

DIOCESAN PROVIDENT FUND

DIOCESE OF WAGGA WAGGA

**FINANCIAL STATEMENTS
AS AT 30 JUNE 2019**

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	Year Ended 30/06/19	Year Ended 30/06/18
Classification of expenses by nature			
Revenue from Ordinary Activities	2	4,464,333	3,990,443
Borrowing Cost Expense		(2,478,715)	(2,621,444)
Employee Benefits Expense		(283,107)	(316,640)
Depreciation Expense		(689)	(516)
Administration Expenses		(39,164)	(46,175)
Impairment Loss on Investment		-	(13,613)
Other Expenses from Ordinary Activities		(152,890)	(146,037)
Surplus from ordinary activities before income tax expense		<u>1,509,768</u>	<u>846,018</u>
Income tax expense relating to ordinary activities		-	-
Other comprehensive income for the year		-	-
Surplus from ordinary activities after income tax expense		<u>1,509,768</u>	<u>846,018</u>

The statement of comprehensive income should be read in conjunction with the notes to and forming part of the financial statements.

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE	Year Ended 30/06/19	Year Ended 30/06/18
ASSETS			
Cash and cash equivalents	6	78,905,470	82,825,897
Loans receivable	4	26,910,776	27,543,998
Trade and other receivables	8	705,220	742,765
Other current assets	9	2,170	-
Plant and equipment	7	2,299	2,988
TOTAL ASSETS		<u>106,525,935</u>	<u>111,115,648</u>
LIABILITIES			
Borrowings	10	92,224,943	98,113,881
Trade and other payables	11	217,398	202,539
Short-term provisions	12	1,020,032	1,245,434
TOTAL LIABILITIES		<u>93,462,373</u>	<u>99,561,854</u>
NET ASSETS		<u>13,063,562</u>	<u>11,553,794</u>
EQUITY			
Retained earnings		13,063,562	11,553,794
TOTAL EQUITY		<u>13,063,562</u>	<u>11,553,794</u>

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements.

**DIOCESAN PROVIDENT FUND
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**STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Year Ended 30/06/19	Year Ended 30/06/18
	\$	\$
Retained earnings at the beginning of the year	11,553,794	11,241,776
Profit for period	1,509,768	846,018
Distribution to Diocese	-	(534,000)
Retained earnings at the end of the year	<u>13,063,562</u>	<u>11,553,794</u>

The statement of change in equity is to be read in conjunction with the notes to and forming part of the financial statements.

**DIOCESAN PROVIDENT FUND
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	Year Ended 30/06/19	Year Ended 30/06/18
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		4,501,878	4,260,026
Interest paid		(2,469,610)	(2,661,996)
Payments of administration and employee costs		(472,919)	(513,143)
Net Cash provided by Operating Activities before changes to Customer Balances		1,559,349	1,084,887
Net (increase) / decrease in loans		633,222	(7,195,542)
Net increase / (decrease) in Individuals deposits		2,517,885	(13,942,380)
Net increase / (decrease) in Diocesan Institution deposits		(8,406,823)	5,904,795
Net Cash used by Operating Activities	13(ii)	(3,696,367)	(14,148,240)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease in investment securities		12,700,000	12,300,000
Payments for property, plant & equipment		-	(3,445)
Net Cash provided by Investing Activities		12,700,000	12,296,555
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to Diocese and Parishes		(224,060)	(534,000)
Net Cash used by Financing Activities		(224,060)	(534,000)
Net increase / (decrease) in cash held		8,779,573	(2,385,685)
Cash at the beginning of the reporting period		5,825,897	8,211,582
Cash at the end of reporting period	13(i)	14,605,470	5,825,897

The Cash Flow Statement is to be read in conjunction with the notes to and forming part of the financial statements.

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The DPF is a fund created under the authority of the Bishop of the Diocese of Wagga Wagga. The DPF is registered with the ACNC as a basic religious charity.

The financial statements, being special purpose financial statements, have been prepared for the Bishop of the Diocese of Wagga Wagga. The Bishop has determined that the DPF is not publically accountable nor a reporting entity and therefore it is not necessary for the DPF to comply with all the requirements of the Australian Accounting Standards and other mandatory financial reporting requirements promulgated by the Australian Accounting Standards Board (AASB).

