



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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND

FINANCIAL STATEMENTS For the year ended 30 June 2021

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ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Diocesan Finance Council Members' Report
For the year ended 30 June 2021

The name of each person who has been a Diocesan Finance Council Member since the beginning of the financial year are as follows:

- 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 during the whole of the financial year and up to the date of this report, unless otherwise stated.

Financial Administrator

Mr Tom Jolley held the position of financial administrator 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, Schools and members of the Clergy 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.

Operating Result

The profit of the entity was \$829,433 (2020: \$987,887) for the financial year.

Distributions Paid

Distributions of \$830,000 were made to the Diocese of Toowoomba during the year (2020: \$988,000).

Significant Changes in State of Affairs

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 14.

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



Name: Mr Tim Davis

Council Member



Name: Mr Tom Delany

Council Member

Dated at this 29th day of September 2021

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	2	1,588,305	2,249,868
Employee benefits and related expenses	12(a)	(218,016)	(219,304)
Administration expenses		(53,732)	(64,189)
Finance expenses	3	<u>(487,124)</u>	<u>(978,488)</u>
Total expenses from continuing activities		<u>(758,872)</u>	<u>(1,261,981)</u>
Profit/(loss) before income tax		<u>829,433</u>	<u>987,887</u>
Income tax expense	1(h)	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u><u>829,433</u></u>	<u><u>987,887</u></u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation changes for property, plant and equipment		<u>-</u>	<u>-</u>
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>829,433</u></u>	<u><u>987,887</u></u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 12.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Statement of Financial Position
As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	122,771	190,404
Trade and other receivables	7	61,707	12,656
Other financial assets	6	63,340,900	63,201,228
Loans and advances	9	4,058,837	4,988,376
Other current assets	8	<u>44,816</u>	<u>384,886</u>
TOTAL CURRENT ASSETS		<u>67,629,031</u>	<u>68,777,550</u>
NON-CURRENT ASSETS			
Loans and advances	9	<u>25,020,214</u>	<u>20,891,620</u>
TOTAL CURRENT ASSETS		<u>25,020,214</u>	<u>20,891,620</u>
TOTAL ASSETS		<u>92,649,245</u>	<u>89,669,170</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	-	24,897
Depositors' funds	11	90,326,647	87,318,374
Provisions for employee benefits	12(b)	<u>12,118</u>	<u>14,852</u>
TOTAL CURRENT LIABILITIES		<u>90,338,765</u>	<u>87,358,123</u>
TOTAL LIABILITIES		<u>90,338,765</u>	<u>87,358,123</u>
NET ASSETS		<u>2,310,480</u>	<u>2,311,047</u>
ACCUMULATED SURPLUS			
Retained earnings		<u>2,310,480</u>	<u>2,311,047</u>
TOTAL ACCUMULATED SURPLUS		<u>2,310,480</u>	<u>2,311,047</u>

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 12.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Statement of Changes in Equity
For the year ended 30 June 2021

	Retained earnings \$	Total equity \$
Balance at 1 July 2019	2,311,160	2,311,160
Total comprehensive income for the period		
Profit/(loss) for the year	987,887	987,887
<i>Other comprehensive income</i>		
Gain/(loss) on revaluation of land and buildings	-	-
Total comprehensive income for the period	<u>987,887</u>	<u>987,887</u>
Distribution to the Diocese of Toowoomba	<u>(988,000)</u>	<u>(988,000)</u>
Balance at 30 June 2020	<u>2,311,047</u>	<u>2,311,047</u>
Total comprehensive income for the period		
Profit/(loss) for the year	829,433	829,433
<i>Other comprehensive income</i>		
Gain/(loss) on revaluation of land and buildings	-	-
Total comprehensive income for the period	<u>829,433</u>	<u>829,433</u>
Distribution to the Diocese of Toowoomba	<u>(830,000)</u>	<u>(830,000)</u>
Balance at 30 June 2021	<u>2,310,480</u>	<u>2,310,480</u>

