



**CATHOLIC
DEVELOPMENT FUND**
Diocese of Wollongong
Building Church Communities

**FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023**

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	NOTE	2023 \$	2022 \$
Interest Income	2	18,881,170	9,535,068
Mark to Market Investment Gains	2	132,318	116,213
Other Income	2	156,117	55,460
Interest Expense		(10,919,008)	(3,051,952)
Employee Benefits Expense		(689,370)	(547,637)
Depreciation Expense		(21,775)	(37,226)
Impairment Loss on Loans and Advances		163,312	-
Impairment Loss on Financial Assets		(341,682)	(1,000,000)
Other Expenses	3	(436,499)	(396,495)
Surplus before income tax expense		<u>6,924,583</u>	<u>4,673,431</u>
Income Tax Expense		-	-
Distribution to the Bishop		(4,200,000)	(4,020,000)
Surplus after income tax expense and distribution		<u>2,724,583</u>	<u>653,431</u>
Other comprehensive income		-	-
Total comprehensive profit / (loss) for the year		<u><u>2,724,583</u></u>	<u><u>653,431</u></u>

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

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	NOTE	2023 \$	2022 \$
ASSETS			
Cash and Cash Equivalents	4	801,091	4,240,454
Financial Assets at Amortised Cost	5	161,278,631	157,311,138
Financial Assets at Fair Value	5	-	8,031,124
Other Assets		23,642	11,342
Receivables	6	1,357,387	746,901
Plant and Equipment		96,222	76,164
Loans and Advances	7	126,048,623	134,401,350
Investment properties	8	4,781,738	4,450,000
TOTAL ASSETS		<u>294,387,334</u>	<u>309,268,473</u>
LIABILITIES			
Payables		84,304	100,868
Financial Liabilities	9	276,956,224	294,502,665
Employee benefits	10	118,864	161,581
TOTAL LIABILITIES		<u>277,159,392</u>	<u>294,765,114</u>
NET ASSETS		<u>17,227,942</u>	<u>14,503,359</u>
EQUITY			
Retained Surpluses		<u>17,227,942</u>	<u>14,503,359</u>
TOTAL EQUITY		<u>17,227,942</u>	<u>14,503,359</u>

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

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	NOTE	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		18,269,609	8,942,470
Other non-interest receipts		146,559	70,059
Interest paid		(10,089,052)	(2,927,912)
Payments to suppliers & employees		(1,557,908)	(907,191)
Net movement in loans		8,516,039	4,511,569
Net movement in financial liabilities		(18,376,397)	30,314,059
Net Cash (used in) / provided by Operating Activities	11	(3,091,150)	40,003,054
CASH FLOWS FROM INVESTING ACTIVITIES			
Net receipts / (payments) for investments		4,195,949	(29,320,218)
Payments for property, plant & equipment		(486,483)	(3,734,201)
Proceeds from sale of property, plant & equipment		142,321	-
Net Cash provided by / (used in) Investing Activities		3,851,787	(33,054,419)
CASH FLOWS FROM FINANCING			
Distribution to Bishop		(4,200,000)	(4,020,000)
Net cash used in financing activities		(4,200,000)	(4,020,000)
Net (decrease) / increase in cash held		(3,439,363)	2,928,635
Cash at the beginning of the reporting year		4,240,454	1,311,819
Cash at the end of the reporting year		801,091	4,240,454

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

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Retained Surpluses \$
At 1 January 2022	13,849,928
Surplus for the Year	4,673,431
Distribution to Bishop	(4,020,000)
Closing Balance at 31 December 2022	<u>14,503,359</u>
At 1 January 2023	14,503,359
Surplus for the Year	6,924,583
Distribution to Bishop	(4,200,000)
Closing Balance at 31 December 2023	<u>17,227,942</u>

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

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTE 1- MATERIAL ACCOUNTING POLICY INFORMATION

Reporting fund

The Catholic Development Fund, Diocese of Wollongong (the “Fund”) is a not for profit fund domiciled in Australia. The address of the Fund's registered office is 38 Harbour Street, Wollongong. The Fund is a financial co-operative of the Catholic Church in the Diocese of Wollongong, raising funds from all Diocesan agencies, other Catholic entities throughout the Diocese and anyone supportive of local Catholic communities.

These funds are made available to provide for the loan finance requirements of the Diocese for projects including the construction and/or renovation of Churches, presbyteries and schools and the acquisitions of items of plant & equipment.

