

Diocesan Development Fund

ABN: 81 462 509 988

Financial Statements

For the Year Ended 30 June 2023

Diocesan Development Fund

ABN: 81 462 509 988

Contents

For the Year Ended 30 June 2023

	Page
Financial Statements	
Board Report	1
Auditor's Independence Declaration under Section 60 - 40 of the Australian Charities and Not-for-profits Commission Act 2012	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Statement by the Board	16
Independent Auditor's Report	17

Diocesan Development Fund

ABN: 81 462 509 988

Board Report For the Year Ended 30 June 2023

The Board presents their report on Diocesan Development Fund for the financial year ended 30 June 2023.

General information

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

Names	Position
Mr James Kahl	Chairman
Mr Hugh Castleden	
Rev Christopher Pears	Executive Officer
Mr Paul Harvey	
Mr Bryan Coleman	
Mrs Kylie Alcorn	

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

Principal activities and significant changes in nature of activities

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

- receive funds from entities within the Anglican Diocese of Armidale and individual investors;
- make loans to Diocesan entities, clergy and Diocesan staff; and
- to invest any surplus in cash, securities and interest-earning securities to provide a return to the Diocese and its investors.

Objective

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

Strategies for achieving the objectives

To achieve this objective, the Diocesan Development Fund has adopted the following strategies:

- to accept funds from the Diocesan entities and other investors;
- to use these funds as a basis for lending to Diocesan bodies, clergy and staff; and
- to invest or re-invest funds not immediately required for loans.

The strategy is intended to realise a surplus out of which a distribution can be paid to the Diocese to support its work.

Diocesan Development Fund

ABN: 81 462 509 988

Board Report For the Year Ended 30 June 2023

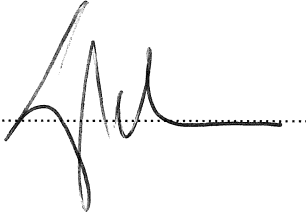
Performance Measures

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

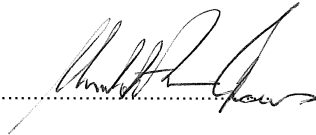
- the Fund's ability to generate a surplus out of which a distribution can be paid to the Diocese; and
- an increase in funds flowing to the Diocesan entities and projects from the on-line savings facility and other investment options.

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

Mrs Kylie Alcorn



Rev. Christopher Pears



Dated this 8th day of August 2023

Diocesan Development Fund

ABN: 81 462 509 988



Auditor's Independence Declaration under Section 60 - 40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Members of Diocesan Development Fund

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF NENW Audit & Assurance Pty Ltd

A handwritten signature in blue ink that reads 'Margaret van Aanholt'.

Margaret van Aanholt
Director

Dated this 8th day of August, 2023

Tamworth NSW 2340

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

Tamworth
22-24 Bourke Street, PO Box 1900
Tamworth NSW 2340
p +61 2 6768 4500 f +61 2 6766 4322

PKF NENW Audit & Assurance Pty Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.
Web www.pkf-nenw.com.au PKF Australia www.pkf.com.au

Diocesan Development Fund

ABN: 81 462 509 988

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Finance Income	3	639,324	331,904
Distribution -Anglican Diocese of Armidale		(70,000)	(40,000)
Interest paid on investments	4	(356,349)	(127,573)
Other expenses	4	(102,611)	(102,721)
Surplus		110,364	61,610
Income tax		-	-
Surplus for the year		110,364	61,610
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Net fair value movement of equity instruments		173,462	(341,871)
Realised gains/(losses) on disposal of equity instruments		(12,838)	7,040
Other comprehensive income for the year, net of tax		160,624	(334,831)
Total comprehensive income for the year		270,988	(273,221)

The accompanying notes form part of these financial statements.

Diocesan Development Fund

ABN: 81 462 509 988

Statement of Financial Position

As At 30 June 2023

		2023	2022
	Note	\$	\$
ASSETS			
Cash and cash equivalents	5	826,070	542,051
Trade and other receivables	6	126,784	730,555
Other assets	7	1,125	-
Financial assets at fair value through other comprehensive income	8	8,269,640	7,112,367
Financial assets at amortised cost	9	2,820,629	2,441,657
TOTAL ASSETS		<u>12,044,248</u>	<u>10,826,630</u>
LIABILITIES			
Trade and other payables	10	382,996	138,534
Amounts owed to investors	11	10,587,369	9,885,201
TOTAL LIABILITIES		<u>10,970,365</u>	<u>10,023,735</u>
NET ASSETS		<u>1,073,883</u>	<u>802,895</u>
EQUITY			
Investment Revaluation Reserve	12	(231,550)	(405,012)
Retained Earnings		1,305,433	1,207,907
TOTAL EQUITY		<u>1,073,883</u>	<u>802,895</u>

The accompanying notes form part of these financial statements.

