

Diocesan Development Fund 2018

ABN: 81 462 509 988

Financial Statements

For the Year Ended 30 June 2018

Diocesan Development Fund 2018

ABN: 81 462 509 988

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For the Year Ended 30 June 2018

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Diocesan Development Fund 2018

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Board Report For the Year Ended 30 June 2018

The Board present their report on Diocesan Development Fund 2018 for the financial year ended 30 June 2018.

General information

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

| Names | Position | Appointed/Resigned |
|-----------------------|-----------------|---------------------------|
| Mr Timothy McGhie | Chairman | |
| Mr Hugh Castleden | | |
| Mr Robert Franklin | | Resigned 24/9/2017 |
| Mr James Kahl | | |
| Mr Ron Perry | | Resigned 29/03/2018 |
| Rev Christopher Pears | | Appointed 02/04/2018 |
| Rev Stephen Miller | | Appointed 1/10/2017 |

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 2018 during the financial year were:

- receive funds from entities within the Armidale Diocese 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 Diocese of Armidale by funding the development of 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 objectives

To achieve this objectives, 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 profit out of which a dividend can be paid to the Diocese to support its work.

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Board Report

For the Year Ended 30 June 2018

General information

Strategy for achieving the objectives

Strategy for achieving the objectives

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 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:

Board member.....

Board member.....

Dated this.....27th.....day of.....August.....2018

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Balance Sheet

For the Year Ended 30 June 2018

| | | 2018 | 2017 |
|---|------|-----------------|-----------|
| | Note | \$ | \$ |
| Revenue | 3 | 279,005 | 234,939 |
| Distributions | | (10,000) | (10,000) |
| Net loss on disposal of investments | | (12,347) | (5,390) |
| Interest paid on investments | 4 | (123,867) | (109,936) |
| Other expenses | 4 | (112,724) | (67,945) |
| Profit before income tax | | 20,067 | 41,668 |
| Income tax | | - | - |
| Profit for the year | | 20,067 | 41,668 |
| Other comprehensive income, net of income tax | | | |
| Items that will be reclassified to profit or loss when specific conditions are met | | | |
| Net fair value movements for available-for-sale financial assets | | (40,872) | 137,103 |
| Other comprehensive income for the year, net of tax | | (40,872) | 137,103 |
| Total comprehensive income for the year | | (20,805) | 178,771 |

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|-------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Cash and cash equivalents | 5 | 189,936 | 425,020 |
| Trade and other receivables | 6 | 42,431 | 32,256 |
| Available-for-sale financial assets | 7 | 3,700,605 | 3,912,255 |
| Loans receivables | 8 | 1,247,392 | 979,903 |
| Property, plant and equipment | 9 | - | 223 |
| Other assets | | 181 | 189 |
| TOTAL ASSETS | | 5,180,545 | 5,349,846 |
| LIABILITIES | | | |
| Amounts owed to investors | 12 | 3,930,921 | 4,234,031 |
| Trade and other payables | 11 | 203,835 | 50,102 |
| Provisions | 13 | 2,654 | 1,773 |
| TOTAL LIABILITIES | | 4,137,410 | 4,285,906 |
| NET ASSETS | | 1,043,135 | 1,063,940 |
| EQUITY | | | |
| Investment Revaluation Reserve | | 59,950 | 100,822 |
| Retained Earnings | | 983,185 | 963,118 |
| TOTAL EQUITY | | 1,043,135 | 1,063,940 |

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2018

2018

| | Retained Earnings | Asset Revaluation Surplus | Total |
|--------------------------------------|-------------------|---------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2017 | 963,118 | 100,822 | 1,063,940 |
| Decrease in reserves during the year | - | (40,872) | (40,872) |
| Profit for the year | 20,067 | - | 20,067 |
| Balance at 30 June 2018 | 983,185 | 59,950 | 1,043,135 |

2017

| | Retained Earnings | Asset Revaluation Surplus | Total |
|--------------------------------------|-------------------|---------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | 921,450 | (36,281) | 885,169 |
| Increase in reserves during the year | - | 137,103 | 137,103 |
| Profit for the year | 41,668 | - | 41,668 |
| Balance at 30 June 2017 | 963,118 | 100,822 | 1,063,940 |

