



ARCHDIOCESE OF MELBOURNE CDF COMMUNITY FUND

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

BOARD MEMBERS' REPORT

The Board Members submit their report on the Archdiocese of Melbourne CDF Community Fund ("the Fund") for the year ended 30 June 2021.

The Fund is an agency of the Archdiocese of Melbourne.

Board Members

The Board Members of the Fund in office at any time during or since the end of the financial year are:

Name	Particulars
Mr. A. Ryan, B. Bus. (Acc), FCPA, GAICD (Chairperson)	Joined the Board in December 2017 Former CEO, MyLife MyFinance
Mr A Carman B Bus, CPA, MAICD	Joined the Board 28 September 2021 CFO BankVic
Mr. C. Griss, TFASFA	Resigned 23 June 2021 Joined the Board in December 2017 Former Group CFO ANZ Banking Group Former CEO, Esanda Finance Corp. Ltd.
Ms. C. Proske, B. Com., PG. Dip. (App. Sc), CPA, M. Environmental Sc.	Joined the Board in December 2017 Chief Executive Officer, Jobscan
Mr. T Sanderson JP EMFIA	Joined the Board in December 2017 General Manager - CDF Wollongong
Mr. D.Smith, BBus MBA FCPA	Joined the Board in December 2017 Financial Administrator, Diocese of Rockhampton

Principal activity

The principal activity of the Fund in the course of the financial year was to accept client investments from the Catholic Community to fund Catholic Capital Projects principally but not exclusively in the Archdiocese of Melbourne (the "Archdiocese"), the Diocese of Sale and the Diocese of Bunbury to assist in achieving their Catholic Mission.

Operating results

The net surplus for the year ended 30th June 2021 was \$121,607 which was commensurate with the Board's expectation for the Fund. No provision for distribution was made to the Catholic Archdiocese of Melbourne, Diocese of Sale or Diocese of Bunbury.

State of affairs

There were no significant changes in state of affairs of the fund.

Subsequent events

There are no material subsequent events to report since the end of the financial year.

Review of operations

The Fund has operated satisfactorily in the financial year ended 30 June 2021 and is positioned to accept client investment and meet borrowing needs of Catholic Organisations in pursuit of its mission.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

BOARD MEMBERS' REPORT

Board Members' remuneration

No Board Member of the Fund had received or become entitled to a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Board Members shown in these Accounts, or the fixed salary of a full time employee of the Fund) by reason of a contract made by the Fund or a related corporation with the Board Member or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

Indemnification of officers and auditors

The Fund maintains a Directors' and Officers' insurance policy which, subject to certain exceptions provides insurance cover to Board members and officers of the Fund. In accordance with normal commercial practice, disclosure of the premium amount and the nature of the insured liabilities is prohibited by a confidentiality clause in the contract. In addition the Trustees of the Roman Catholic Trusts Corporation for the Diocese of Melbourne indemnifies Board members of the Fund against a liability arising out of his or her involvement as a member of the Board of the Catholic Development Fund subject to certain exceptions.

No insurance cover has been provided for the benefit of the auditors of the Fund.

Environmental regulation

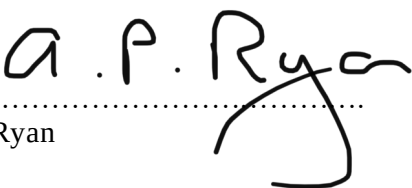
The Fund's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- a) There were no dividends paid during the year.
- b) There were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

Signed in accordance with a resolution of Board Members


.....
Mr. A Ryan


.....
Ms. C. Proske

Dated at Melbourne this 27th day of October, 2021.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

DECLARATION BY BOARD MEMBERS

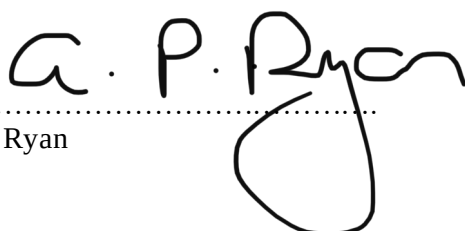
As detailed in Note 1 to the financial statements, the Fund is not a reporting entity because in the opinion of the Board Members there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board Members' reporting requirements under the applicable accounting standards as outlined in Note 1.

