

# **Diocesan Development Fund**

**ABN: 81 462 509 988**

## **Financial Statements**

**For the Year Ended 30 June 2025**

# Diocesan Development Fund

ABN: 81 462 509 988

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For the Year Ended 30 June 2025

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# Diocesan Development Fund

ABN: 81 462 509 988

## Board Report For the Year Ended 30 June 2025

The Board presents their report on Diocesan Development Fund for the financial year ended 30 June 2025.

### General information

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

<b>Names</b>	<b>Position</b>
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 2025

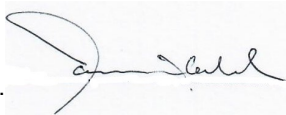
### Performance Measures

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:

Mr James Kahl ...

A handwritten signature in black ink, appearing to read 'James Kahl', is written over a light grey rectangular background. The signature is cursive and extends to the right, ending in a dotted line.

Rev. Christopher Pears

A handwritten signature in black ink, appearing to read 'Christopher Pears', is written in a cursive style.

Dated this 18th day of August 2025



**PKF NENW Audit & Assurance Pty Ltd**  
ABN 39 082 276 506  
Registered Auditor 306435

22-24 Bourke St, PO Box 1900  
**Tamworth NSW 2340**

+61 2 6768 4500  
tamworth.audit@pkf.com.au  
pkf.com.au

## **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 2025, 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.

A handwritten signature in black ink that reads 'PKF' in a stylized, cursive font.

PKF NENW Audit & Assurance Pty Ltd

A handwritten signature in black ink that reads 'Tania' in a cursive font.

Tania Marti-Warren Director  
Dated this 14th day of August 2025

Tamworth NSW 2340

## Diocesan Development Fund

ABN: 81 462 509 988

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2025

		2025	2024
	Note	\$	\$
Revenue	2	886,320	820,675
Distribution -Anglican Diocese of Armidale		(45,000)	(30,000)
Interest paid on investments	3	(631,365)	(552,806)
Other expenses	3	(145,139)	(155,932)
<b>Profit before tax</b>		<b>64,816</b>	81,937
Income tax		-	-
<b>Profit for the year</b>		<b>64,816</b>	81,937
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net fair value movement of equity instruments		343,185	214,944
Realised gains/(losses) on disposal of equity instruments		(173,253)	(45,360)
<b>Other comprehensive income for the year, net of tax</b>		<b>169,932</b>	169,584
<b>Total comprehensive income for the year</b>		<b>234,748</b>	251,521

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 2025

		2025	2024
	Note	\$	\$
<b>ASSETS</b>			
Cash and cash equivalents	4	691,085	168,815
Trade and other receivables	5	174,851	209,215
Other assets	6	1,003	1,003
Financial assets at fair value through other comprehensive income	7	10,936,672	9,624,688
Financial assets at amortised cost	8	3,227,919	2,565,251
TOTAL ASSETS		<u>15,031,530</u>	<u>12,568,972</u>
<b>LIABILITIES</b>			
Trade and other payables	9	206,463	144,365
Amounts owed to investors	10	13,264,915	11,099,203
TOTAL LIABILITIES		<u>13,471,378</u>	<u>11,243,568</u>
NET ASSETS		<u>1,560,152</u>	<u>1,325,404</u>
<b>EQUITY</b>			
Investment Revaluation Reserve	11	326,579	(16,606)
Retained Earnings	12	1,233,573	1,342,010
TOTAL EQUITY		<u>1,560,152</u>	<u>1,325,404</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 2025

2025

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2024</b>	<b>1,342,010</b>	<b>(16,606)</b>	<b>1,325,404</b>
Profit for year	64,816	-	64,816
<b>Other comprehensive income for the year</b>			
Movements in fair value of equity instruments	-	169,932	169,932
Transfer realised losses to retained earnings	(173,253)	173,253	-
<b>Balance at 30 June 2025</b>	<b>1,233,573</b>	<b>326,579</b>	<b>1,560,152</b>

2024

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>1,305,433</b>	<b>(231,550)</b>	<b>1,073,883</b>
Profit for year	81,937	-	81,937
<b>Other comprehensive income for the year</b>			
Movements in fair value of equity instruments	-	169,584	169,584
Transfer realised losses to retained earnings	(45,360)	45,360	-
<b>Balance at 30 June 2024</b>	<b>1,342,010</b>	<b>(16,606)</b>	<b>1,325,404</b>

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 2025

	2025	2024
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from interest, dividends and distributions	870,435	788,493
Payments to suppliers and employees	(173,244)	(226,543)
Interest paid	(633,637)	(538,024)
Net cash provided by/(used in) operating activities	18 <u>63,554</u>	<u>23,926</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	3,111,719	1,943,360
Purchase of investments	(4,253,771)	(3,128,824)
Net cash used in investing activities	<u>(1,142,052)</u>	<u>(1,185,464)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in deposits and loans made	<u>1,600,768</u>	504,283
Net cash provided by/(used in) financing activities	<u>1,600,768</u>	<u>504,283</u>
Net increase/(decrease) in cash and cash equivalents held	522,270	(657,255)
Cash and cash equivalents at beginning of year	<u>168,815</u>	826,070
Cash and cash equivalents at end of financial year	4 <u><u>691,085</u></u>	<u><u>168,815</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 2025

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 2025 was authorised for issue in accordance with a resolution of the Board on ..... of August 2025.