The financial statements were authorised for issue by the Diocesan Finance Committee on 31 October 2019.

a) Statement of Compliance

The special purpose financial statements have been prepared in accordance with the recognition, measurement and classification requirements of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB). The special purpose financial statements include only the disclosure requirements of the following AASBs and those disclosures considered necessary by the Approved Officers to meet the needs of the users:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048 *Interpretations of Standards*
- AASB 1054 *Australian Additional Disclosures*

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

Unless otherwise stated, the accounting policies adopted are consistent with those applied in the preceding year.

a) Basis of Accounting

The financial statements have been prepared on an accruals basis and going concern basis of accounting. The financial statements are based on historical costs. Amounts are presented in Australian dollars.

b) New, Revised and Future Accounting Standards and Interpretations

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. These have not been applied in preparing these financial statements and the DPF does not plan to adopt these standards early. A summary of these new standards and interpretations is set out below:

AASB 15 Revenue from contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2019 for Not-for-Profit entities. The DPF does not expect the application of AASB 15 to have a material impact on its financial statements.

AASB 16 Leases

AASB 16 removes the classification of leases as either operating leases or finance leases - for the lessee - effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. Organisations will now require a front loaded pattern of expense for most leases, even when they pay constant annual rentals. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The DPF is assessing the potential impact on its financial statements resulting from the application of AASB 16.

c) New Accounting Standard and Interpretation - Applied for the first time

AASB 9 Financial Instruments

AASB 9 replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurements*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139. AASB became effective for annual reporting periods beginning on or after 1 January 2018 and has been adopted by the DPF as of 1 July 2018. The application of this standard has no material effect on the financial statements of the DPF.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

d) Critical Accounting Estimates and Judgements

The following are the critical estimates and judgements that management has made in the process of applying the funds accounting policies and that have the most significant effect on the amounts recognised in the financial statements (2018 None):

Expected Credit Losses

The calculation of expected credit losses in accordance with AASB 9 includes managements estimates and judgements, these include:

- Probability of potential default
- Estimated loss given default

These amounts are based on management's past experience and projections in current market conditions.

The following specific accounting policies have been adopted in the preparation of these financial statements.

e) Revenue and Expense

Interest revenue and interest expense is recognised on an accrual basis using the effective interest method.

f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not fully recoverable from the Australian Taxation Office (ATO). In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the statement of financial position.

g) Plant and Equipment

Plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation or amortisation.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The rates of depreciation for the different class of assets are as follows:

Asset Class	Depreciation Rate
Plant and Equipment	10 - 33.33%

The gain or loss on the disposal of plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the statement of comprehensive income in the year of disposal.

h) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the DPF. Trade accounts payable are recognised at amortised cost as they are normally settled within 30 days.

i) Employee Entitlements

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date. Provision for annual leave is calculated at undiscounted amounts based on expected future wage and salary rates that the Fund expects to pay as at reporting date, including related on-costs such as workers compensation.

Long Service Leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation

Contributions made by the Fund to fully funded employee superannuation funds are charged as an operating expense when incurred. The contributions are in accordance with government legislation and requirements.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

j) Income Tax

All income of the Fund is exempt from income tax as specified by Section 50-5 of the Income Tax Assessment Act 1997 (ITAA1997).

k) Distribution to Diocese

The Finance Committee assesses the capacity of the DPF to distribute a portion of its retained surpluses each year. A provision is maintained for any distributions approved but unpaid. Distributions are recognised in the provision when declared.

l) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

m) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities are recognised with the DPF becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receive cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

Loans and receivables - Loans

Loans are recognised when cash is advanced to customers. Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. Loans are subject to an impairment assessment to determine if there is objective evidence that any loan is impaired at each balance date. All known bad debts are written off in the period in which they are identified.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the DPF's intention to hold these investments to maturity. Investments comprise term deposits with Approved Deposit Taking Institutions.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the effective interest rate of the financial instrument.

The Company uses the general approach to impairment, as applicable under AASB 9.

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

The assessment resulted in an immaterial expected credit loss provision and this provision was not brought to account in the financial statements.

