

DIOCESAN PROVIDENT FUND

DIOCESE OF WAGGA WAGGA

**FINANCIAL STATEMENTS
AS AT 30 JUNE 2021**

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

STATEMENT BY FINANCE COUNCIL FOR THE YEAR ENDED 30 JUNE 2021

The finance council has determined that this special purpose financial report 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 Diocesan Provident Fund - Diocese of Wagga Wagga as at 30 June 2021 and its performance for the year
2. At the date of this statement, there are reasonable grounds to believe that the Diocesan Provident Fund - Diocese of Wagga Wagga will be able to pay its debts as and

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:

Bishop

.....

Chair

.....

Business Manager

.....

Dated at Wagga Wagga this 24th August 2021

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	Year Ended 30/06/21	Year Ended 30/06/20
Classification of expenses by nature			
Revenue from Ordinary Activities	2	3,598,567	4,087,220
Borrowing Cost Expense		(1,572,955)	(2,328,020)
Employee Benefits Expense		(266,422)	(226,908)
Depreciation Expense		(689)	(689)
Administration Expenses		(59,262)	(46,925)
Other Expenses from Ordinary Activities		(104,649)	(109,142)
Surplus from ordinary activities before income tax expense		1,594,590	1,375,536
Income tax expense relating to ordinary activities		-	-
Other comprehensive income for the year		-	-
Surplus from ordinary activities after income tax expense		1,594,590	1,375,536

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 CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Year Ended 30/06/21 \$	Year Ended 30/06/20 \$
Retained earnings at the beginning of the year	13,326,269	13,083,059
Profit for period	1,594,590	1,375,536
Distribution to Diocese	-	(1,132,326)
Retained earnings at the end of the year	<u>14,920,859</u>	<u>13,326,269</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
DIOCESE OF WAGGA WAGGA**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	NOTE	Year Ended 30/06/21	Year Ended 30/06/20
ASSETS			
Cash and cash equivalents	6	68,600,708	62,068,840
Loans receivable	4	33,483,102	46,735,834
Trade and other receivables	8	59,511	203,596
Other current assets	9	2,382	2,170
Plant and equipment	7	58,771	37,948
TOTAL ASSETS		<u>102,204,474</u>	<u>109,048,388</u>
LIABILITIES			
Borrowings	10	85,481,471	93,593,964
Trade and other payables	11	122,878	225,094
Short-term provisions	12	1,679,266	1,903,061
TOTAL LIABILITIES		<u>87,283,615</u>	<u>95,722,119</u>
NET ASSETS		<u><u>14,920,859</u></u>	<u><u>13,326,269</u></u>
EQUITY			
Retained earnings		14,920,859	13,326,269
TOTAL EQUITY		<u><u>14,920,859</u></u>	<u><u>13,326,269</u></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
DIOCESE OF WAGGA WAGGA**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	Year Ended 30/06/21	Year Ended 30/06/20
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3,742,652	4,588,844
Interest paid		(1,658,233)	(2,324,330)
Payments of administration and employee costs		(466,919)	(404,266)
Net Cash provided by Operating Activities before changes to Customer Balances		1,617,500	1,860,248
Net (increase) / decrease in loans		13,252,732	(19,825,058)
Net increase / (decrease) in Individuals deposits		(2,044,447)	764,586
Net increase / (decrease) in Diocesan Institution deposits		(6,068,046)	604,435
Net Cash provided/(used) by Operating Activities	13(ii)	6,757,739	(16,595,789)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease in investment securities		29,000,000	35,300,000
Payments for property, plant & equipment		(8,871)	(16,841)
Net Cash provided by Investing Activities		28,991,129	35,283,159
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to Diocese and Parishes		(217,000)	(224,000)
Net Cash used by Financing Activities		(217,000)	(224,000)
Net increase in cash held		35,531,868	18,463,370
Cash at the beginning of the reporting period		33,068,840	14,605,470
Cash at the end of reporting period	13(i)	68,600,708	33,068,840

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 2021**

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 24 August 2021.