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 12.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(348,432)	(276,086)
Receipts from JobKeeper funding		27,000	18,000
Interest received		1,561,306	2,241,942
Interest paid		<u>(487,124)</u>	<u>(978,488)</u>
Net cash provided by/(used in) operating activities	5 (ii)	<u>752,750</u>	<u>1,005,368</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from / (Payments to) investment accounts		200,399	(9,643,083)
Repayments from / (Payments to) loan account holders		<u>(3,199,055)</u>	<u>(6,463,869)</u>
Net cash provided by/(used in) investing activities		<u>(2,998,656)</u>	<u>(16,106,952)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to Diocese of Toowoomba		(830,000)	(988,000)
Payments from / (Payments to) deposit account holders		<u>3,008,273</u>	<u>16,131,058</u>
Net cash provided by/(used in) financing activities		<u>2,178,273</u>	<u>15,143,058</u>
Net increase/(decrease) in cash held		(67,633)	41,474
Cash and cash equivalents at 1 January		<u>190,404</u>	<u>148,930</u>
Cash and cash equivalents at 31 December	5 (i)	<u><u>122,771</u></u>	<u><u>190,404</u></u>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 7 to 12.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Notes to the Financial Statements
For the year ended 30 June 2021

1. Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Compliance with prescribed requirements

In the Diocesan Finance Council opinion, Roman Catholic Diocese of Toowoomba Diocesan Development Fund is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared for the purposes of complying with the reporting requirements of the ASIC Corporations (Charitable Instruments Fundraising) Instrument 2016/813 and to meet the requirements of the Bishop of the Diocese of Toowoomba.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') 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, as appropriate for not-for-profit oriented entities.

(b) The reporting entity

The entity does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity for the entity as an individual entity.

(c) Underlying measurement basis

The historical cost basis is used unless otherwise stated.

(d) Other presentation matters

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and are rounded to the nearest dollar.

Comparatives

Comparative information reflects the audited 2020 financial statements. Where the entity has changed its classification of balances in the Statement of Financial Position, comparatives have been reclassified for consistency of presentation. All reclassifications have been assessed as being clearly insignificant to the financial statements, and are therefore not separately disclosed.

Current / Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date.

Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the entity does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(e) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the entity for the annual reporting period ended 30 June 2021. The entity has assessed that these new or amended Accounting Standards and Interpretations will not have a material impact on the entity.

(f) New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2020. The standards have been assessed and are not expected to significantly affect the current or future periods.

(g) Revenue

Finance income and expenses

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(h) Income tax

The entity is an exempt body for income tax purposes. Accordingly, accounting for income tax is not required in these Financial Statements.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Notes to the Financial Statements
For the year ended 30 June 2021

1. Basis of preparation continued

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade and other receivables

Trade and other receivables are amounts due for services provided or goods sold in the ordinary course of business. The entity applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

(k) Trade and other payables

Trade payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(l) Employee benefits

Salaries, wages, employer superannuation contributions, annual leave costs and long service leave costs are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Superannuation

The Roman Catholic Diocese of Toowoomba Diocesan Development Fund contributes to superannuation funds as required by the Commonwealth Superannuation Guarantee legislation. Contributions are charged against expenses as they are incurred.

Annual leave and long service leave

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

No employee benefits are expected to be settled more than one year after the end of the reporting period.

(m) Depositors' funds

Depositors' funds are those lodged with the fund by members of the Clergy, Catholic Institutions, Parishes and Schools.

(n) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows in the Statement of Cash Flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Notes to the Financial Statements
For the year ended 30 June 2021

1. Basis of preparation continued

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The fund only holds financial assets at amortised cost.

Financial assets at amortised cost

The Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The fund's financial assets at amortised cost are loans, cash investments and term deposits.

Impairment

The Fund recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the fund's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The fund's financial liabilities include trade and other payables, and depositors' funds.