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2018

| | 2018 | 2017 |
|---|-------------------------|-----------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from interest, dividends and distributions | 268,838 | 459,095 |
| Payments to suppliers and employees | (112,555) | (178,670) |
| Interest paid | (161,276) | - |
| Net cash provided by/(used in) operating activities | 17 <u>(4,993)</u> | <u>280,425</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of investments | 767,236 | 137,104 |
| Purchase of investments | (608,805) | (872,804) |
| Net cash used in investing activities | <u>158,431</u> | <u>(735,700)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net increase/(decrease) in deposits and loans made | <u>(388,522)</u> | 643,044 |
| Net cash provided by/(used in) financing activities | <u>(388,522)</u> | 643,044 |
| Net increase/(decrease) in cash and cash equivalents held | (235,084) | 187,769 |
| Cash and cash equivalents at beginning of year | <u>425,020</u> | <u>237,251</u> |
| Cash and cash equivalents at end of financial year | 5 <u><u>189,936</u></u> | <u><u>425,020</u></u> |

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2018

The financial statements cover Diocesan Development Fund 2018 as an individual entity. The Diocesan Development Fund is a not-for-profit organisation established under an instrument by the Anglican Diocese of Armidale.

In accordance with the Ordinance for the fund, there is a requirement to prepare separate financial statements.

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.

1 Basis of Preparation

In the Directors' opinion, the Diocesan Development Fund is a non-reporting 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*.

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 business is entitled to it.

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.

(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.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Diocesan Development Fund 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).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the balance sheet in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Diocesan Development Fund's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Diocesan Development Fund renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Diocesan Development Fund does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(d) Financial instruments

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Diocesan Development Fund's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Diocesan Development Fund's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period balance sheet resulting from the impairment of debt securities are reversed through the balance sheet, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although The Diocesan Development Fund uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Diocesan Development Fund's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period The Diocesan Development Fund assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(d) Financial instruments

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

3 Revenue and Other Income

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| - Interest received - loans and investments | 64,318 | 50,451 |
| - Dividend income | 214,687 | 184,488 |
| Total Revenue | 279,005 | 234,939 |

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Notes to the Financial Statements For the Year Ended 30 June 2018

4 Result for the Year

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

| | 2018 | 2017 |
|--|----------------|----------------|
| | \$ | \$ |
| Other expenses include: | | |
| - Audit and accounting fees - prior years | 5,053 | 9,015 |
| - Audit and accounting fees - current year | 5,000 | 2,831 |
| - Salaries and wages | 26,061 | 22,866 |
| - Superannuation contributions | 2,476 | 2,172 |
| - Management fees | 23,969 | 21,105 |
| - Legal fees | 40,904 | 2,924 |
| - Other expenses | 9,261 | 7,032 |
| - | <u>112,724</u> | <u>67,945</u> |
| Interest expense paid: | | |
| - Online saver | 68,362 | 60,823 |
| - Term investments | 7,113 | 6,567 |
| - Parish Investments | 27,890 | 26,029 |
| - Nominated interest distribution | 12,430 | 11,059 |
| - Historical investments | 8,072 | 5,458 |
| Total finance costs | <u>123,867</u> | <u>109,936</u> |

5 Cash and Cash Equivalents

| | 2018 | 2017 |
|--------------|----------------|----------------|
| | \$ | \$ |
| Cash at bank | <u>189,936</u> | <u>425,020</u> |

6 Trade and Other Receivables

| | 2018 | 2017 |
|----------------------|---------------|---------------|
| | \$ | \$ |
| Franking credits due | <u>42,431</u> | <u>32,256</u> |

7 Available-for-sale financial assets

| | | |
|---------------------------------|------------------|------------------|
| Listed investments - fair value | | |
| Listed securities | <u>3,700,605</u> | <u>3,912,255</u> |

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Notes to the Financial Statements For the Year Ended 30 June 2018

8 Loans receivable

| | 2018 | 2017 |
|--------------------|------------------|----------------|
| | \$ | \$ |
| Secured | | |
| Parish loans | 305,763 | 402,882 |
| Clergy/staff loans | 941,629 | 577,021 |
| | <u>1,247,392</u> | <u>979,903</u> |