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. The Fund has reviewed these changes and is satisfied that the changes are either not applicable or will not have a material impact on the financial statements of the Fund.

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

No new Accounting Standards or Interpretations were applied for the first time in these financial statements.

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021**

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 (2020 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.

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.

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.

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021**

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

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash and cash equivalents, term deposits, trade and loans receivable fall into this category of financial instruments.

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.

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021**

	Year Ended 30/06/21	Year Ended 30/06/20
NOTE 2 - REVENUE		
Operating Activities		
Interest	3,598,567	4,087,220
Total Revenue	<u><u>3,598,567</u></u>	<u><u>4,087,220</u></u>
NOTE 3 - SURPLUS FROM ORDINARY ACTIVITIES		
Surplus from ordinary activities before income tax has been arrived at after charging the following items:		
Interest on deposits	1,572,955	2,328,020
Salaries and employee related costs	266,422	226,908
Depreciation of plant & equipment	689	689
Computer system related expenses	47,285	47,302
Insurance expenses	3,832	3,921
Remuneration to Auditor	16,500	19,500
Other	96,294	85,344
Total other expenses from ordinary activities	<u><u>2,003,977</u></u>	<u><u>2,711,684</u></u>
NOTE 4 - LOANS		
Parishes	107,226	206,050
Diocesan Institutions	33,353,058	46,521,135
Special Purposes	22,818	8,649
	<u><u>33,483,102</u></u>	<u><u>46,735,834</u></u>
Loans approved but not advanced	<u><u>28,728,622</u></u>	<u><u>14,102,606</u></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	7,098,558	7,499,010
Due after 1 year through to 5 years	6,252,592	7,620,882
Due after 5 years	20,131,952	31,615,942
	<u><u>33,483,102</u></u>	<u><u>46,735,834</u></u>
NOTE 6 - CASH		
Cash on Hand	5,000	5,000
Cash at Bank	3,374,649	1,494,920
Cash Investments - Term not longer than 3 months	65,221,059	31,568,920
Cash Investments - Term longer than 3 months	<u><u>68,600,708</u></u>	<u><u>62,068,840</u></u>
NOTE 7 - PLANT AND EQUIPMENT		
Plant and equipment - at cost	201,219	179,887
Less: Accumulated Depreciation	<u>(142,448)</u>	<u>(141,939)</u>
	<u><u>58,771</u></u>	<u><u>37,948</u></u>
RECONCILIATION		
Plant and Equipment		
Carrying amount at the beginning of the year	37,948	21,796
Additions	21,512	16,841
Depreciation	<u>(689)</u>	<u>(689)</u>
Carrying amount at the end of the year	<u><u>58,771</u></u>	<u><u>37,948</u></u>

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021**

	Year Ended 30/06/21	Year Ended 30/06/20
NOTE 8 - TRADE AND OTHER RECEIVABLES		
Accrued Interest	59,511	203,596
Other receivables	-	-
	<u>59,511</u>	<u>203,596</u>
NOTE 9 - OTHER ASSETS		
Prepayments	<u>2,382</u>	<u>2,170</u>
NOTE 10 - BORROWINGS		
CURRENT		
Transactional Accounts		
Individuals	930,285	442,825
Diocesan Institutions	12,391,852	20,244,200
Term Investments		
Individuals	6,764,933	9,296,840
Diocesan Institutions	<u>65,394,401</u>	<u>63,610,099</u>
	<u>85,481,471</u>	<u>93,593,964</u>
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	37,140,548	46,965,705
Due after 3 months through to 1 year	47,316,956	45,628,259
Due after 1 year through to 5 years	<u>1,023,967</u>	<u>1,000,000</u>
	<u>85,481,471</u>	<u>93,593,964</u>
NOTE 11 - TRADE AND OTHER PAYABLES		
Creditors and accrued expenses	35,694	52,632
Accrued interest payable	<u>87,184</u>	<u>172,462</u>
	<u>122,878</u>	<u>225,094</u>
NOTE 12 - PROVISIONS		
Employees Leave Entitlements	44,328	51,123
Distribution to Diocese	<u>1,634,938</u>	<u>1,851,938</u>
	<u>1,679,266</u>	<u>1,903,061</u>