In the opinion of the Diocesan Finance Council, the Fund is not a reporting fund. The financial report of the Fund has been drawn up as a special purpose financial report for distribution to Bishop Brian Mascord, Bishop of Wollongong.

Basis of Preparation

Statement of Compliance

The special purpose financial report has been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (“AASBs”) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (“AASB”).

Basis of Measurement

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss which are measured at fair value.

The financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures

Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Fund's functional and presentation currency.

Material Accounting Policies

Current and non-current assets and liabilities

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current.

Income recognition

The fund recognises income as follows:

Interest income is recognised in profit or loss as it accrues, using the effective interest method. This is calculated on an amortised cost basis and allocates the interest income over the relevant time period and discounted at the effective interest rate over the remaining expected life of the financial asset.

Dividend income is recognised in profit or loss on that the date that the Fund's right to receive income is established, which in the case of quoted securities is the ex-dividend date.

Other Income

Other income is recognised when received.

Rent

Rent income from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental income. Contingent rentals are recognised as income in the period when earned.

Goods and Services Tax

Income, 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). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST excluded. 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.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating expenses.

CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1- MATERIAL ACCOUNTING POLICY INFORMATION (con't)

Income Taxes

The Catholic Development Fund is exempt from income tax under Division 50 - 5 of the Income Tax Assessment Act, 1997.

Property, Plant and Equipment

Recognition and Measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Fund and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The depreciation rates for each class of depreciable asset are as follows:

* Motor vehicles	15%-25%
* Furniture & fittings	15%
* Office machines & equipment	20%
* Computers	33.33%

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

Investment Property

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company.

Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value.

Movements in fair value are recognised directly to profit or loss.

Impairment

Financial Assets

All of the financial assets at amortised cost are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

The instruments are considered to be low risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The financial assets at amortised cost include receivables, loans, advances and investment securities. Applying the expected credit risk model didn't result in recognition of any loss allowance.

Non-Financial Assets

The carrying amounts of the Fund's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTE 1- MATERIAL ACCOUNTING POLICY INFORMATION (con't)

Financial Instruments

Non-Derivative Financial Instruments

Cash & Cash Equivalents

Cash and cash equivalents comprise cash balances in the Fund's bank account and cash on hand. Any bank overdrafts that are repayable on demand and form an integral part of the Fund's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets at amortised cost

If the Fund has the positive intent and ability to hold debt securities to maturity, then they are classified as financial assets at amortised cost. These assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Loans, advances and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans, advances and receivables are initially recorded at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest rate method, after assessing required provisions for impairment as described in this note.

Term deposits with financial institutions are unsecured and have a carrying amount equal to their principal amount. Interest is paid on the daily balance at maturity. The accrual of interest receivable at balance date is calculated on a proportional basis of the expired period of the term of the investment.

Trade and Other Receivables

Trade and other receivables are stated at amortised cost.

Financial Liabilities

The Fund recognises financial liabilities, being client savings and term deposits, on the date they are originated. Financial liabilities are initially measured at fair value plus transaction costs, and are subsequently measured at their amortised cost using the effective interest method. Savings and term deposits are stated at the aggregate amount of monies owing to depositors. These are reported at the principal amount lodged.

The Fund derecognises financial liabilities when its contractual obligations are discharged or cancelled. Interest payable is recognised in profit or loss using the effective interest method. Interest on client savings and term deposits is calculated on the daily balance and is posted to the depositor's account quarterly or at maturity.

Such interest is accrued on the basis of the interest rate, the terms and conditions applicable to each savings and term deposit accounts which are varied from time to time.

Trade and Other Payables

Trade and other payables are stated at their fair value and are recognised for goods or services received, whether or not billed to the Fund.

Trade payables are non-interest bearing and are normally settled on 30 day terms.

Determination of Fair Value

A number of the Fund's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Fund uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Fund recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Significant valuation issues are reported to the Bishop.

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTE 1- MATERIAL ACCOUNTING POLICY INFORMATION (con't)

Employee Benefits

Short-Term Benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be wholly settled within twelve months of the reporting date are measured at their notional amounts based on remuneration rates which are expected to be paid when the liability is settled plus related on-costs. When it is expected that these employee benefits will be settled after twelve months from the reporting date, they are measured at present value.

