DDF
Diocesan Development Fund

SPECIAL PURPOSE ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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STATEMENT OF PROFIT OR LOSS AND OTHER INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Revenue from continuing operations	3	**11,213,440**	7,320,917
Other income:			
Net gain/(loss) on investments designated as fair value through profit or loss	4	**(6,527,346)**	6,555,627
Sundry income	4	**31,090**	26,136
Expenses:			
Administration	5	**(624,916)**	(571,414)
General	6	**(34,468)**	(44,307)
Investment management fee	7	**(196,898)**	(195,827)
Finance costs	8	**(1,197,357)**	(784,808)
Profit before income tax		**2,663,543**	12,306,324
Income tax expense		-	-
Profit after income tax		**2,663,543**	12,306,324
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**2,663,543**	12,306,324

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	9	**16,832,466**	34,241,176
Receivables	10	**2,041,438**	678,849
Loans	11	**9,854,719**	9,074,579
Investments	11	**141,278,822**	108,813,250
Other assets	12	**-**	3,242
Total current assets		**170,007,445**	152,811,096
Non-current assets			
Loans	13	**88,186,040**	80,308,415
Investments	14	**45,459,467**	52,559,694
Total non-current assets		**133,645,507**	132,868,109
Total assets		**303,652,951**	285,679,204
LIABILITIES			
Current liabilities			
Payables	15	**57,637**	74,128
Provisions	16	**124,834**	113,757
Customer funds		**282,303,177**	261,615,705
Total current liabilities		**282,485,648**	261,803,590
Non-current liabilities			
Provisions	17	**6,996**	3,845
Total non-current liabilities		**6,996**	3,845
Total liabilities		**282,492,644**	261,807,435
Net assets		**21,160,308**	23,871,769
EQUITY			
Retained earnings	18	**21,160,308**	23,871,769
Total equity		**21,160,308**	23,871,769

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Total equity at the beginning of the financial year	18	**23,871,769**	15,946,969
Profit for the year		**2,663,543**	12,306,324
Distribution to the Roman Catholic Trust Corporation		**(5,375,004)**	(4,381,524)
Total recognised income for the year		**(2,711,461)**	7,924,800
Total equity at the end of the financial year	**18**	**21,160,308**	23,871,769

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	7,042,411	5,425,780
Dividends	2,817,690	1,777,766
Interest paid	(1,197,357)	(784,808)
Payments to suppliers and employees (inclusive of GST)	(864,556)	(632,515)
Other operating income received	31,090	26,136
Net cash flows from operating activities	**7,829,278**	**5,812,359**
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (increase)/decrease in investment securities	(31,892,691)	1,169,511
Net (increase)/decrease in loans	(8,657,766)	(26,719,738)
Net cash flows from investing activities	**(40,550,457)**	**(25,550,227)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase/(decrease) in debentures and other borrowings	20,687,473	42,219,218
Distributions to Roman Catholic Trust Corporation	(5,375,004)	(4,381,524)
Net cash flows from financing activities	**15,312,469**	**37,837,694**
Net increase/(decrease) in cash and cash equivalents	(17,408,710)	18,099,826
Cash and cash equivalents at the beginning of the year	34,241,176	16,141,350
Cash and cash equivalents at the end of the period	**16,832,466**	**34,241,176**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: GENERAL INFORMATION

The Diocesan Development Fund for the Catholic Diocese of Rockhampton ("DDF") is an agency of the Catholic Diocese of Rockhampton. The address of the principal place of business is as follows:

Bishop's House - 1st Floor
170 William Street
Allenstown QLD 4700
Tel: 07 4487 3090

The entity's principal activities are to further the pastoral mission of the Church in the Diocese of Rockhampton by harnessing the financial resources of the Catholic Community within the Diocese of Rockhampton to provide cost effective financial arrangements for capital works and other essential pastoral programs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Management Committee ("Committee") have prepared the financial statements on the basis that the DDF is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared to meet the requirements of the Diocesan Financial Council and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

The financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board with the exception of AASB 10 *Consolidated Financial Statements* and AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* It contains the disclosures that are mandatory under all other Accounting Standards and those considered necessary by the Director of Diocesan Services.

