



**Roman Catholic Diocese of Toowoomba
Diocesan Development Fund**

Financial Report for the Year Ended 30 June 2020

**ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND**

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**ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND**

DIOCESAN FINANCE COUNCIL MEMBERS' REPORT

Your Diocesan Finance Council members present this report on the entity for the financial year ended 30 June 2020.

Diocesan Finance Council Members

The names of each person who has been a member during the year and to the date of this report are:

Mr Tim Davis (Chairman)

Mr Tom Delany

Mr Jon Wiedman

Dr Mark Macdermott

Mrs Julie Payne

The Diocesan Finance Council members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Fund Manager

Mr Tom Jolley held the position of fund manager at the end of the financial year.

Principal Activities

The principal activity of the entity during the financial year was to receive and hold deposits from Catholic Institutions, Parishes and Schools in order to support the charitable, religious and education works of the Catholic Church via internal lending for capital development and distributions to the Diocese of Toowoomba.

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The surplus of the entity amounted to \$987,887 (2019: \$1,354,295).

Distributions Paid

Distributions of \$988,000 were made to the Diocese of Toowoomba during the year (2019: \$1,355,000).

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

After Balance Date Events

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

Future Developments

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Signed in accordance with a resolution of the Diocesan Finance Council.


Tim Davis


Tom Delany

Dated this 22nd day of September 2020.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Revenue	2	2,249,868	2,750,969
Interest expense	3	(978,488)	(1,119,922)
Payroll and associated expenses	3	(219,304)	(214,790)
Administration expenses	3	(64,189)	(61,962)
Surplus for the year		987,887	1,354,295
Other comprehensive income		-	-
Total other comprehensive income for the year		987,887	1,354,295

The accompanying notes form part of these financial statements.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	190,404	148,930
Trade and other receivables	5	12,656	4,728
Investments	6	63,586,115	53,943,032
Loans to associated entities	7	4,988,376	2,882,424
TOTAL CURRENT ASSETS		68,777,551	56,979,114
NON-CURRENT ASSETS			
Loans to associated entities	7	20,891,620	16,533,703
TOTAL NON-CURRENT ASSETS		20,891,620	16,533,703
TOTAL ASSETS		89,669,171	73,512,817
 LIABILITIES			
CURRENT LIABILITIES			
Employee entitlements	8	14,852	14,341
Trade and other payables		24,897	-
Depositors' funds	9	87,318,374	71,187,316
TOTAL CURRENT LIABILITIES		87,358,123	71,201,657
TOTAL LIABILITIES		87,358,123	71,201,657
 NET ASSETS		2,311,047	2,311,160
 EQUITY			
Retained surplus		2,311,047	2,311,160
TOTAL EQUITY		2,311,047	2,311,160

The accompanying notes form part of these financial statements.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2018	2,311,865	2,311,865
Surplus for the year	1,354,295	1,354,295
Sub-total	3,666,160	3,666,160
Distribution to Diocese of Toowoomba	(1,355,000)	(1,355,000)
Balance at 30 June 2019	2,311,160	2,311,160
Surplus for the year	987,887	987,887
Sub-total	3,299,047	3,299,047
Distribution to Diocese of Toowoomba	(988,000)	(988,000)
Balance at 30 June 2020	2,311,047	2,311,047

The accompanying notes form part of these financial statements.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(258,086)	(252,402)
Interest received		2,241,942	2,750,969
Interest expense		(978,488)	(1,119,922)
Net cash generated/ (used) by operating activities	11	1,005,368	1,378,646
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from/(Payments to) investment accounts		(9,643,082)	13,407,943
Proceeds from/(Repayments to) deposit holders		(6,463,869)	(5,374,773)
		(16,106,951)	8,033,170
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Repayment of) from borrowings		16,131,058	(7,967,404)
Distribution to Diocese of Toowoomba		(988,000)	(1,355,000)
Net cash generated by financing activities		15,143,058	(9,322,404)
Net decrease in cash and cash equivalents held		41,474	89,411
Cash and cash equivalents at beginning of financial year		148,930	59,519
Cash and cash equivalents at end of financial year	4	190,404	148,930

The accompanying notes form part of these financial statements.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Diocesan Development Fund acts as an agent of the Roman Catholic Diocese of Toowoomba ('The Corporation'). Civil ownership and responsibilities rests with the Corporation. The financial statements of the Diocesan Development Fund reflect the allocation of such resources made by the Corporation to the Diocesan Development Fund in its capacity as agent.

The Diocesan Financial Administrator has prepared the financial statements on the basis that the entity is a non-reporting entity because there are no users dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Bishop.

The financial statements have been prepared in accordance with the following Australian Accounting Standards :

AASB 107: Statement of Cash Flows;

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;

AASB 110: Events after the Reporting Period;

AASB 1048: Interpretation of Standards; and

AASB 1054: Australian Additional Disclosures.

No other Australian Accounting Standards or Australian Accounting Interpretation has been applied.

The financial statements, except the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The following significant accounting policies, which the Diocesan Financial Administrator has determined are appropriate to meet the needs of the Bishop, have been adopted in the preparation of these financial statements. Such accounting policies are consistent with the previous period unless stated otherwise.

Accounting Policies

a. **Revenue**

Revenue is measured at the fair value of consideration received or receivable.

