2015
	\$
Cash at bank	30,313
Short-term bank deposits	140,000
	<u>170,313</u>

### 4 Trade and other receivables

	2015
	\$
<b>CURRENT</b>	
Trade receivables	24,599
Calrossy Anglican School loan	250,000
South Tamworth Parish loan	8,830
DDF Clergy/staff loans	1,556
Franking Credits Due	409
	<u>285,394</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2015

4 Trade and other receivables continued

	2015
	\$
NON-CURRENT	
South Tamworth Parish loan	<u>276,245</u>
	<u><u>276,245</u></u>

5 Investments

	2015
	\$
NON-CURRENT	
Investments available for sale at market value	<u>417,375</u>
Total non-current assets	<u><u>417,375</u></u>

6 Property, plant and equipment

PLANT AND EQUIPMENT	
Computer equipment	
At cost	1,123
Accumulated depreciation	<u>(100)</u>
Total computer equipment	<u>1,023</u>
Total property, plant and equipment	<u><u>1,023</u></u>

7 Trade and other payables

	2015
	\$
CURRENT	
Trade payables	<u>7,029</u>
	<u><u>7,029</u></u>

8 Other liabilities

	2015
	\$
CURRENT	
Deposits-Parishes	140,151
Deposits - interest bearing	99,067
Deposits - interest free	<u>27,640</u>
	<u><u>266,858</u></u>

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**Notes to the Financial Statements**

**For the Year Ended 30 June 2015**

**9 Contingencies**

In the opinion of the Board, the Diocesan Development Fund did not have any contingencies at 30 June 2015 (30 June 2014:None).

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**Declaration by the Board**

The members of the Board declare that Diocesan Development Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The members of the Board declare that:

- 1. the financial statements and notes, as set out on pages 3 to 10,
  - (a) comply with Accounting Standards as stated in Note 1, and
  - (b) give a true and fair view of Diocesan Development Fund's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2. in the Board's opinion, there are reasonable grounds to believe that Diocesan Development Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.



Board Member .....



Board Member .....

Dated this .....17th..... day of ...September..... 2015

## **Diocesan Development Fund**

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# **Independent Audit Report to the members of Diocesan Development Fund**

## **Report on the Financial Report**

We have audited the accompanying financial report being a special purpose financial report, of the Diocesan Development Fund, which comprises the balance sheet as at 30 June 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Declaration by the Board.

### *Management's Responsibility for the Financial Report*

Management is responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies as described in Note 1, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Diocesan Development Fund as at 30 June 2015, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies as described in Note 1.

PKF Lawler Warburtons  
Audit & Assurance Pty Ltd  
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### Independent Audit Report to the members of Diocesan Development Fund

#### *Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist the Diocesan Development Fund to comply with the financial reporting provisions of Diocesan Development Fund Ordinance 2014. As a result, the financial report may not be suitable for another purpose.

PKF Lawler Warburtons Audit & Assurance Services Pty Ltd



Margaret van Aanholt

22-24 Bourke Street, Tamworth NSW

18th September, 2015