Diocesan Development Fund is a not-for-profit entity for the purpose of preparing the financial report. AASB 1060 is not yet effective for non-reporting not-for-profit entities. These financial statements have also not complied with recognition and measurement requirements required by AASB 10 which requires an entity (the parent) that controls one or more other entities (subsidiaries) to present consolidated financial statements.

Management have concluded that complying with the requirement to consolidate would conflict with objective of the financial statements which is to present fairly the standalone financial statements of the Diocesan Development Fund for use of the Bishop and the Diocesan Finance Council.

(a) Basis of Preparation

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

The special purpose financial statements have been prepared using the measurement bases specified by the Australian Accounting Standards with the exception of those impacted by AASB 10, as noted above for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Comparative information is reclassified where appropriate to enhance comparability.

For the purposes of preparing the financial statements, the entity is a not-for-profit entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New and amended standards adopted by the DDF

The entity adopted all standards which became mandatorily effective for annual reporting periods beginning 1 January 2022, the standards adopted included:
• AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141].

The adoption of these amendments did not have any impact on the current year or any prior year and is not likely to affect future years.

(c) Going Concern

In the current and prior years DDF has made a profit and is in a net asset position. However, there is a net current liability position of $112,485,240 (2021: $108,992,494). This working capital deficit is due to customer funds' of $282,303,177 (2021: $261,615,705) being classified as current as they are repayable on demand.

Cash flow forecasts have been prepared for 12 months from the date of this audit report for all operations within the Catholic Diocese of Rockhampton. This cash flow shows adequate cash resources to pay debts as and when they fall due and sufficient funds to cover the Diocese working capital and capital expenditure requirements.

Additional factors support the Directors' conclusion that DDF remains a going concern:

- DDF works closely with customers to gain an understanding of their withdrawal requirements in the next 12 months.
- Whilst all customer funds are designated as a current liability, historic trends and management cash flow projections show that there will be a net cash inflow of customer funds in the next 12 months. The net customer funds increased by $20,687,473 in FY22, whilst the current liability was $261,615,705 at 31 December 2021.
- while the approval of withdrawals is regulated by the Diocesan Finance Council, if higher than expected debentures were to be called, the Fund could access up to $10,000,000 in funds with other Catholic Development Funds in Australia

(d) Revenue Recognition

Revenue is measured by reference to the fair value of consideration received or receivable.

Dividend and interest income
Dividend income from investments is recognised when the DDF's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the DDF and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the DDF and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income
With the exception of Net gain/(loss) on financial assets designated at FVTPL all other income is recognised on a cash basis as received.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the DDF that remain unpaid at the end of the reporting period. The balances are recognised as a liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Income Tax

No provision for income tax has been raised as the DDF is exempt from Income Tax under division 50 of the *Income Tax Assessment Act 1997,* by virtue of being an entity of the Roman Catholic Trust Corporation for the Diocese of Rockhampton, which is a Religious Institution.

(h) Employee Entitlements

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the DDF in respect of services provided by employees up to reporting date.

Long Service Leave
Long Service Leave is provided for employees according to the probability of them continuing with the DDF, such that a probability of 14.28% will be applied per year of employment until the employee long service leave entitlement vests.

(i) Financial instruments

Financial instruments represent the majority of the DDF's statement of financial position, including loans and advances, debentures, shares and fixed and floating rate notes. The carrying amount presented on the financial position reflects the DDF's business model for managing the asset. Where that model is to collect contractual cash flows (such as with loans and advances), the financial instrument is measured at amortised cost. Conversely, where the financial instrument is managed on a fair value basis, that instrument will be measured as such. This approach presents relevant information about the nature and risks associated with the DDF's statement of financial position.

Initial recognition of financial instruments

Accounting for a financial instrument begins at initial recognition. A financial asset or financial liability is recognised in the balance sheet when the DDF becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to borrowers.