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. 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 and 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 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.

#### 1 Material Accounting Policy Information

##### 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.

# Diocesan Development Fund

ABN: 81 462 509 988

## Notes to the Financial Statements For the Year Ended 30 June 2025

### 1 Material Accounting Policy Information

#### (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 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).

##### 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.

## Diocesan Development Fund

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# Notes to the Financial Statements

## For the Year Ended 30 June 2025

### 1 Material Accounting Policy Information

#### (d) Financial instruments

##### 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 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 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.

###### *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.

## Diocesan Development Fund

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# Notes to the Financial Statements

## For the Year Ended 30 June 2025

### 1 Material Accounting Policy Information

#### (d) Financial instruments

##### Financial assets

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

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### Notes to the Financial Statements For the Year Ended 30 June 2025

#### 2 Revenue

	2025	2024
	\$	\$
- Interest received - loans and investments	198,262	185,278
- Dividend income	688,058	635,397
<b>Total finance income</b>	<b>886,320</b>	<b>820,675</b>

Revenue from contracts with customers has been disaggregated into Major revenue sources and Geographic location, and the following table shows this breakdown:

	2025	2024
	\$	\$
<b>Major revenue sources</b>		
- Interest income - Home Loan	52,998	32,192
- Interest income - Motor Vehicle Loan	29,978	19,664
- Interest income - Other	115,286	133,422
- Dividends	541,967	481,463
- Franking credits	146,091	153,934
<b>Revenue from contracts with customers</b>	<b>886,320</b>	<b>820,675</b>
<b>Geographic location</b>		
- NSW	886,320	820,675

#### 3 Result for the Year

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

	2025	2024
	\$	\$
<b>Other expenses include:</b>		
- Audit and accounting fees	10,785	8,918
- Salaries and wages	56,530	41,985
- Superannuation contributions	6,514	4,618
- Management fees	57,148	45,933
- Legal fees	4,270	46,550
- Other administrative expenses	9,892	7,928
	<b>145,139</b>	<b>155,932</b>
<b>Interest expense paid:</b>		
- Community Saver Accounts	193,904	176,488
- Parish Investments	58,242	46,250
- Nominated interest distribution	99,095	53,618
- Monthly Saver Accounts	207,861	251,653
- Historical investments	25,340	24,797
- Monthly Saver Booster	46,923	-
<b>Total finance costs</b>	<b>631,365</b>	<b>552,806</b>

## Diocesan Development Fund

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### Notes to the Financial Statements For the Year Ended 30 June 2025

#### 4 Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash at bank	691,085	168,815

#### 5 Trade and Other Receivables

	2025	2024
	\$	\$
CURRENT		
Trade receivables	28,256	54,657
Franking credits due	146,595	154,558
<b>Total current trade and other receivables</b>	<b>174,851</b>	<b>209,215</b>

#### 6 Other Assets

	2025	2024
	\$	\$
Prepayments	1,003	1,003

#### 7 Financial assets at fair value through other comprehensive income

	2025	2024
	\$	\$
Equity securities	10,936,672	9,624,688

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.

#### 8 Financial assets at amortised cost

	2025	2024
	\$	\$
<b>Loans and advances - Secured</b>		
Parish Loans - Secured	291,832	257,608
Clergy Loans -Secured	1,310,765	638,055
School Loans - Secured	656,387	700,000
	<b>2,258,984</b>	1,595,663
<b>Loans and advances - unsecured</b>		
Clergy loans	459,437	436,837
Corporate Trustees of the Diocese of Armidale	509,498	532,751
	<b>968,935</b>	969,588
	<b>3,227,919</b>	<b>2,565,251</b>

## Diocesan Development Fund

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### Notes to the Financial Statements For the Year Ended 30 June 2025

#### 8 Financial assets at amortised cost

All loans entered into by the Diocesan Development Fund have a loan agreement in place with variable repayment terms and maximum terms of 20 years. Interest rates for the year varied between 5.85% and 8.35% depending on whether the loan was secured or unsecured. The rates were adjusted with reference to the Reserve Bank of Australia cash rate movements. Loans are secured over land and buildings.

#### 9 Trade and other payables

	2025	2024
	\$	\$
Trade payables	196,673	135,915
Sundry payables and accrued expenses	9,790	8,450
	<u>206,463</u>	<u>144,365</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.