The Board Members declare that:

- (a) the attached financial statements and notes thereto are in compliance with applicable accounting standards as outlined in Note 1 and give a true and fair view of the financial position as at 30 June 2021, and performance of the year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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



.....
Mr. A Ryan



.....

Ms. C. Proske

Dated at Melbourne this 27th day of October, 2021.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021	2020
		\$	\$
Interest revenue	3	1,123,340	1,634,762
Interest expense	4(a)	(509,661)	(966,018)
Net interest revenue		613,679	668,744
Other income	3	83,641	107,448
Other expenses	4(b)	(575,713)	(691,446)
Net surplus for the year		121,607	84,746
Other comprehensive income for the year		-	-
Total comprehensive income for the year		121,607	84,746

These financial statements should be read in conjunction with the accompanying notes.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
Assets			
Cash and cash equivalents	5	8,356,418	16,262,255
Floating rate notes	5	10,708,438	9,814,774
Other financial assets	5	13,100,000	8,900,000
Receivables	6	214,857	116,558
Loans and advances	7	25,511,315	24,963,782
Total assets		<u>57,891,028</u>	60,057,369
Liabilities			
Customer investments	8	51,190,926	53,342,899
Payables and other liabilities	9	152,158	288,133
Total liabilities		<u>51,343,084</u>	53,631,032
Net assets		<u>6,547,944</u>	6,426,337
Equity			
Reserves	10	127,557	124,819
Retained funds	11	6,420,387	6,301,518
Total equity		<u>6,547,944</u>	6,426,337

These financial statements should be read in conjunction with the accompanying notes.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Retained funds \$	General Reserve \$	Total \$
Balance at 01 July 2019		6,221,906	119,685	6,341,591
Surplus for the year		84,746	-	84,746
Total comprehensive income for the year		84,746	-	84,746
Transfer to General Reserve	10	(5,134)	5,134	-
Balance at 30 June 2020	11	6,301,518	124,819	6,426,337
Balance at 1 July 2020		6,301,518	124,819	6,426,337
Surplus for the year		121,607	-	121,607
Total comprehensive income for the year		121,607	-	121,607
Transfer to General Reserve	10	(2,738)	2,738	-
Balance at 30 June 2021	11	6,420,387	127,557	6,547,944

These financial statements should be read in conjunction with the accompanying notes.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Customer loans granted		(1,966,861)	(2,157,606)
Customer loans repaid		1,419,328	1,130,747
Interest and bill discounts received		1,145,337	1,749,135
Interest and other costs of finance paid		(619,977)	(1,128,147)
Fees received		(36,655)	107,448
Fees and rebates paid		(27,151)	(10,948)
Payments to suppliers and employees		(574,221)	(682,879)
Net cash used in operating activities	16(c)	<u>(660,200)</u>	<u>(992,250)</u>
Cash flows from investing activities			
(Placement)/redemption of term deposits >3 months		(4,200,000)	(2,400,000)
Investment in floating rate notes		(893,664)	(2,794,672)
Net increase/(decrease) in customers' savings investments		249,425	(1,525,381)
Net decrease in customers' fixed term investments		(2,401,398)	(2,714,455)
Net cash used in investing activities		<u>(7,245,637)</u>	<u>(9,434,508)</u>
Cash flows from financing activities			
Net cash provided from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash held		<u>(7,905,837)</u>	<u>(10,426,758)</u>
Cash at the beginning of the year		<u>16,262,255</u>	<u>26,689,013</u>
Cash at the end of the year	5	<u>8,356,418</u>	<u>16,262,255</u>

These financial statements should be read in conjunction with the accompanying notes.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies

General information

Archdiocese of Melbourne CDF Community Fund is an unincorporated activity of the Catholic Archdiocese of Melbourne. The financial report of the Fund for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Board Members on 27 October 2021.

The principal activity of the Fund in the course of the financial year was to accept client investments from the Catholic Community to fund Catholic Capital Projects principally but not exclusively in the Archdiocese of Melbourne (the "Archdiocese"), the Diocese of Sale and the Diocese of Bunbury to assist in achieving their Catholic Mission.