Financial instruments managed on a fair value basis are recognised initially at fair value, with transaction costs recognised in the income statement as incurred. All other financial instruments are recognised initially at fair value plus / less directly attributable transaction costs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification

Following initial recognition is classification. In applying, AASB 9 *Financial Instruments* the DDF classifies its loans, advances, debt instruments and equity instruments as follows:

Instrument type	Classification	Reason
Financial assets		
Loans and advances (customer loans and facilities)	Amortised cost	Cash flows represent solely payments of principal and interest, held with the objective to collect contractual cash flows
Debt instruments (bonds, term deposits, notes or securities issued by financial institutions)		
Trading securities (equities, shares, bonds, notes or securities)	Fair value through profit and loss	Principal purpose is selling or repurchasing in the near term, or part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking
Other financial assets		Designated at fair value through profit or loss to eliminate an accounting mismatch
Hybrid instruments		Embedded option feature introduces volatility to contractual cash flows that is unrelated to the basic lending arrangement.
Financial liabilities		
Debentures and other borrowings (debentures, payables)	Amortised cost	Not designated as fair value through profit or loss

Financial instruments measured at amortised cost

Amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Financial instruments at fair value through profit or loss

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Derecognition of financial instruments

The DDF derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. The DDF removes a financial liability from the balance sheet when the obligation specified in the contract is discharged, cancelled or expires.

Measurement and recognition of expected credit loss

The DDF applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and FVOCI
- loan commitments

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exposures are assessed on a collective basis in each stage unless there is sufficient evidence that one or more events associated with an exposure could have a detrimental impact on estimated future cash flows. Where such evidence exists, the exposure is assessed on an individual basis.

At each reporting date, the DDF assesses the credit risk of exposures in comparison to the risk at initial recognition, to determine the stage that applies to the associated ECL measurement. If the credit risk of an exposure has increased significantly since initial recognition, the asset will migrate to Stage 2. If no significant increase in credit risk is observed, the asset will remain in Stage 1. Should an asset become impaired it will be transferred to Stage 3.

The DDF considers reasonable and supportable information that is relevant and available without undue cost or effort, for this purpose. This includes quantitative and qualitative information and also forward looking information.

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the DDF in accordance with the contract and the cash flows that the DDF expects to receive.

- Financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The DDF utilises historical default data drawn to assess the potential default risk of loans provided to customers and counterparties.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the DDF defines default as when is considered unlikely that the credit obligation to the DDF will be paid in full without recourse to actions, such as realisation of security. Impaired exposures under the expected credit loss model consist of loans contractually 90 days or more past due and/or doubt exists about the ability to collect principal and interest in a timely manner with insufficient security to cover principal and arrears of interest revenue.

When determining whether the risk of default has increased significantly since initial recognition, the DDF considers both quantitative and qualitative information including forward looking information and analysis based on the DDF's historical experience.

Calculation of expected credit loss

Given the limited number of related-party clients the DDF lends to, expected credit loss assessments are performed on an individual customer level taking into account current, historical performance and forward-looking information. When an increase in credit risk is observed, the DDF performs a review of forward-looking data including forecast cash flows and the mitigating effect of collateral to understand its impairment exposure.

(j) Fair value of assets and liabilities

The DDF measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the economic entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held in assets. Where this information is not available, other valuation techniques are adopted.

(k) Operating expenses

Operating expenses are recognised in the profit or loss upon utilisation of the service or at the date of their origin.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 the 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.

(m) Provisions

Provisions are recognised when the DDF has a present obligation (legal or constructive) as a result of a past event, it is probable that the DDF will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Critical judgements and estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the DDF's accounting policies.

In the current year there are no identified areas that involved a high degree of judgement or complexity, or items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

NOTE 3: REVENUE

	2022 $	2021 $
From continued operations		
Revenue		
Interest on loans	4,935,113	4,493,660
Interest on invested funds	3,460,637	1,049,491
Dividends	2,817,690	1,777,766
	11,213,440	**7,320,917**

NOTE 4: OTHER INCOME

	2022 $	2021 $
CDF Community Fund return	-	-
Job Keeper	-	3,600
CCIAM Investment Rebate	31,004	22,503
Franking Credit Refund interest	86	33
Sundry Income	**31,090**	**26,136**
Net gain/(loss) on financial assets designated at FVTPL	**(6,527,346)**	**6,555,627**

NOTE 5: EXPENSES - ADMINISTRATION

	2022 $	2021 $
Audit fees	34,992	36,234
Bank charges	58,311	18,038
IT & computer	107,375	123,610
Short term employee benefits	103,895	89,332
Salaries & superannuation	303,172	295,582
Other expenses	17,171	8,618
	624,916	**571,414**

