

Townsville Diocesan Development Fund

Financial Statements

For the Year Ended 31 December 2017

Townsville Diocesan Development Fund

Contents

For the Year Ended 31 December 2017

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Statement by Members of the Board	9
Independent Audit Report	10

Townsville Diocesan Development Fund

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Interest received	4,540,184	4,714,960
Rental income	64	145
Interest expense	(1,974,146)	(1,908,829)
Employee benefits expense	(188,232)	(239,959)
Depreciation expense	(9,095)	(6,137)
Operating expenses	(216,830)	(218,471)
Profit for the year	2,151,945	2,341,710
Other comprehensive income for the year	-	-
Total comprehensive income for the year	2,151,945	2,341,710

The accompanying notes form part of these financial statements.

Townsville Diocesan Development Fund

Statement of Financial Position

As At 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,198,483	4,053,088
Trade and other receivables	3	647,084	749,172
Short term investments		58,978,467	42,925,964
Loans to parishes, schools and institutions		5,661,332	5,581,052
TOTAL CURRENT ASSETS		69,485,366	53,309,276
NON-CURRENT ASSETS			
Long term investments		3,000,000	6,000,000
Loans to parishes, schools and institutions		39,603,258	40,713,778
Property, plant and equipment	4	32,897	41,993
TOTAL NON-CURRENT ASSETS		42,636,155	46,755,771
TOTAL ASSETS		112,121,521	100,065,047
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	438,755	367,525
Depositors		103,430,523	91,783,048
Employee benefits	6	19,252	28,032
TOTAL CURRENT LIABILITIES		103,888,529	92,178,606
NON-CURRENT LIABILITIES			
Employee benefits	6	4,167	9,561
TOTAL NON-CURRENT LIABILITIES		4,167	9,561
TOTAL LIABILITIES		103,892,696	92,188,167
NET ASSETS		8,228,825	7,876,880
EQUITY			
Retained earnings		7,876,880	7,290,170
Profit for the year		2,151,945	2,341,710
Distribution to Diocese		(1,800,000)	(1,755,000)
TOTAL EQUITY		8,228,825	7,876,880

The accompanying notes form part of these financial statements.

Townsville Diocesan Development Fund

Statement of Changes in Equity For the Year Ended 31 December 2017

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2017	7,876,880	7,876,880
Total comprehensive income for the period	2,151,945	2,151,945
Distribution to Diocese	(1,800,000)	(1,800,000)
Balance at 31 December 2017	8,228,825	8,228,825

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2016	7,290,170	7,290,170
Total comprehensive income for the period	2,341,710	2,341,710
Distribution to Diocese	(1,755,000)	(1,755,000)
Balance at 31 December 2016	7,876,880	7,876,880

The accompanying notes form part of these financial statements.

Townsville Diocesan Development Fund

Statement of Cash Flows

For the Year Ended 31 December 2017

	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received	4,540,184	4,714,960
Interest paid	(1,974,146)	(1,908,829)
Other receipts	102,154	32,870
Payments to suppliers and employees	(348,009)	(685,922)
Net cash provided by operating activities	<u>2,320,183</u>	<u>2,153,079</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Movement in depositors	11,647,475	5,037,485
Movement in commercial investments	(13,005,415)	(7,701,597)
Movement in investments to parishes, schools and institutions	983,152	4,164,305
Purchase of property, plant and equipment	-	(38,708)
Net cash provided by/(used in) investing activities	<u>(374,788)</u>	<u>1,461,485</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distribution to Diocese	(1,800,000)	(1,755,000)
Net cash used in financing activities	<u>(1,800,000)</u>	<u>(1,755,000)</u>
Net increase/(decrease) in cash and cash equivalents held	145,395	1,859,564
Cash and cash equivalents at beginning of year	4,053,088	2,193,524
Cash and cash equivalents at end of financial year	<u><u>4,198,483</u></u>	<u><u>4,053,088</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2017

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Board.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The Board have determined that the Diocese is not a reporting entity because there are no users dependent on general purpose financial statements. The Board have determined that the accounting policies adopted are appropriate to meet the needs of the members.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Interest revenue

Interest is recognised using the effective interest method.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Employee benefits

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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

(e) Income Tax

The Diocese is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(f) 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 payables are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies

(f) Goods and services tax (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.

(g) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Organisation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Organisation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

2 Critical Accounting Estimates and Judgments

The Board 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.

3 Trade and Other Receivables

	2017	2016
	\$	\$
GST receivable	-	388
Interest receivable	646,895	748,941
Prepayments	189	(157)
Total trade and other receivables	647,084	749,172

4 Property, plant and equipment

	2017	2016
	\$	\$
<i>Furniture, fixtures and fittings</i>		
At cost	9,118	9,118
Accumulated depreciation	(5,851)	(4,958)
Total furniture, fixtures and fittings	3,267	4,160

Townsville Diocesan Development Fund

Notes to the Financial Statements

For the Year Ended 31 December 2017

4 Property, plant and equipment

Motor vehicles

At cost

38,262 38,262

Accumulated depreciation

(11,690) (4,099)

Total motor vehicles

26,572 34,163

Computer software

At cost

121,873 121,873

Accumulated depreciation

(118,815) (118,203)

Total computer software

3,058 3,670

Total property, plant and equipment

32,897 41,993

5 Trade and Other Payables

2017 2016

\$ \$

Accrued expenses

25,971 15,128

GST payable

153 -

Interest payable

405,974 358,207

Other payables

6,657 (5,810)

Total trade and other payables

438,755 367,525

6 Employee Benefits

2017 2016

\$ \$

Current liabilities

Long service leave

9,271 12,936

Annual leave

9,981 15,096

19,252 28,032

Non-current liabilities

Long service leave

4,167 9,561

4,167 9,561

Townsville Diocesan Development Fund

Notes to the Financial Statements

For the Year Ended 31 December 2017

7 Contingencies

In the opinion of the Board, the Diocese did not have any contingencies at 31 December 2017 (31 December 2016:None).

8 Commitments

In the opinion of the Board, the diocese did not have any commitments for expenditure as at 31 December 2017 (31 December 2016:None).

Townsville Diocesan Development Fund

Statement by Members of the Board

The Board has determined that the organisation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board, the financial report:

- (a) Presents fairly the financial position of the Townsville Diocesan Development Fund and its performance for the period ended 31 December 2017, and
- (b) At the date of this statement, there are reasonable grounds to believe the Townsville Diocesan Development Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



.....
T Fanning (DDF Chairman)



.....
B Witty (DDF Manager)

Dated

24 April 2018

Townsville Diocesan Development Fund

Independent Auditor's Report to the Members of the Townsville Diocesan Development Fund

Opinion

We have audited the financial report of Townsville Diocesan Development Fund (the entity), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income for the year then ended, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the Board.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the entity as at 31 December 2017 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

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 entity 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 management's financial reporting responsibilities in accordance with the needs of the Board. 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 members of the Board for the Financial Report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the members of the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members of the Board are responsible for assessing the entity'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 members of the Board either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Townsville Diocesan Development Fund

Independent Auditor's Report to the Members of the Townsville Diocesan Development Fund (Cont.)

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.

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/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

Crowe Horwath NQ

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Mark Andrejic

Partner

Townsville, 02 / 05 / 2018.