#### 10 Amounts owed to investors

	2025	2024
	\$	\$
Investments - Parishes	1,267,165	1,079,864
Investments - Interest bearing	626,600	531,556
Investments - Deposits, Monthly Saver Investor Funds	7,038,090	5,545,479
Investments - Community Saver Investor Funds	4,333,060	3,942,304
	<u>13,264,915</u>	<u>11,099,203</u>

Investments are held by members of the Anglican Diocese of Armidale community, interest was paid at rates of 4.25-5.25% across the year, with interest rates adjusting in line with changes in the Reserve Bank of Australia cash rate. Withdrawal is at the discretion of the investor and the investors can nominate to distribute interest income earned to a ministry of the Anglican Diocese of Armidale.

#### 11 Reserves

	2025	2024
	\$	\$
<b>Investment revaluation reserve</b>		
Opening balance	(16,606)	(231,550)
Net movement in fair value of equity instruments	169,932	169,584
Transfers out	173,253	45,360
<b>Total</b>	<u>326,579</u>	<u>(16,606)</u>

#### Investment revaluation reserve

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

## Diocesan Development Fund

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### Notes to the Financial Statements For the Year Ended 30 June 2025

#### 12 Retained Earnings

	2025	2024
	\$	\$
Retained earnings at the beginning of the financial year	1,342,010	1,305,433
Net profit attributable to beneficiaries of the trust	64,816	81,937
Transfers in	(173,253)	(45,360)
<b>Retained earnings at end of the financial year</b>	<b>1,233,573</b>	<b>1,342,010</b>

#### 13 Auditors' Remuneration

	2025	2024
	\$	\$
Remuneration of the auditor PKF NENW Audit & Assurance Pty Ltd, for: - auditing fees and assistance with preparation of the financial statements	9,790	8,918
<b>Total</b>	<b>9,790</b>	<b>8,918</b>

#### 14 Key Management Personnel Disclosures

No remuneration was paid to key management personnel of the Trust in the 2025 or 2024 financial years.

#### 15 Contingencies

In the opinion of the Board, the Diocesan Development Fund did not have any contingencies at 30 June 2025 (30 June 2024:None).

#### 16 Commitments

The Fund did not have any commitments as at 30 June 2025 or 30 June 2024.

#### 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.

## Diocesan Development Fund

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### Notes to the Financial Statements For the Year Ended 30 June 2025

#### 17 Related Parties

##### (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 disclosing 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:

	2025	2024
	\$	\$
Surplus for the year	64,816	81,937
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(15,885)	(32,182)
- (increase)/decrease in prepayments	-	122
- increase/(decrease) in trade and other payables	14,623	(25,951)
Cashflows from operations	<u>63,554</u>	<u>23,926</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

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### Statement by the Board

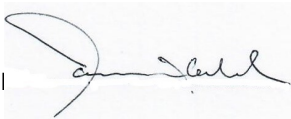
The Board has determined that the Diocesan Development Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the material accounting policy information outlined in Note 1 to the financial statements and to satisfy the requirements of the *Australian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

The Board declares that:

- The financial statements and notes, as set out on pages 4 to 16, present fairly the financial position as at 30 June 2025 and its performance for the year ended on that date in accordance with the material accounting policy information 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.

Mr James Kahl

.....

Rev. Christophe

.....

Dated this 18th day of August 2025



**PKF NENW Audit & Assurance Pty Ltd**  
ABN 39 082 276 506  
Registered Auditor 306435

22-24 Bourke St, PO Box 1900  
**Tamworth NSW 2340**

+61 2 6768 4500  
tamworth.audit@pkf.com.au  
pkf.com.au

## **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 2025, 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 the material accounting policy information, and the statement by the Board.

In our opinion, the accompanying financial report of the Fund for the year ended 30 June 2025 is prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (i) giving a true and fair view of the Diocesan Development Fund's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and 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.

### **Independence**

We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



**PKF NENW Audit & Assurance Pty Ltd**  
ABN 39 082 276 506  
Registered Auditor 306435

22-24 Bourke St, PO Box 1900  
**Tamworth NSW 2340**

+61 2 6768 4500  
tamworth.audit@pkf.com.au  
pkf.com.au

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### **Other Information**

Those charged with Governance are responsible for the other information. The other information comprises the information included in the Diocesan Development Fund's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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.

The Board are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 Fund'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 Fund to cease to continue as a going concern.
- 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 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.

We also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

A stylized, handwritten signature of the PKF logo, consisting of the letters 'PKF' in a cursive, flowing script.

PKF NENW Audit & Assurance Pty Ltd

A handwritten signature in black ink, appearing to read 'Tania Marti-Warren', written in a cursive style.

Tania Marti-Warren

22-24 Bourke Street, Tamworth

Dated this 20th day of August 2025

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