Diocesan Development Fund

ABN: 81 462 509 988

Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2022	1,207,907	(405,012)	802,895
Surplus for year	110,364	-	110,364
Movements in fair value of equity instruments	-	160,624	160,624
Transfer realised losses to retained earnings	(12,838)	12,838	-
Balance at 30 June 2023	1,305,433	(231,550)	1,073,883

2022

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	1,139,257	(63,141)	1,076,116
Surplus for year	61,610	-	61,610
Movements in fair value of equity instruments	-	(334,831)	(334,831)
Transfer realised gains to retained earnings	7,040	(7,040)	-
Balance at 30 June 2022	1,207,907	(405,012)	802,895

The accompanying notes form part of these financial statements.

Diocesan Development Fund

ABN: 81 462 509 988

Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interest, dividends and distributions	575,578	275,514
Payments to suppliers and employees	(141,924)	(91,623)
Interest paid	(388,492)	(71,067)
Net cash provided by/(used in) operating activities	18 <u>45,162</u>	<u>112,824</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	<u>(996,650)</u>	(1,951,992)
Net cash used in investing activities	<u>(996,650)</u>	<u>(1,951,992)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in deposits and loans made	<u>1,235,507</u>	1,624,200
Net cash provided by/(used in) financing activities	<u>1,235,507</u>	<u>1,624,200</u>
Net increase/(decrease) in cash and cash equivalents held	284,019	(214,968)
Cash and cash equivalents at beginning of year	<u>542,051</u>	757,019
Cash and cash equivalents at end of financial year	5 <u><u>826,070</u></u>	<u><u>542,051</u></u>

The accompanying notes form part of these financial statements.

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements For the Year Ended 30 June 2023

The financial statements cover Diocesan Development Fund (the Fund) as an individual entity. The Fund is an unincorporated not for profit entity established under the Diocesan Development Fund Ordinance 2017-2022 (the "Ordinance") by the Corporate Trustees of the Anglican Diocese of Armidale (the "Trustee"). The Fund is a registered charity under the Australian Charities and Not-for-profits Commission (ACNC). The financial statements of the Fund for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Board on the 8th of August 2023

The financial statements are prepared for the Fund as an individual entity in accordance with the Ordinance.

Under Item 22 of the Ordinance, the Fund is required to adopt a risk management policy to ensure that funds are available for meeting any losses incurred by the Board in its operation of the Fund and in meeting any liability of the Trustee under its guarantee of the Fund. This policy is still under development. Under Item 27 of the Ordinance the Trustee guarantees investor funds and any indemnities provided under item 24 of the Ordinance.

The principal activities of the Fund are to assist the mission of the Armidale Diocese by funding the development of facilities within the Diocese, making loans for approved purposes to entities operating within the Diocese and its clergy and staff, and to invest funds not immediately required for loans.

Investors with the Fund should be aware of the following information;

1. The Fund is an income tax exempt charity, is not required to have a prospectus and trust deed under the Corporations Law pursuant to an exemption granted by the Australian Securities and Investment Commission (ASIC). The Fund is required to lodge annual audited financial statements with ASIC but these are not reviewed or approved by ASIC.
2. The Australian Prudential Regulation Authority (APRA) has granted an exemption from the Banking Act 1959 to religious charitable development funds (RCDF) and the Fund has the benefit of that exemption.

The Fund is compliant with all requirements under the above ASIC and APRA banking exemptions.

The principal place of business and registered office of the Fund is the corner of Rusden and Faulkner Streets Armidale, NSW, 2350.

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

The Diocesan Development Fund financial statements have been rounded to the nearest dollar.

Comparatives are consistent with prior years, unless otherwise stated.

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Basis of Preparation

In the Board Members' opinion, the Diocesan Development Fund is a non-reporting entity since there are unlikely to be any users who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and to comply with the financial reporting divisions of the Diocesan Development Fund Ordinance 2017-2022.