Long-Term Employee Benefits

The Fund's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Fund's obligations.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Fund pays fixed contributions into a separate Fund and will have no legal or constructive obligations to pay further amounts.

Obligations for contributions to defined contribution superannuation plans are recognised as a personnel expense in the profit and loss when they are due.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Use of Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, income and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In determining the recoverability of loans and advances, management have exercised judgement, using historical write-off of balances, whether security is held over receivables, and any plans that borrowers have in place to ensure that older amounts past due but not impaired can be repaid.

Management use an external valuer to assess the fair value of investment property.

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
NOTE 2 - INCOME		
Interest Income		
Loans	9,092,670	6,237,188
Investment securities	9,788,500	3,297,880
Total Interest Income	<u>18,881,170</u>	<u>9,535,068</u>
Other Income		
Mark to market investment gains	132,318	116,213
Rental Income	101,995	49,784
Profit on sale of asset	27,987	-
Other	26,135	5,676
Total Other Income	<u>288,435</u>	<u>171,673</u>
Total Income	<u>19,169,605</u>	<u>9,706,741</u>
NOTE 3 - EXPENSES FROM CONTINUING OPERATIONS		
Surplus before income tax includes the following specific expenses:		
Operating lease rental	48,072	48,072
Computer system related	110,220	143,921
Marketing expenses	91,739	43,826
Investment expenses	22,167	27,660
Insurance expenses	13,829	16,747
Remuneration of HLB Mann Judd Sydney	7,165	34,445
Remuneration of Mr Ben Fock (HLB Mann Judd)	33,000	-
Other	110,307	81,824
Total other expenses from continuing operations	<u>436,499</u>	<u>396,495</u>
NOTE 4 - CASH AND CASH EQUIVALENTS		
Current Accounts	798,003	4,237,366
On Hand	3,088	3,088
	<u>801,091</u>	<u>4,240,454</u>
NOTE 5 - FINANCIAL ASSETS		
Financial assets at fair value		
Pooled Managed Investment	-	8,031,124
Investment in unlisted entity	-	1,000,000
Accumulated Impairment - Investment in unlisted entity	-	(1,000,000)
	<u>-</u>	<u>8,031,124</u>
Financial assets at amortised cost		
Current Account Investment	32,278,631	58,011,138
Floating Rate Note Investment	10,000,000	17,300,000
Fixed Rate Securities	4,000,000	-
Term Deposit Investment	113,000,000	80,000,000
Zero Coupon Bond	2,000,000	2,000,000
	<u>161,278,631</u>	<u>157,311,138</u>
TOTAL FINANCIAL ASSETS	<u>161,278,631</u>	<u>165,342,262</u>

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
NOTE 6 - RECEIVABLES		
Interest Receivable	1,357,387	693,586
Accounts Receivable	-	51,590
General	-	1,725
	1,357,387	746,901

NOTE 7 - LOANS AND ADVANCES

Schools	117,456,505	126,300,721
Parishes	4,874,863	4,302,101
Office of the Bishop	3,717,255	3,906,029
Clergy Car	-	55,811
	126,048,623	134,564,662
Provision for impaired loan - All Saints Catholic Parish, Shellharbour	-	(163,312)
	126,048,623	134,401,350

Loans approved but not yet advanced (LANA)

Off Balance Sheet Undrawn Commitments Irrevocable Certain Drawdown.		
Education	24,100,000	294,643
Parish	1,042,503	-
Total LANA	25,142,503	294,643

As at 31 December 2023 the irrevocable loan amounts that are approved but not yet advanced, and which are certain of drawdown is \$25,142,503. This represents the maximum unused portion of the commitment that could be drawn during the remaining period to maturity. Loans approved but not yet not advanced remain off balance sheet until drawdown. Any drawn portion of a commitment forms part of the entity's on-balance sheet loans and advances.

Loans that are approved but not yet advanced are contingent liabilities which represent loans that have been approved by the reporting party but the counterparty has yet to draw down the funds in relation to the arrangement. Commitments, for capital adequacy purposes, are generally considered to have arisen once the reporting party makes a firm offer to a client.