NOTE 6: EXPENSES - GENERAL

	2022 $	2021 $
Electricity & rates	696	108
Freight & storage	-	132
Legal expenses	-	13,614
Office rental	21,936	17,532
Other	11,836	12,921
	34,468	**44,307**

NOTE 7: INVESTMENT MANAGEMENT FEE

	2022 $	2021 $
Investment management fees	196,898	195,827

NOTE 8: FINANCE COSTS

	2022 $	2021 $
Interest paid on debentures	1,189,386	783,850
Interest paid on borrowings	7,971	957
	1,197,357	**784,807**

NOTE 9: CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash on hand	3,991	2,424
Cash at bank	16,828,475	34,238,752
	16,832,466	**34,241,176**

(a) Reconciliation of profit/loss for the year to net cash flows from operating activities

	2022 $	2021 $
Cash flows from operating activities		
Profit for the year	2,663,543	12,306,324
Net gain/(loss) on financial assets designated at FVTPL	6,527,346	(6,555,627)
	9,190,890	**5,750,697**
Movements in working capital		
(Increase)/decrease in accrued interest on investments	(1,353,339)	(117,371)
(Increase)/decrease in prepayments & other receivables	3,177	251
(Increase)/decrease in trade and other payables	(25,677)	161,550
(Increase)/decrease in provisions	14,227	17,232
Net cash generated from operating activities	**7,829,278**	**5,812,359**

(b) Net debt reconciliation

	2022 $	2021 $
Cash and cash equivalents	16,832,466	34,241,176
Liquid investments *	51,188,205	58,815,510
Customer funds – repayable within one year	(282,303,177)	(261,615,705)
Customer funds – repayable after one year	-	-
Net debt	**(214,282,506)**	**(168,559,019)**

	Cash/cash equivalents	Liquid investments *	Customer Funds - due within one year	Total
Net debt as at 1 January 2021	16,141,350	61,443,502	(219,396,487)	(141,811,635)
Cashflows	18,099,826	(2,624,451)	(42,219,218)	(26,743,843)
Other charges	-	(3,541)	-	(3,541)
Net debt as at 31 December 2021	**34,241,176**	**58,815,510**	**(261,615,705)**	**(168,559,019)**
Net debt as at 1 January 2022	34,241,176	58,815,510	(261,615,705)	(168,559,019)
Cashflows	(17,408,710)	(7,627,305)	(20,687,472)	(45,723,487)
Other charges	-	(7,037)	-	(7,037)
Net debt as at 31 December 2022	**16,832,466**	**51,181,168**	**(282,303,177)**	**(214,289,543)**

* Liquid investments – Investments that can be converted into cash in two working days.

NOTE 10: CURRENT ASSETS - RECEIVABLES

	2022 $	2021 $
Interest receivable	1,713,474	74,374
Debtors	327,964	604,475
	2,041,438	**678,849**

NOTE 11: CURRENT ASSETS - LOANS AND INVESTMENTS

	2022 $	2021 $
Church-related entities	9,854,719	9,074,579
Funds invested	141,278,822	108,813,250
Unamortised premium/(discount) on investment	-	-
	151,133,541	**117,887,829**

(a) Church-related entities

$9,854,719 (2021 - $9,074,579) represents the current lending portfolio for advances granted to the Roman Catholic Trust Corporation, parishes, schools, colleges, congregations, hospitals and other entities and institutions of the Church. Diocesan policies determine repayment conditions. Certain borrowers have debentures with the DDF, which could offset their loans.

The policy of the Diocesan Development Fund is to lend only for Church-related projects undertaken by entities including Religious Congregations which share the mission of the Church.

(b) Funds invested

	2022	2021
	$	$
Debt instruments	141,278,822	108,352,213
Hybrids	-	461,037
	141,278,822	**108,813,250**

NOTE 12: CURRENT ASSETS - OTHER ASSETS

	2022	2021
	$	$
Prepayments	-	3,242

NOTE 13: NON-CURRENT ASSETS – LOANS

	2022	2021
	$	$
Church-related entities	88,186,040	80,308,415

(a) Church-related entities

$88,186,040 (2021 - $80,308,415) represents the non-current lending portfolio for advances granted to the Trust Corporation, parishes, schools, colleges, congregations, hospitals and other entities and institutions of the Church. Diocesan policies determine repayment conditions. Certain borrowers have debentures with the DDF, which could offset their loans.