The special purpose financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

2 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) Revenue and other income

Revenue is recognised when the Fund is entitled to it.

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

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

(c) 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.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Diocesan Development Fund classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instruments (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Diocesan Development Fund changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Diocesan Development Fund's financial assets measured at amortised cost comprise loans receivable, trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Diocesan Development Fund has a number of strategic investments in listed entities over which they do not have significant influence nor control. The Diocesan Development Fund has made an irrevocable election to classify these equity investments as fair value through other comprehensive income.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (investment revaluation reserve).

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Diocesan Development Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Diocesan Development Fund's historical experience and informed credit assessment and including forward looking information.

The Diocesan Development Fund uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Diocesan Development Fund uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Diocesan Development Fund in full, without recourse to the Diocesan Development Fund to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Diocesan Development Fund in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Diocesan Development Fund measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Diocesan Development Fund comprise amounts owed to investors and trade payables.

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements For the Year Ended 30 June 2023

3 Finance Income

	2023	2022
	\$	\$
- Interest received - loans and investments	147,532	96,142
- Dividend income	491,792	235,762
Total finance income	639,324	331,904

4 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2023	2022
	\$	\$
Other expenses include:		
- Audit and accounting fees	8,800	7,500
- Audit and accounting fees - prior year	-	1,135
- Salaries and wages	40,550	39,015
- Superannuation contributions	4,275	3,907
- Management fees	41,114	35,289
- Legal fees	1,976	13,113
- Other administrative expenses	5,896	2,762
	102,611	102,721
Interest expense paid:		
- Community Saver Accounts	123,123	42,491
- Parish Investments	31,595	13,911
- Nominated interest distribution	43,474	25,444
- Monthly Saver Accounts	144,894	40,746
- Historical investments	13,263	4,981
Total finance costs	356,349	127,573

5 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank	826,070	542,051

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements For the Year Ended 30 June 2023

6 Trade and Other Receivables

	2023	2022
	\$	\$
Trade receivables	8,256	674,129
Franking credits due	118,528	56,426
	<u>126,784</u>	<u>730,555</u>

7 Other Assets

	2023	2022
	\$	\$
Prepayments	1,125	-

8 Financial assets at fair value through other comprehensive income

	2023	2022
	\$	\$
Equity securities	8,269,640	7,112,367

The shares are listed on the Australian Securities Exchange and the quoted price at the end of the reporting date is used to value the instruments.

9 Financial assets at amortised cost

	2023	2022
	\$	\$
Loans and advances - Secured		
Parish Loans - Secured	685,701	284,302
Clergy Loans -Secured	662,076	694,465
School Loans - Secured	700,000	700,000
	<u>2,047,777</u>	<u>1,678,767</u>
Loans and advances - unsecured		
Clergy loans	218,436	186,245
Corporate Trustees of the Diocese of Armidale	554,416	576,645
	<u>772,852</u>	<u>762,890</u>
	<u>2,820,629</u>	<u>2,441,657</u>

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements For the Year Ended 30 June 2023

10 Trade and other payables

	2023	2022
	\$	\$
Trade payables	369,445	126,793
Sundry payables and accrued expenses	13,551	11,741
	<u>382,996</u>	<u>138,534</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11 Amounts owed to investors

	2023	2022
	\$	\$
Investments - Parishes	1,068,558	1,075,983
Investments - Interest bearing	452,138	422,375
Investments - Deposits, Monthly Saver Investor Funds	5,103,630	4,178,944
Investments - Community Saver Investor Funds	3,963,043	4,207,899
	<u>10,587,369</u>	<u>9,885,201</u>

12 Reserves

Financial asset reserve

The financial asset reserve records movement in the fair value and gain or loss on disposal of financial assets designated at fair value through other comprehensive income.

13 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor: PKF NENW Audit & Assurance Pty Ltd - auditing fees and assistance with preparation of the financial statements	<u>8,800</u>	<u>7,500</u>

14 Key Management Personnel Disclosures

No remuneration was paid to key management personnel of the Trust in the 2023 or 2022 financial years.

15 Contingencies

In the opinion of the Board, the Diocesan Development Fund did not have any contingencies at 30 June 2023 (30 June 2022:None).