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

NOTES TO AND FORMING PART OF THE ACCOUNTS

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 30/06/21	Year Ended 30/06/20
Cash - excluding term greater than 3 months	<u>68,600,708</u>	<u>33,068,840</u>
(ii) RECONCILIATION OF PROFIT WITH NET CASH PROVIDED BY OPERATING ACTIVITIES		
Surplus from ordinary activities	1,594,590	1,375,536
Add/(Less) non-cash items		
Depreciation	689	689
Unrealised (gain) / loss on financial asset	-	-
Net cash provided/(used) by operating activities before change in assets and liabilities	<u>1,595,279</u>	<u>1,376,225</u>
Change in assets and liabilities		
(Increase)/decrease in Loans	13,252,732	(19,825,058)
Decrease in Receivables	144,085	501,624
(Increase)/decrease in Other Assets	(212)	-
Increase/(decrease) in Individuals Deposits	(2,044,447)	764,586
Increase/(decrease) in Diocesan Institution Deposits	(6,068,046)	604,435
Increase/(decrease) in Non-capital Payables	(114,857)	7,696
Decrease in Employee Leave Entitlements	(6,795)	(25,297)
Net Cash provided/(used) by Operating Activities	<u>6,757,739</u>	<u>(16,595,789)</u>

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

NOTES TO AND FORMING PART OF THE ACCOUNTS

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:

2021

	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	3,374,649	3,374,649	-	-	-	-	0.1%
Cash Investments	65,221,059	-	65,221,059	-	-	-	1.9%
Loans	33,483,102	-	7,098,558	6,252,592	20,131,952	-	6.1%
Total monetary assets	102,083,810	3,374,649	72,319,617	6,252,592	20,131,952	5,000	
Liabilities							
Transactional Accounts							
- Individuals	930,285	930,285	-	-	-	-	0.4%
- Diocesan Institutions	12,391,852	12,391,852	-	-	-	-	1.4%
Term Investments							
- Individuals	6,764,933	-	6,764,933	-	-	-	1.5%
- Diocesan Institutions	65,394,401	-	64,370,434	1,023,967	-	-	1.9%
Total monetary liabilities	85,481,471	13,322,137	71,135,367	1,023,967	-	-	

2020

	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	1,494,920	1,494,920	-	-	-	-	0.8%
Cash Investments	60,568,920	-	60,568,920	-	-	-	2.7%
Loans	46,735,834	-	7,499,010	7,620,882	31,615,942	-	5.9%
Total monetary assets	108,804,674	1,494,920	68,067,930	7,620,882	31,615,942	5,000	
Liabilities							
Transactional Accounts							
- Individuals	442,825	442,825	-	-	-	-	1.6%
- Diocesan Institutions	20,244,200	20,244,200	-	-	-	-	3.4%
Term Investments							
- Individuals	9,296,840	-	9,296,840	-	-	-	2.3%
- Diocesan Institutions	63,610,099	-	62,610,099	1,000,000	-	-	2.2%
Total monetary liabilities	93,593,964	20,687,025	71,906,939	1,000,000	-	-	