Subsequent measurement

After initial recognition, payables, and loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Notes to the Financial Statements
For the year ended 30 June 2021

1. Basis of preparation continued

(p) Critical accounting estimates and judgments

Management make estimates and judgements during the preparation of these Financial Statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the Financial Statements, however as additional information is known then the actual results may differ from the estimates.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the services offered, staffing and the geographic region in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

	2021	2020
	\$	\$
2. Revenue		
Finance income		
- Interest received from investments	439,922	1,279,318
- Interest received from loans	1,121,383	952,550
	<u>1,561,305</u>	<u>2,231,868</u>
Other recurrent revenue		
- JobKeeper funding	27,000	18,000
	<u>27,000</u>	<u>18,000</u>
Total Revenue	<u><u>1,588,305</u></u>	<u><u>2,249,868</u></u>

3. Expenses

Profit for the year includes the following specific expenses:

Interest expense		
- Interest paid on deposits	487,124	978,488
	<u>487,124</u>	<u>978,488</u>

4. Auditors' remuneration

Remuneration of the auditor, McConachie Stedman Audit and Assurance (2020: Crowe Audit Australia):

Audit services	3,325	3,150
Other services	575	-
	<u>3,900</u>	<u>3,150</u>

5. Cash and cash equivalents

Petty cash	100	100
NAB deposits	122,522	190,304
Other bank deposits	149	-
	<u>122,771</u>	<u>190,404</u>

i) Reconciliation of cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Note		
Cash assets	5	<u>122,771</u>	<u>190,404</u>
		<u><u>122,771</u></u>	<u><u>190,404</u></u>

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Notes to the Financial Statements
For the year ended 30 June 2021

		2021 \$	2020 \$
5. Cash and cash equivalents continued			
	(ii) Reconciliation of profit/(loss) for the year to net cash provided by operating activities:		
Profit/(loss) for the year		829,433	987,887
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables		(49,053)	(7,927)
- increase/(decrease) in trade and other payables		(24,897)	24,897
- increase/(decrease) in employee benefits		<u>(2,733)</u>	<u>511</u>
Net cash provided by/(used in) operating activities		<u>752,750</u>	<u>1,005,368</u>
6. Other financial assets	Note		
Financial assets at amortised cost			
ADF deposit on call	6(a)	24,243,396	24,601,249
Term deposits	6(a)	<u>39,097,504</u>	<u>38,599,980</u>
		<u>63,340,900</u>	<u>63,201,228</u>
(a) Financial assets at amortised cost			
Financial assets at amortised cost comprise investments in term deposits and on-call deposits with the Archdiocesan Development Fund (ADF). Term deposits are fixed rate returns on these investments and fixed maturity dates. ADF deposits are available on call.			
7. Trade and other receivables			
Amounts receivable from Australian Taxation Office		<u>61,707</u>	<u>12,656</u>
		<u>61,707</u>	<u>12,656</u>
8. Other current assets			
Accrued income		<u>44,816</u>	<u>384,886</u>
		<u>44,816</u>	<u>384,886</u>
9. Loans to associated entities	Note		
CURRENT			
Receivable within 12 months	9(a)	<u>4,058,837</u>	<u>4,988,376</u>
		<u>4,058,837</u>	<u>4,988,376</u>
NON-CURRENT			
Receivable more than 12 months	9(a)	<u>25,020,214</u>	<u>20,891,620</u>
		<u>25,020,214</u>	<u>20,891,620</u>
(a) Loans to associated entities			
Loans and advances comprise loans from the Fund to other parties, including members of the Clergy, the Diocese of Toowoomba, Schools and Parishes.			
The Diocesan Finance Council have considered the collectability of loans, and believe that no impairment is necessary.			
Loans to associated entities comprises:			
- Diocese of Toowoomba		401,106	481,207
- Schools		26,643,755	23,104,185
- Other Catholic entities and Clergy members		<u>2,034,190</u>	<u>2,294,604</u>
		<u>29,079,051</u>	<u>25,879,996</u>

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Notes to the Financial Statements
For the year ended 30 June 2021