Financial reporting framework

The Fund is not a reporting entity because in the opinion of the Board Members of the Fund, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board's reporting requirements. The Fund is registered with the Australian Charities and Not-For Profits Commission as a Basic Religious Charity. The Fund has applied not-for-profit specific requirements contained in Australian Accounting Standards in the preparation of these financial statements.

Statement of compliance

The financial report is a special purpose report which has been prepared in accordance with the recognition and measurement requirements specified by the relevant Accounting Standards and Interpretations, and the disclosure requirements of accounting standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, and AASB 1054: *Australian Additional Disclosures*.

The financial report is for the entity Archdiocese of Melbourne CDF Community Fund which is an agency of the Archdiocese of Melbourne.

Basis of preparation

The financial report has been prepared on an accrual basis and is based on historical costs, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. The functional and presentational currency is Australian dollar, and all amounts have been rounded to the nearest dollar, unless otherwise noted.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Fund's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies (continued)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Revenue

Revenue is recognised when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Loan interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

The Fund recognises revenue from the following major sources:

Loan Interest Revenue

Loan interest is calculated on the daily loan balance outstanding and is charged in arrears to the loan account on the last day of each monthly or quarterly repayment period as the case may be.

Investment Interest Revenue

Investment interest revenue from financial assets is recognized on a time-proportionate basis using effective interest method.

Fees

All fees are recognised when (or as) a performance obligation is satisfied.

Donations and Grants

Donations and grants are measured at the fair value of consideration received or receivable.

Income tax

No income tax is payable because the Fund is an endorsed Income Tax Exempt Charity.

Going concern

The directors have prepared the fund financial statements on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

In preparing the financial statements, the directors note that as at 30 June 2021, the Fund was in a net Assets position of \$6,547,944 (2020: net assets \$6,426,337).

When undertaking the going concern assessment, management of the company have considered the impacts of the COVID-19 pandemic on immediate and long-term financial performance and cash flows, and are satisfied that the company has sufficient liquidity to continue as a going concern for at least 12 months from the date of signing of this report.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies (continued)

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The not-for profit sector valuation of best use value in AASB 13 is not applied.

Employee benefits

A management fee is charged by CDF to the Fund covering operational and staffing requirements.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies (continued)

Loans and receivables

The Fund's financial assets at amortised cost includes loans and trade receivables. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Fund always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Fund's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies (continued)

Impairment of financial assets (continued)

credit losses that will result from all possible default events over the expected life of a financial instrument. During 2021, no impairment of trade receivables has been recorded (2020: nil).

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Fund's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

If the Fund has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Fund measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. All financial liabilities are measured subsequently at amortised cost using the effective interest method.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies (continued)

Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Customer investments

Client investments are brought to account at fair value. Interest on investments is brought to account on an accrual basis. Interest accrued to balance date is shown as a part of clients' investments.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Comparatives

Where necessary, comparative figures have been adjusted to conform with the changes in presentation in the current year.

Adoption of new and revised Accounting Standards

In the current year, the Fund has adopted the following new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "AASB") that are relevant to its operations and effective for the current annual reporting period save for those identified in the Statement of Compliance. These standard and interpretations did not have a material impact on the fund's statement .

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

These amendments are intended to address concerns that the wording in the definition of 'material' was different in the Conceptual Framework for Financial Reporting, AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The amendments address these concerns by:

- Replacing the term 'could influence' with 'could reasonably be expected to influence'
- Including the concept of 'obscuring information' alongside the concepts of 'omitting' and 'misstating' information in the definition of material
- Clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework
- Aligning the definition of material across Standards and other publications

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies (continued)

Adoption of new and revised Accounting Standards (continued)

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

Makes amendments to various Australian Accounting Standards and other pronouncements to support the issue of the revised *Conceptual Framework for Financial Reporting*.

Some Australian Accounting Standards and other pronouncements contain references to, or quotations from, the previous versions of the *Conceptual Framework*. This Standard updates some of these references and quotations so they refer to the *Conceptual Framework* issued by the AASB In June 2019, and also makes other amendments to clarify which version of the *Conceptual Framework* is referred to in particular documents.