NOTE 8 – INVESTMENT PROPERTIES

	<u>Valuation</u>		
3 / 6 McMillan Street, Helensburgh	At Valuation (a)	840,000	840,000
38 Ellen Street, Wollongong	At Valuation (b)	2,000,000	2,000,000
12 Boolwarroo Parade Shellharbour	At Valuation (b)	1,610,000	1,610,000
		4,450,000	4,450,000
Work in progress (WIP)	At Cost (c)	331,738	-
		4,781,738	4,450,000

(a) The property was purchased during 2020. An independent valuation was completed at the time of purchase, the valuer holds a recognised and relevant professional qualification. The Trustees believe the carrying amounts correctly reflect the fair value less cost to sell at 31 December 2023.

(b) The property was purchased during 2022. An independent valuation was completed, the valuer holds a recognised and relevant professional qualification.

(c) Capitalised expenses relate to a Development Application (DA) and associated attributable development costs of 38 Ellen Street, Wollongong.

Balance at the beginning of the year	4,450,000	840,000
Additions	331,738	3,708,258
Disposals	-	-
Fair Value Adjustments	-	(98,258)
Carrying amount at the end of the year	4,781,738	4,450,000

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	\$	\$
NOTE 9 - FINANCIAL LIABILITIES		
Individuals		
Savings	2,997,670	3,293,370
Term Deposits	3,884,529	3,147,056
Non Diocesan		
Savings	17,424,294	22,079,909
Term Deposits	43,813,040	41,758,908
Diocesan		
Savings	81,665,268	100,568,229
Term Deposits	125,935,569	123,249,292
Interest Accrued		
Savings	341	273
Term Deposits	1,235,513	405,628
	276,956,224	294,502,665
NOTE 10 - EMPLOYEE BENEFITS		
Staff Leave		
Annual Leave	37,952	43,770
Long Service Leave - Current	80,912	117,811
Long Service Leave - Non-Current	-	-
	118,864	161,581
NOTE 11 - NOTES TO THE STATEMENT OF CASH FLOWS		
Reconciliation of Profit/(loss) with net cash provided by operating activities		
Surplus before income tax expense	6,924,583	4,673,431
Add / (less) non-cash items		
Profit on sale of non-current assets	(29,408)	-
Provision for impairment	(163,312)	-
Movements on investments	(132,318)	(116,213)
Depreciation	21,775	37,226
Impairment of financial assets	-	1,000,000
Change in assets and liabilities		
Decrease / Increase in loans funded	8,516,039	4,511,569
(Decrease) / Increase in financial liabilities	(18,376,397)	30,314,059
(Increase) / Decrease in other assets	(12,981)	13,514
(Decrease) / Increase in employee benefits	(42,717)	8,007
(Decrease) / Increase in creditors & accruals	(14,810)	30,022
(Increase) / Decrease in interest receivable	(611,560)	(592,598)
Increase / (decrease) in interest payable	829,956	124,037
	(9,712,470)	34,408,610
Net Cash (used in) / provided by Operating Activities	(3,091,150)	40,003,054

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTE 12 – FINANCIAL INSTRUMENTS

(a) Interest Rate Risk Exposure

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:

As at 31 December 2023

	Balance Sheet Total	Floating Interest Rate	Fixed Interest Rate				Non-Interest Bearing	Weighted Average Rate
			0 to 3 months	3 to 12 months	1 to 5 years	> 5 years		
	\$	\$	\$	\$	\$	\$	\$	
Assets								
Cash and Liquid Assets	801,091	798,003	-	-	-	-	3,088	3.94%
Financial assets at amortised cost	161,278,631	32,278,631	65,000,000	60,000,000	4,000,000	-	-	4.35%
Financial assets at fair value	-	-	-	-	-	-	-	-
Loans and Advances	126,048,623	126,048,623	-	-	-	-	-	6.93%
Receivables	1,357,387	131,468	491,824	713,460	20,634	-	-	-
Total monetary assets	289,485,732	159,256,725	65,491,824	60,713,460	4,020,634	-	3,088	5.45%
Liabilities								
Financial Liabilities	276,956,224	102,087,573	114,369,774	57,802,891	2,695,986	-	-	3.17%
Payables	84,304	-	-	-	-	-	84,304	-
Total monetary liabilities	277,040,528	102,087,573	114,369,774	57,802,891	2,695,986	-	84,304	3.17%