Diocesan Development Fund

ABN: 81 462 509 988

Notes to the Financial Statements For the Year Ended 30 June 2023

16 Commitments

The Fund did not have any commitments as at 30 June 2023 or 30 June 2022.

17 Related Parties

(a) The Trust's main related parties are as follows:

The Diocesan Development Fund is an organisation established under an instrument by the Anglican Diocese of Armidale. The Corporate Trustees of the Diocese of Armidale are the Trustees of the Fund. The Diocesan Council appoints a Board who are charged with the governance of the Fund. The Board represent the key management personnel of the Fund.

The Diocesan Development Fund's main related parties include clergy and their immediate family members, the Board and their immediate family members and the parishes and schools within the Armidale Anglican Diocese, as well as the governing body being the Anglican Diocese of Armidale.

For Key management personnel remuneration refer to note 14.

(b) Transactions with related parties

In accordance with the requirements of the *Australian Charities and Not-for-profits Commission* basic religious charities are exempt from reporting their related party transactions, and as a result these have been excluded from this financial report.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

18 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Surplus for the year	110,364	61,610
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(63,745)	(16,390)
- (increase)/decrease in prepayments	(1,125)	-
- increase/(decrease) in trade and other payables	(332)	67,604
Cashflows from operations	<u>45,162</u>	<u>112,824</u>

19 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future financial years.

Diocesan Development Fund

ABN: 81 462 509 988

Statement by the Board

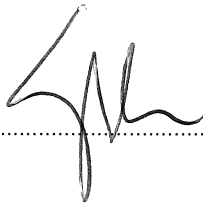
The Board has determined that the Diocesan Development Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements and satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Board declares that:


- The financial statements and notes, as set out on pages 4 to 15, present fairly the financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- there are reasonable grounds to believe that the Diocesan Development Fund is able to pay all of its debts as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

This declaration is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022* and a resolution of the Board.

Mrs Kylie Alcorn.....



Rev. Christopher Pears



Dated this 8th day of August 2023

Independent Auditor's Report to the members of Diocesan Development Fund

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Diocesan Development Fund (the Fund), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the statement by the Board.

In our opinion, the accompanying financial report of the Fund for the year ended 30 June 2023 is prepared, in all material respects, including:

- (i) giving a true and fair view of the Diocesan Development Fund's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of 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 divisions of the Diocesan Development Fund Ordinance 2017-2022 and the reporting requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Diocesan Development Fund and should not be distributed to or used by parties other than the Diocesan Development Fund. Our opinion is not modified in respect of this matter.

Responsibilities of Members of the Board

Members of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as they determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Members of the Board are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Members of the Board either intend to liquidate the Diocesan Development Fund or to cease operations, or have no realistic alternative but to do so.

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

Tamworth
22-24 Bourke Street, PO Box 1900
Tamworth NSW 2340
p +61 2 6768 4500 f +61 2 6766 4322

PKF NENW Audit & Assurance Pty Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.
Web www.pkf-nenw.com.au PKF Australia www.pkf.com.au

Independent Auditor's Report to the members of Diocesan Development Fund

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

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 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 Trust's preparation of the financial report that gives a true and fair view 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 Trust's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Diocesan Development Fund to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Diocesan Development Fund to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

Tamworth
22-24 Bourke Street, PO Box 1900
Tamworth NSW 2340
p +61 2 6768 4500 f +61 2 6766 4322

PKF NENW Audit & Assurance Pty Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.
Web www.pkf-nenw.com.au PKF Australia www.pkf.com.au

Diocesan Development Fund

ABN: 81 462 509 988



Independent Auditor's Report to the members of Diocesan Development Fund

We communicate with Members of the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF NENW Audit & Assurance Pty Ltd

A handwritten signature in blue ink, appearing to read 'Margaret van Aanholt'.

Margaret van Aanholt

22-24 Bourke Street, Tamworth
Dated this 10th day of August 2023

PKF NENW Audit & Assurance Pty Limited
ABN 39 082 276 506
Registered Auditor 306435
Liability limited by a scheme approved
approved under Professional
Standards Legislation

Tamworth
22-24 Bourke Street, PO Box 1900
Tamworth NSW 2340
p +61 2 6768 4500 f +61 2 6766 4322

PKF NENW Audit & Assurance Pty Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.
Web www.pkf-nenw.com.au PKF Australia www.pkf.com.au