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 14 – FINANCIAL INSTRUMENTS (CONT)

e) 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 2021	Carrying Amount 2020	Net Fair Value 2021	Net Fair Value 2020
Statement of Financial Position Financial Assets				
Cash on Hand	5,000	5,000	5,000	5,000
Cash at bank	3,374,649	1,494,920	3,374,649	1,494,920
Cash Investments	65,221,059	60,568,920	65,221,059	60,568,920
Loans - Parishes	107,226	206,050	107,226	206,050
- Diocesan Institutions	33,353,058	46,521,135	33,353,058	46,521,135
- Special Purpose	22,818	8,649	22,818	8,649
	102,083,810	108,804,674	102,083,810	108,804,674
Financial Liabilities				
Transactional Accounts				
- Individuals	930,285	442,825	930,285	442,825
- Diocesan Institutions	12,391,852	20,244,200	12,391,852	20,244,200
Term Investments - Individuals				
- Individuals	6,764,933	9,296,840	6,764,933	9,296,840
- Diocesan Institutions	65,394,401	63,610,099	65,394,401	63,610,099
	85,481,471	93,593,964	85,481,471	93,593,964

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.

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

NOTES TO AND FORMING PART OF THE ACCOUNTS

NOTE 16 - CORRECTION OF ERRORS

During the year ended 30 June 2021, it was discovered that capital costs in relation to the upgrade of the banking system used by the Fund historically had been expensed rather than capitalised. As a consequence, Computer Equipment and Software had been understated and Other Expenses from Ordinary Activities had been overstated. These errors have been corrected retrospectively and the following table summarises the impacts on the comparatives in these financial statements.

	Impact of Correction		
	As Previously Reported	Adjustment	As Restated
a) Statement of Financial Position as at 1 July 2019			
Plant and Equipment	2,299	19,497	21,796
Total Assets	106,525,935	19,497	106,545,432
Net Assets	13,063,562	19,497	13,083,059
Retained Earnings	13,063,562	19,497	13,083,059
Total Equity	13,063,562	19,497	13,083,059
b) Statement of Financial Position as at 30 June 2020			
Plant and Equipment	1,610	36,338	37,948
Total Assets	109,012,050	36,338	109,048,388
Net Assets	13,289,931	36,338	13,326,269
Retained Earnings	13,289,931	36,338	13,326,269
Total Equity	13,289,931	36,338	13,326,269
c) Statement of Comprehensive Income for the year ended 30 June 2020			
Other Expenses from Ordinary Activities	(125,983)	16,841	(109,142)
Surplus from ordinary activities before income tax expense	1,358,695	16,841	1,375,536
Surplus from ordinary activities after income tax expense	1,358,695	16,841	1,375,536

**DIOCESAN PROVIDENT FUND
DIOCESE OF WAGGA WAGGA**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
INCOME		
Interest Received	3,598,567	4,087,220
Unrealised gain on financial asset	-	-
Total Income	<u>3,598,567</u>	<u>4,087,220</u>
EXPENSES		
Interest Paid	1,572,955	2,328,020
Audit	16,500	19,500
Insurance	3,832	3,921
Legal Expenses	-	-
Conferences and Meetings	-	2,267
Bank Charges	29,412	19,022
Agency Bank Charges	-	-
Agency Commission	-	-
Agency Requisites	-	-
Security Banking	7,463	6,713
Computer expenses	47,285	47,302
Advertising	-	-
Promotional Expenses	26,359	27,745
Motor vehicle expenses	-	-
Non Consumable Requisites	-	-
Printing, postage and stationary	6,936	6,160
Cleaning	4,760	5,494
Depreciation	689	689
Electricity	7,194	4,629
Rent	15,262	16,554
Repairs and maintenance	-	330
Phone	458	560
Employee Expenses	566	1,471
Wages and oncosts	265,856	225,437
Impairment loss on investment	-	-
Sundry	(1,550)	(4,130)
Total Expenses	<u>2,003,977</u>	<u>2,711,684</u>
Net profit / (loss) from ordinary activities	<u><u>1,594,590</u></u>	<u><u>1,375,536</u></u>

**INDEPENDENT AUDIT REPORT
TO THE FINANCE COUNCIL 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 2021 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 2021 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
24 August 2021

ASIC Rego No: 424390

AUDITOR'S INDEPENDENCE DECLARATION
TO THE FINANCE COUNCIL 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 2021 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
Chartered Accountants



David Rosetta
Partner

Wagga Wagga
24 August 2021