As at 31 December 2022

	Balance Sheet Total	Floating Interest Rate	Fixed Interest Rate				Non-Interest Bearing	Weighted Average Rate
			0 to 3 months	3 to 12 months	1 to 5 years	> 5 years		
	\$	\$	\$	\$	\$	\$	\$	
Assets								
Cash and Liquid Assets	4,240,454	4,237,366	-	-	-	-	3,088	0.41%
Financial assets at amortised cost	157,311,138	58,011,138	68,000,000	29,300,000	2,000,000	-	-	0.67%
Financial assets at fair value	8,031,124	-	-	-	-	-	8,031,124	-
Loans and Advances	134,401,350	134,401,350	-	-	-	-	-	4.36%
Receivables	746,901	111,736	477,687	146,011	9,743	-	1,725	-
Total monetary assets	304,730,967	196,761,590	68,477,687	29,446,011	2,009,743	-	8,035,937	2.28%
Liabilities								
Financial Liabilities	294,502,665	125,941,781	73,961,871	94,559,005	40,008	-	-	0.89%
Payables	100,868	-	-	-	-	-	100,868	-
Total monetary liabilities	294,603,533	125,941,781	73,961,871	94,559,005	40,008	-	100,868	0.89%

(b) 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

	Carrying Amount 2023	Carrying Amount 2022	Net Fair Value 2023	Net Fair Value 2022
On-Balance Sheet Financial Assets				
Cash and Liquid Assets	801,091	4,240,454	801,091	4,240,454
Financial assets at amortised cost	161,278,631	157,311,138	161,278,631	157,311,138
Financial assets at fair value	-	8,031,124	-	8,031,124
Loans and Advances	126,048,623	134,401,350	126,048,623	134,401,350
Receivables	1,357,387	746,901	1,357,387	746,901
	289,485,732	304,730,967	289,485,732	304,730,967
Financial Liabilities				
Financial Liabilities	276,956,224	294,502,665	276,956,224	294,502,665
Payables and other Liabilities	84,304	100,868	84,304	100,868
	277,040,528	294,603,533	277,040,528	294,603,533

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTE 13 – RELATED PARTY

The Fund's core business is to lend funds to parishes, schools and diocesan groups. These groups within the diocese are considered related parties and make up a significant portion of both assets and liabilities of the Fund.

During the year various transactions were conducted between the fund and its related parties, all of which have been considered to be arms length transactions.

NOTE 14 – EVENTS AFTER REPORTING PERIOD

There have been no events subsequent events or matters which have arisen since 31 December 2023 that may significantly affect the fund's operations or the fund's state of affairs in future financial years.

**CATHOLIC DEVELOPMENT FUND
DIOCESE OF WOLLONGONG
STATEMENT BY THE GENERAL MANAGER AND DIOCESAN FINANCIAL CONTROLLER
FOR THE YEAR ENDED 31 DECEMBER 2023**

In the opinion of the General Manager and Diocesan Financial Controller, the Catholic Development Fund Diocese of Wollongong

- (a) is not a reporting Fund;
- (b) the financial statements and notes are drawn up, in accordance with the basis of accounting described in Note 1, so as to present fairly the financial position of the Catholic Development Fund as at 31 December 2023 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (d) kept such accounting records as to correctly record and explain its transactions and financial position; and
- (e) kept its accounting records so that a true and fair financial report of the Catholic Development Fund can be prepared.

Dated at Wollongong the 23rd day of May 2024.



Trevor Kellam
General Manager



Nicholas Dyball
Diocesan Financial Controller



Auditor's Independence Declaration

To the Members of the Catholic Development Fund (Diocese of Wollongong)

I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the review of the financial report of the Catholic Development Fund.

A handwritten signature in black ink, appearing to be 'B. Fock'.

Ben Fock
Registered Company Auditor
Dated: 24 May 2024

Independent Auditor's Report

To the Members of the Catholic Development Fund (Diocese of Wollongong)

Opinion

I have audited the financial report of The Catholic Development Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the General Manager and Diocesan Financial Controller.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Fund as at 31 December 2023, and its financial performance and its cash flow for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

Basis for Opinion

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the Fund in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* ("the Code") that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration which has been given to General Manager and Diocesan Financial Controller, would be in the same terms if given as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

I further draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Fund meet the requirements of Note 1 and the financial reporting requirements of distributing a financial report to the Bishop of Wollongong. 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 Management and the Advisory Council for the Financial Report

Management is responsible for the preparation and fair representation of the special purpose financial report that gives a true and fair view in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Fund'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 management either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so. The Advisory Council are responsible for overseeing the Fund's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Report

My 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with the Advisory Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Advisory Council with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards



Ben Fock
Registered Company Auditor
Dated: 24 May 2024

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