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

The amendments affect entities that apply the hedge accounting requirements of AASB 9 *Financial Instruments* or AASB 139 *Financial Instruments: Recognition and Measurement* to hedging relationships directly affected by the interest rate benchmark reform.

The amendments would mandatorily apply to all hedging relationships that are directly affected by the interest rate benchmark reform and modify specific hedge accounting requirements, so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements

This Standard amends AASB 1054 *Australian Additional Disclosures* (May 2011) to add requirements for not-for-profit private sector entities that are required to apply AASB 1054 and are preparing special purpose financial statements to disclose information about those financial statements, including information that enables users of the financial statements to understand whether or not the accounting policies applied in the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

International Financial Reporting Standards Interpretations Committee (IFRIC) final agenda – Software-as-a-Service (SaaS) arrangements

In April 2021, the IFRIC issued a final agenda decision, configuration or customisation costs in a cloud computing arrangement. The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements is able to be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The adoption of this IFRIC agenda decision does not have a material impact on the financial statements of the Fund.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. Summary of significant accounting policies (continued)

Standards and Interpretations in issue not yet in effect

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The Fund has not early adopted these Standards and Interpretations and is in the process of assessing the impact on the Fund's financial statements

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1 July 2023	30 June 2024
<i>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 July 2022	30 June 2023
<i>AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	1 July 2021	30 June 2022
<i>AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	1 July 2021	30 June 2022
<i>AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities</i>	1 July 2021	30 June 2022
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 July 2023	30 June 2024

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Interest revenue and expense

The following tables show the average balance for each of the major categories of interest-bearing assets and liabilities, the amount of interest revenue or expense and the average interest rate.

1 July 2020 to 30 June 2021

	Average Balance \$	Interest \$	Average Rate Per Annum %
Interest earning assets			
Deposits with other financial institutions	33,590,359	238,613	0.71
Loans and advances	24,700,026	884,727	3.58
	<u>58,290,385</u>	<u>1,123,340</u>	<u>1.93</u>
Interest incurring liabilities			
Customer investments	<u>50,569,874</u>	<u>509,661</u>	<u>1.01</u>

1 July 2019 to 30 June 2020

	Average Balance \$	Interest \$	Average Rate Per Annum %
Interest earning assets			
Deposits with other financial institutions	38,927,398	707,278	1.82
Loans and advances	24,009,834	927,484	3.86
	<u>62,937,232</u>	<u>1,634,762</u>	<u>2.60</u>
Interest incurring liabilities			
Customer investments	<u>54,948,191</u>	<u>966,018</u>	<u>1.78</u>

3. Revenue and other income

	2021 \$	2020 \$
Interest revenue	1,123,340	1,634,762
Other income	83,641	107,448
	<u>1,206,981</u>	<u>1,742,210</u>

4. Surplus for the year

Surplus for the year has been determined after:

Expenses:

	2021 \$	2020 \$
(a) Interest expense	<u>509,661</u>	966,018
(b) Other expenses:		
Rebates to participating Dioceses	-	2,637
Other expenses (inclusive of insurance, bank charges, consultancy and IT maintenance)	575,713	688,809
Impairment loss for financial asset	-	-
Total other expenses	<u>575,713</u>	<u>691,446</u>

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

5. Cash, cash equivalent and investments

	2021	2020
	\$	\$
Cash on hand and at banks	206,418	412,255
Deposits at call	1,600,000	1,650,000
Term deposits <3 months	6,550,000	14,200,000
	8,356,418	16,262,255
Floating rate notes	10,708,438	9,814,774
	19,064,856	26,77,029
Term deposits >3 months	13,100,000	8,900,000
	32,164,856	34,977,029

6. Receivables

	2021	2020
	\$	\$
Interest receivable	41,789	63,786
Prepayments	173,068	52,772
	214,857	116,558

7. Loans and advances

	2021	2020
	\$	\$
Term loans	25,511,315	24,963,782
Gross loans and advances	25,511,315	24,963,782
Credit losses	-	-
Net loans and advances	25,511,315	24,963,782