Financial Liabilities

Non-derivative financial liabilities, which include customer deposits, are subsequently recognised at amortised cost using the effective interest method.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

	Year Ended 30/06/19	Year Ended 30/06/18
NOTE 2 - REVENUE		
Operating Activities		
Interest	4,464,333	3,990,443
Total Revenue	<u>4,464,333</u>	<u>3,990,443</u>
NOTE 3 - SURPLUS FROM ORDINARY ACTIVITIES		
Surplus from ordinary activities before income tax has been arrived at after charging the following expense items:		
Interest on deposits	2,478,715	2,621,444
Salaries and employee related costs	283,107	316,640
Depreciation of plant & equipment	689	516
Computer system related expenses	92,295	81,174
Insurance expenses	5,177	-
Remuneration to Auditor	19,250	22,170
Unrealised loss on financial assets	-	13,613
Other	75,332	88,868
Total expenses from ordinary activities	<u>2,954,565</u>	<u>3,144,425</u>
NOTE 4 - LOANS		
Parishes	551,109	211,977
Diocesan Institutions	26,348,073	27,300,802
Special Purposes	11,594	31,219
	<u>26,910,776</u>	<u>27,543,998</u>
Loans approved but not advanced	<u>19,233,946</u>	<u>17,568,767</u>
NOTE 5 - MATURITY ANALYSIS OF LOANS		
The following table shows the principal maturity profile of loans due to the fund at balance date		
Due in less than 1 year	5,390,204	632
Due after 1 year through to 5 years	12,264,857	1,809,157
Due after 5 years	9,255,715	25,734,209
	<u>26,910,776</u>	<u>27,543,998</u>
NOTE 6 - CASH		
Cash on Hand	5,000	10,000
Cash at Bank	474,531	363,859
Cash Investments - Term not longer than 3 months	14,125,939	5,452,038
Cash Investments - Term longer than 3 months	64,300,000	77,000,000
	<u>78,905,470</u>	<u>82,825,897</u>
NOTE 7 - PLANT AND EQUIPMENT		
Plant and equipment - at cost	143,549	154,636
Less: Accumulated Depreciation	(141,250)	(151,648)
	<u>2,299</u>	<u>2,988</u>
RECONCILIATION		
Plant and Equipment		
Carrying amount at the beginning of the year	2,988	59
Additions	-	3,445
Depreciation	(689)	(516)
Carrying amount at the end of the year	<u>2,299</u>	<u>2,988</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
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	Year Ended 30/06/19	Year Ended 30/06/18
NOTE 8 - TRADE AND OTHER RECEIVABLES		
Accrued Interest	705,220	742,765
Other receivables	-	-
	705,220	742,765
NOTE 9 - OTHER ASSETS		
Prepayments	2,170	-
NOTE 10 - BORROWINGS		
CURRENT		
Transactional Accounts		
Individuals	480,673	444,967
Diocesan Institutions	22,777,051	27,917,173
Term Investments		
Individuals	8,494,406	6,012,227
Diocesan Institutions	60,472,813	63,739,514
	92,224,943	98,113,881
Maturity Analysis of Interest Bearing Liabilities		
The following table shows the principal maturity profile of loans due to the fund at balance date		
Due in less than three months	66,763,047	74,858,774
Due after 3 months through to 1 year	25,446,325	19,999,138
Due after 1 year through to 5 years	15,571	3,255,969
	92,224,943	98,113,881
NOTE 11 - TRADE AND OTHER PAYABLES		
Creditors and accrued expenses	48,626	42,872
Accrued interest payable	168,772	159,667
	217,398	202,539
NOTE 12 - PROVISIONS		
Employees Leave Entitlements	76,420	77,762
Distribution to Diocese	943,612	1,167,672
	1,020,032	1,245,434
NOTE 13 - NOTES TO THE STATEMENT OF CASH FLOWS		
(i) RECONCILIATION OF CASH		
For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits with terms of less than 3 months at origination, net of outstanding bank overdrafts. 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:		
	Year Ended 30/06/19	Year Ended 30/06/18
Cash - excluding term greater than 3 months	14,605,470	5,825,897
(ii) RECONCILIATION OF PROFIT WITH NET CASH PROVIDED BY OPERATING ACTIVITIES		
Surplus from ordinary activities	1,509,768	846,018
Add/(Less) non-cash items		
Depreciation	689	516
Unrealised (gain) / loss on financial asset	-	13,613
Net cash provided/(used) by operating activities before change in assets and liabilities	1,510,457	860,147
Change in assets and liabilities		
(Increase)/decrease in loans	633,222	(7,195,542)
(Increase)/decrease in receivables	37,545	270,270
(Increase)/decrease in other assets	(2,170)	1,355
Increase/(decrease) in Individuals Deposits	2,517,885	(13,942,380)
Increase/(decrease) in Diocesan Institution Deposits	(8,406,823)	5,904,795
Increase/(decrease) in payables	14,859	(25,343)
Increase/(decrease) in employee leave entitlements	(1,342)	(21,542)
Net Cash provided/(used) by Operating Activities	(3,696,367)	(14,148,240)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 14 – FINANCIAL INSTRUMENTS