	2021 \$	2020 \$
10. Trade and other payables		
CURRENT		
Trade creditors	-	24,897
	<u>-</u>	<u>24,897</u>
11. Depositors' funds		
CURRENT		
Diocese of Toowoomba	18,608,730	15,625,211
Other Catholic entities	<u>71,717,917</u>	<u>71,693,163</u>
	<u>90,326,647</u>	<u>87,318,374</u>
12. Employee benefits and related expenses		
(a) Employee benefits and related expenses		
Wages, salaries and superannuation contributions	<u>218,016</u>	<u>219,304</u>
	<u>218,016</u>	<u>219,304</u>
(b) Provisions for employee benefits		
CURRENT		
Provision for annual leave	<u>12,118</u>	<u>14,852</u>
	<u>12,118</u>	<u>14,852</u>

13. Events occurring after the reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has not impacted the entity for the current financial year, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other 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.

14. Statutory Information

The principal place of business for the fund is:

73 Margaret Street
Toowoomba Queensland 4350

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND
Statement by the Members of the Diocesan Finance Council

In the opinion of the members of the Diocesan Finance Council of the Roman Catholic Diocese of Toowoomba Diocesan Development Fund:

- (a) the attached Financial Statements and Notes thereto comply with the accounting policies as disclosed in Note 1 and the requirements of the ASIC Corporations (Charitable Instruments Fundraising) Instrument 2016/813;
- (b) the attached Financial Statements and notes thereto give a true and fair view of entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and,
- (c) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Dated at this 29th day of September 2021

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



Name: Mr Tim Davis

Council Member



Name: Mr Tom Delany

Council Member

ROMAN CATHOLIC DIOCESE OF TOOWOOMBA DIOCESAN DEVELOPMENT FUND

For the year ended 30 June 2021

Auditor's Independence Declaration to the members of the Diocesan Finance Council and the Bishop of the Roman Catholic Diocese of Toowoomba

As lead auditor for the audit of Roman Catholic Diocese of Toowoomba Diocesan Development Fund for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements as set out in the Australian Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants; and,
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.



Mr Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd
619 Ruthven Street
Toowoomba Qld 4350

29 September 2021

INDEPENDENT AUDIT REPORT TO THE BISHOP OF THE ROMAN CATHOLIC DIOCESE OF TOOWOOMBA

Opinion

We have audited the financial report of Roman Catholic Diocese of Toowoomba Diocesan Development Fund (the Fund), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Members of the Diocesan Finance Council declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Fund as at 30 June 2021, and its financial performance for the year then ended, in accordance with the accounting policies disclosed in Note 1 and the requirements of the *ASIC Corporations (Charitable Instruments Fundraising) Instrument 2016/813* and the Bishop.

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 the Fund in accordance with the ethical requirements of the Accounting Professional & 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.

We confirm that the independence declaration, which has been given to the members of the Diocesan Finance Council and the Bishop, would be in the same terms if given to the Diocesan Finance Council and the Bishop as at the time of this auditor's 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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Fund's financial reporting responsibilities under the *ASIC Corporations (Charitable Instruments Fundraising) Instrument 2016/813*. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Other Matter

The financial report of the entity for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on the financial report on 28 September 2020.

Responsibilities of the Diocesan Finance Council and the Bishop for the Financial Report

The members of the Diocesan Finance Council and the Bishop are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *ASIC Corporations (Charitable Instruments Fundraising) Instrument 2016/813* and of the Bishop. The members of the Diocesan Finance Council and the Bishop's responsibility also includes such internal control as the Diocesan Finance Council and the Bishop determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDIT REPORT TO THE BISHOP OF THE ROMAN CATHOLIC DIOCESE OF TOOWOOMBA

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

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 judgment and maintain professional scepticism throughout the audit. We also:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Diocesan Finance Council and the Bishop.
- d) Conclude on the appropriateness of the Diocesan Finance Council and the Bishop'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.
- e) 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 the Diocesan Finance Council and the Bishop 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.



Mr Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd
619 Ruthven Street
Toowoomba Qld 4350

8 October 2021