Interest revenue on investments and loans to associated entities is recognised using the simple interest method at the rate inherent in the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

b. **Employee Benefits**

Provision is made for the liability for employee benefits arising from services rendered to the end of the reporting period by employees who provide services in relation to the Diocese and or the Diocesan Development Fund. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the undiscounted gross value of those benefits plus related on-costs.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

c. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis except for the GST component of investing and financing activities, which are disclosed within operating cash flows.

e. Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

f. Trade and other Payables

Trade payables represent the liability outstanding at the end of the reporting period for services received by the entity during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

g. Comparative figures

Where appropriate, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

h. Economic Dependence

The entity is dependent on the interest revenue for the majority of its revenue used to operate the business together with the ongoing receipt and holding of depositors' funds. Financial ratios are monitored monthly by the Diocesan Finance Council with a specific focus on margins of return on investments, liquidity analysis and capital adequacy ratios in comparison to industry standards. At the date of this report the Diocesan Finance Council has no reason to believe the depositors will not continue to support the entity.

i. Adoption of New and Revised Accounting Standards

During the current year, the group did not adopt any of the new and revised Australian Accounting Standards.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE	2020	2019
	\$	\$
Revenue		
- Interest on loans	952,550	694,025
- Interest on investments	1,279,318	2,056,944
- JobKeeper Subsidy	18,000	-
	<u>2,249,868</u>	<u>2,750,969</u>

NOTE 3: SURPLUS FOR THE YEAR

a. Expenses		
- Employee benefits	219,304	214,790
- Interest expense	978,488	1,119,922
- Admin expense	64,189	61,962

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	100	100
Cash at bank	190,304	148,830
	<u>190,404</u>	<u>148,930</u>

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	190,404	148,930
Deposits on call	6	24,601,249
		<u>24,791,653</u>

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT		
GST receivable	12,656	4,728
	<u>12,656</u>	<u>4,728</u>

NOTE 6: INVESTMENTS

CURRENT		
Term deposits	38,599,980	40,086,238
Deposits on call	24,601,249	13,223,691
	63,201,229	53,309,929
Interest accrued on investments	384,886	633,103
	63,586,115	53,943,032

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: LOANS TO ASSOCIATED ENTITIES	2020	2019
	\$	\$
CURRENT		
Receivable within 12 months	4,988,376	2,882,424
NON-CURRENT		
Receivable more than 12 months	20,891,620	16,533,703
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	25,879,996	19,416,127
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Made up of loans to:

- Diocese of Toowoomba	489,365	620,702
- Other Catholic entities	25,390,631	18,795,425
	<hr/>	<hr/>
	25,879,996	19,416,127
	<hr/>	<hr/>

NOTE 8: EMPLOYEE ENTITLEMENTS

CURRENT		
Annual leave liability	14,852	14,341
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	14,852	14,341
	<hr/>	<hr/>

NOTE 9: DEPOSITORS' FUNDS

CURRENT		
- Diocese of Toowoomba	988,000	5,359,488
- Other Catholic entities	86,330,374	65,827,869
	<hr/>	<hr/>
	87,318,374	71,187,316
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NOTE 10: ENTITY DETAILS

The principal place of business is:

73 Margaret Street
Toowoomba QLD 4350

NOTE 11: CASH FLOW INFORMATION

**Reconciliation of cash flow from operations with
Surplus for the year**

Surplus for the year	987,887	1,354,295
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(7,927)	20,754
- increase/(decrease) in trade and other payables	24,897	-
- increase/(decrease) in employee entitlements	511	(3,597)
Net cash (used in)/generated by operating activities	<hr/>	<hr/>
	1,005,369	1,378,647

**ROMAN CATHOLIC DIOCESE OF TOOWOOMBA
DIOCESAN DEVELOPMENT FUND**

STATEMENT BY THE MEMBERS OF THE DIOCESAN FINANCE COUNCIL

The Diocesan Finance Council has determined that the entity is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 of the financial statements.

The members of the Diocesan Finance Council of the entity declare that:

- A. The financial statements and notes, as set out on pages 3 to 10 give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date in accordance with the accounting policy described in Note 1 of the financial statements.
- B. In the Diocesan Finance Council's opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Diocesan Finance Council.



Dated this 22nd day of September 2020.

Independent Auditor's Report

To the Bishop of the Roman Diocese of Toowoomba -
Diocesan Development Fund

Opinion

We have audited the financial report of the Roman Catholic Diocese of Toowoomba - Diocesan Development Fund (the Entity), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Statement by the Diocesan Finance Council.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2020 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Diocesan Development Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Entity's financial reporting responsibilities to the Bishop. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Diocesan Finance Council for the Financial Report

The Diocesan Finance Council is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting responsibilities to the Bishop and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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The Diocesan Finance Council is responsible for overseeing Diocesan Development 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 the 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 this financial report.

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

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Entity'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 Entity 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 Diocesan Finance Council 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 the audit.

A handwritten signature in black ink, appearing to read "Mike McDonald" over "Crowe Audit Australia".

Crowe Audit Australia

A handwritten signature in black ink, appearing to read "Mike McDonald" over "Partner".

Mike McDonald

Partner

28 September 2020

Toowoomba