(a) SIGNIFICANT ACCOUNTING POLICIES

Financial assets and liabilities are recorded at amounts due and payable.

(b) INTEREST RATE RISK EXPOSURES

The Fund's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

2019

	Statement of Financial Position Total	Floating Interest Rate	Fixed Interest Rate			Non Interest Bearing	Weighted Average Rate %
			< 1 year	1-5 years	> 5 years		
Assets							
Cash on Hand	5,000	-	-	-	-	5,000	-
Cash at bank	474,531	474,531	-	-	-	-	2.6%
Cash Investments	78,425,939	-	78,425,939	-	-	-	3.2%
Loans	26,910,776	-	5,390,204	12,264,857	9,255,715	-	6.9%
Total monetary assets	105,816,246	474,531	83,816,143	12,264,857	9,255,715	5,000	
Liabilities							
Transactional Accounts							
- Individuals	480,673	480,673	-	-	-	-	1.5%
- Diocesan Institutions	22,777,051	22,777,051	-	-	-	-	3.0%
Term Investments							
- Individuals	8,494,406	-	8,494,406	-	-	-	1.9%
- Diocesan Institutions	60,472,813	-	60,457,242	15,571	-	-	2.5%
Total monetary liabilities	92,224,943	23,257,724	68,951,648	15,571	-	-	

2018

	Statement of Financial Position Total	Floating Interest Rate	Fixed Interest Rate			Non Interest Bearing	Weighted Average Rate %
			< 1 year	1-5 years	> 5 years		
Assets							
Cash on Hand	10,000	-	-	-	-	10,000	-
Cash at bank	363,859	363,859	-	-	-	-	0.0%
Cash Investments	82,452,038	-	82,452,038	-	-	-	3.2%
Loans	27,543,998	-	632	1,809,157	25,734,209	-	6.7%
Total monetary assets	110,369,895	363,859	82,452,670	1,809,157	25,734,209	10,000	
Liabilities							
Transactional Accounts							
- Individuals	444,967	444,967	-	-	-	-	3.1%
- Diocesan Institutions	27,917,173	27,917,173	-	-	-	-	2.7%
Term Investments							
- Individuals	6,012,227	-	6,012,227	-	-	-	3.8%
- Diocesan Institutions	63,739,514	-	63,739,514	-	-	-	2.6%
Total monetary liabilities	98,113,881	28,362,140	69,751,741	-	-	-	

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
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NOTE 14 – FINANCIAL INSTRUMENTS (CONT)

c) NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

The carrying amounts and net fair values of financial assets and liabilities at balance date are as follows:

	Carrying Amount 2019	Carrying Amount 2018	Net Fair Value 2019	Net Fair Value 2018
Statement of Financial Position Financial Assets				
Cash on Hand	5,000	10,000	5,000	10,000
Cash at bank	474,531	363,859	474,531	363,859
Cash Investments	78,425,939	82,452,038	78,425,939	82,452,038
Loans - Parishes	551,109	211,977	551,109	211,977
- Diocesan Institutions	26,348,073	27,300,802	26,348,073	27,300,802
- Special Purpose	11,594	31,219	11,594	31,219
	105,816,246	110,369,895	105,816,246	110,369,895
Financial Liabilities				
Transactional Accounts				
- Individuals	480,673	444,967	480,673	444,967
- Diocesan Institutions	22,777,051	27,917,173	22,777,051	27,917,173
Term Investments - Individuals				
- Individuals	8,494,406	6,012,227	8,494,406	6,012,227
- Diocesan Institutions	60,472,813	63,739,514	60,472,813	63,739,514
	92,224,943	98,113,881	92,224,943	98,113,881