The policy of the Diocesan Development Fund is to lend only for Church-related projects undertaken by entities including Religious Congregations which share the mission of the Church.

NOTE 14: NON-CURRENT ASSETS – INVESTMENTS

(a) Funds invested

	2022	2021
	$	$
Debt instruments	9,250,836	10,252,171
Equities	36,208,657	42,307,812
	45,459,493	**52,559,983**

(b) Amortised premium/(discount) on investment

	2022	2021
	$	$
Premium/(discount) on investments	(1,230)	(1,230)
Premium/(discount) on investments purchases	-	-
Accumulated amortisation (premium)/discount	1,204	941
Unamortised premium/(discount)	(26)	(289)
Total Non-Current Assets	**45,459,467**	**52,559,694**

NOTE 15: CURRENT LIABILITIES – PAYABLES

	2022	2021
	$	$
Trade creditors	57,637	74,128

NOTE 16: CURRENT LIABILITIES – PROVISIONS

	2022	2021
	$	$
Provision for employee benefits	96,900	85,486
Provision for audit fees	27,934	28,271
	124,834	**113,757**

NOTE 17: NON-CURRENT LIABILITIES – PROVISIONS

	2022	2021
	$	$
Provision for employee benefits	6,996	3,845

NOTE 18: RETAINED EARNINGS

Movement in retained earnings were as follows:

	2022	2021
	$	$
Opening balance 1 January	23,871,769	15,946,969
Net profit/(loss) for the year	2,663,543	12,306,324
Distribution to the Roman Catholic Trust Corporation	(5,375,004)	(4,381,524)
Balance 31 December	**21,160,308**	**23,871,769**

NOTE 19: CONTINGENT LIABILITIES

Contingent liabilities exist with regard to guarantees given by Westpac Banking Corporation to various councils and contractors totalling $37,588 (2021 – $37,588).

NOTE 20: REMUNERATION OF AUDITORS

	2022	2021
	$	$
Amounts received, or due and receivable to the auditors for auditing the accounts of the DDF	26,082	22,682
Amounts paid for other services	7,490	7,000

NOTE 21: EVENTS OCCURING AFTER THE REPORTING PERIOD

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Diocesan Development Fund, the results of those operations or the state of affairs of the Diocesan Development Fund in subsequent financial periods.

DECLARATION OF THE DIRECTOR OF DIOCESAN SERVICES

FOR THE YEAR ENDED 31 DECEMBER 2022

In the opinion of the Director of Diocesan Services:

(a) the financial report and notes set out on pages 3 to 16 are in accordance with the requirements of the Diocesan Finance Council and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813, including to the extent described in note 2 of the report:

(i) complying with Accounting Standards - to the extent described in note 2 of the financial report

Disclosures and other mandatory professional reporting requirements, and

(ii) presents fairly a view of the entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made by:

CBrosnan

Mr Christopher Brosnan
Acting Director of Diocesan Services

Dated this 14th day of April 2023.

Independent auditor's report

To the members of the Diocesan Finance Council of Diocesan Development Fund

Our opinion

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Diocesan Development Fund (the Fund) as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2 of the financial report.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2022
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the declaration of the Acting Director of Diocesan Services.

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

Independence

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.

Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to Note 2 in the financial report, which describes the basis of accounting. The financial report has been prepared to meet the requirements of *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Diocesan Development Fund and the Diocesan Finance Council and should not be distributed to or used by parties other than Diocesan Development Fund and the Diocesan Finance Council. Our opinion is not modified in respect of this matter.

Responsibilities of the Acting Director of Diocesan Services for the financial report

The Acting Director of Diocesan Services is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards to the extent described in Note 2 of the financial report, and for such internal control as the Acting Director of Diocesan Services determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The Acting Director of Diocesan Services has determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the needs of the Diocesan Finance Council.

In preparing the financial report, the Acting Director of Diocesan Services is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Acting Director of Diocesan Services either intends to liquidate the Fund or to cease operations, or has 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Darren Jenns
Partner

Brisbane
14 April 2023