9 Property, plant and equipment

| PLANT AND EQUIPMENT | | |
|---------------------------|----------|------------|
| Computer equipment | | |
| At cost | 1,123 | 1,123 |
| Accumulated depreciation | (1,123) | (900) |
| Total plant and equipment | <u>-</u> | <u>223</u> |

10 Other Assets

| | 2018 | 2017 |
|-------------|------------|------------|
| | \$ | \$ |
| Prepayments | <u>181</u> | <u>189</u> |

11 Trade and other payables

| | 2018 | 2017 |
|--------------------------------------|----------------|---------------|
| | \$ | \$ |
| Trade payables | 194,770 | 47,551 |
| Sundry payables and accrued expenses | 9,065 | 2,551 |
| | <u>203,835</u> | <u>50,102</u> |

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Notes to the Financial Statements For the Year Ended 30 June 2018

12 Amounts owed to investors

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| Investments - Parishes | 1,193,061 | 1,120,307 |
| Investments - Interest bearing | 313,824 | 312,650 |
| Investments - Non-Interest bearing Investor Funds | 26,412 | 26,412 |
| Investments - Community Saver Investor Funds | 2,168,351 | 2,550,852 |
| Investments - Short term | 229,273 | 223,810 |
| | <u>3,930,921</u> | <u>4,234,031</u> |

13 Employee Benefits

| | 2018 | 2017 |
|---------------------------------|--------------|--------------|
| | \$ | \$ |
| Non-current assets | | |
| Provision for employee benefits | 2,283 | 1,545 |
| | <u>2,283</u> | <u>1,545</u> |

14 Auditors' Remuneration

| | 2018 | 2017 |
|---|---------------|---------------|
| | \$ | \$ |
| Remuneration of the auditor: PKF NENW Audit & Assurance Pty Ltd | | |
| - auditing and accounting fees | 10,053 | 11,846 |
| | <u>10,053</u> | <u>11,846</u> |

15 Contingencies

In the opinion of the Board, the Trust did not have any contingencies at 30 June 2018 (30 June 2017:None).

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Notes to the Financial Statements For the Year Ended 30 June 2018

16 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 Development Fund's main related parties include clergy, and their immediate family members, and other parishes of the Anglican Diocese.

(b) **Transactions with related parties**

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

The following transactions occurred with related parties:

| | Payments/ (receipts) | Balance outstanding Owed to the trust |
|----------------------------------|---------------------------------|--|
| Related parties | | |
| Parish loans | - | 305,763 |
| Clergy/staff loans | - | 941,629 |
| Interest received from loans | (64,318) | - |
| Distribution to Anglican Diocese | 10,000 | - |

Secured loans are made to related parties on an arm's length basis. Repayment terms are set for each loan, which range from 5 to 20 years. Interest payable and monthly principal and interest repayments are made over the terms of the loans. Loans are secured and repayable in cash.

17 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:

| | 2018 | 2017 |
|--|-----------------|-------------|
| | \$ | \$ |
| Profit for the year | 20,067 | 41,668 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - depreciation | 223 | 400 |
| - net (gain)/loss on disposal of investments | 12,347 | 5,390 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (10,167) | 224,156 |
| - increase/(decrease) in trade and other payables | (28,344) | 8,609 |
| - increase/(decrease) in provisions | 881 | 202 |
| Cashflows from operations | (4,993) | 280,425 |

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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 3 to 14, present fairly the financial position as at 30 June 2018 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 2013* and a resolution of the Board.

Board member



Board member



Dated

27 August 2018

Diocesan Development Fund 2018

Independent Auditor's Report to the members of Diocesan Development Fund 2018

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Diocesan Development Fund 2018 (the Trust), which comprises the statement of financial position as at 30 June 2018, the balance sheet, 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 Trust for the year ended 30 June 2018 is prepared, in all material respects, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 June 2018 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 2013*.

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 Trust to comply with the financial reporting divisions of the Diocesan Development Fund Ordinance 2014. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Trust and should not be distributed to or used by parties other than the Trust. 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 Trust or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the members of Diocesan Development Fund 2018

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 Trust 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 Trust 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.

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

Margaret van Aanholt



22-24 Bourke Street, Tamworth
Dated this 27th day of August 2018