NOTE 15 - BANKING ACT EXEMPTION

The operations of the Diocesan Provident Fund is currently exempt from complying with the requirements of the Banking Act under Banking exemption No1 of 2017 and ASIC Corporations Instrument (Charitable Investment Fundraising) Instrument 2016/813. Under this exemption any products provided to non-affiliate retail customers must have a minimum term of 31 days. The DPF does not offer products to non-affiliate retail customers.

NOTE 16 - CHANGE IN ACCOUNTING POLICY - CASH

In previous years, the definition of cash for the statement of cash flows, included all investments in term deposits regardless of the term. In accordance with AASB 107 Statement of Cash Flows cash now excludes investments in term deposits with terms of more than three months. The effect has been to reduce the amount of cash in the statement of cash flows at year end and to introduce a new "Net decrease in Financial Instruments" cash flow under Cash Flows from Investing Activities. The effect of this change on the comparatives is shown below

	Comparative after Change	Change	Comparative before Change
Net decrease in investment securities	12,300,000	12,300,000	-
Net increase / (decrease) in cash held	(2,385,685)	12,300,000	(14,685,685)
Cash at the beginning of the reporting period	8,211,582	(89,300,000)	97,511,582
Cash at the end of reporting period	5,825,897	(77,000,000)	82,825,897

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STATEMENT BY THE FINANCE COUNCIL


The finance council has determined that this special purpose financial report is prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.


In the opinion of the finance council the financial report:

1. Presents a true and fair value of the financial position of the Diocese of Wagga Wagga - Diocesan Provident Fund as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Diocese of Wagga Wagga - Diocesan Provident 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 finance council and is signed for and on behalf of the finance council by:

Apostolic Administrator Delegate 

Chair 

Business Manager 

Dated at Wagga Wagga this 31st October 2019

INDEPENDENT AUDIT REPORT TO THE BOARD OF:

THE DIOCESE OF WAGGA WAGGA – DIOCESAN PROVIDENT FUND

Opinion

We have audited the financial report, being a special purpose financial report of The Diocese of Wagga Wagga - Diocesan Provident Fund which comprises the statement of financial position as at 30 June 2019 and the statement of comprehensive income, cash flow statement and the statement of changes in equity for the year ended on that date, summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion the financial report of Diocese of Wagga Wagga - Diocesan Provident Fund presents fairly, in all material respects the financial position of Diocese of Wagga Wagga - Diocesan Provident Fund as of 30 June 2019 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 of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to the Board for the purpose of fulfilling the Board's financial reporting requirements. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Board, or for any purpose other than that for which it was prepared.

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* 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 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.

Board's Responsibility for the Financial Report

The Board of the Diocese of Wagga Wagga - Diocesan Provident Fund is responsible for the preparation and fair presentation to the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements and are appropriate to meet the needs of the Board. The Board's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial report, the Board is responsible for assessing the Entity'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 the Board either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditors Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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/Home.aspx>. This description forms part of our auditor's report.

John L Bush & Campbell

JOHN L BUSH & CAMPBELL
Chartered Accountants



David Rosetta
Partner

Wagga Wagga
31 October 2019

ASIC Rego No: 424390

AUDITOR'S INDEPENDENCE DECLARATION

TO THE BOARD OF

THE DIOCESE OF WAGGA WAGGA – DIOCESAN PROVIDENT FUND

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

(a) No contraventions of the auditor independence requirements of the professional standard APES 110; and

(b) No contraventions of any applicable code of professional conduct in relation to the audit.

John L Bush & Campbell

JOHN L BUSH & CAMPBELL
Chartered Accountants



David Rosetta
Partner

Wagga Wagga
31 October 2019