Maturity analysis

	2021	2020
	\$	\$
Not longer than 3 months	402,087	381,385
Longer than 3 and not longer than 12 months	1,208,024	528,714
Longer than 1 and not longer than 5 years	6,430,839	2,935,793
Longer than 5 years	17,470,365	21,117,890
	25,511,315	24,963,782

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

8. Customer investments

	2021	2020
	\$	\$
Customers' savings investments	16,912,823	16,663,397
Customers' fixed term investments	34,278,103	36,679,502
	<u>51,190,926</u>	<u>53,342,899</u>

Maturity analysis

	2021	2020
	\$	\$
Less than 1 day	8,820,365	8,601,749
1 day - 3 months	20,587,991	22,178,501
3 months - 12 months	17,532,893	17,381,104
1 year - 5 years	4,249,677	5,181,545
	<u>51,190,926</u>	<u>53,342,899</u>

9. Payables and other liabilities

	2021	2020
	\$	\$
Interest payable	152,158	263,031
Other liabilities	-	25,102
	<u>152,158</u>	<u>288,133</u>

10. Reserves

General Reserve

	2021	2020
	\$	\$
General Reserve at the beginning of the financial year	124,819	119,685
Appropriation of retained funds	2,738	5,134
General Reserve at the end of the financial year	<u>127,557</u>	<u>124,819</u>

The Fund has had a long standing internal policy of recording a general allocation in reserves at 50bps of the loan balance at the end of each financial year.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. Retained funds

	2021	2020
	\$	\$
Retained funds at the beginning of the financial year	6,301,518	6,221,906
Net surplus for the year	121,607	84,746
Total available for appropriation	6,423,125	6,306,652
Transfer to General Reserve	(2,738)	(5,134)
Retained funds at the end of the financial year	6,420,387	6,301,518

12. Board members' remuneration

	2021	2020
	\$	\$
Amounts received or due and receivable from the Fund by Board Members of the Fund	38,039	30,279

Number of Board Members of the Fund whose income was within the following bands:

\$0 - \$9,999	5	5
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13. Financial instruments

Overview

The Fund's financial instruments consist of deposits with Australian banks, investment securities, loans to customers, investments from customers, accounts receivable and payable.

The main purpose of non-derivative financial instruments is to provide a source of finance and credit and other expenditures in the work of the Catholic Church within the Archdiocese of Melbourne and Diocese of Sale and Bunbury.

Financial Risk Exposures and Management

The Fund's lending, investment-taking and investing activities expose it to the following risks from its use of financial instruments:

- (a) Credit risk
- (b) Interest rate risk
- (c) Liquidity risk

The CDF Community Fund Board (CDF-CF) has overall responsibility for the establishment and oversight of the risk management framework. Towards this end, the CDF-CF Board utilises the established Catholic Development Fund Board governance structures including the Audit and Risk Management Committee and the Finance Committee. The committees regularly report on their activities to the CDF-CF Board. The following information describes the committees' responsibilities, terms of reference and authorities.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Financial instruments (continued)

(a) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Fund. The Fund has a policy of only dealing with credit worthy counterparties and ensuring the Fund has adequate internal controls to mitigate the risk of financial loss to the Fund.

Credit Risk in loans receivable is managed by a careful evaluation of lending proposals by the Senior Management, the Chief Executive Officer, Finance Committee and the Board. All loans require ratification by the Board.

The quality of the loan portfolio is monitored by the Finance Committee with regular reports from management on overdrawn accounts, accounts in arrears and loans with larger exposures. Securities on the loans provided by the Fund are as follows:

- i. Loans to Parishes, Parish Primary Schools and Archdiocesan Colleges are secured by title held by the Roman Catholic Trust Corporation.
- ii. Loans to Orders are guaranteed by a letter of guarantee from the Order or by a mortgage on land and/or the business.

In response to COVID-19 related events, the Fund has granted repayment relief on loans to various customer segments. Terms of relief include both repayment holidays or interest only repayments for periods of between 6 to 12 months. The Fund notes guidance from regulators indicating that repayment relief does not of itself constitute a period of arrears nor restructuring of the loan.

Management have reviewed COVID-19 impacted economic circumstances in each of the various segments including the effects on customer liquidity balances and the loan security held by the Fund. The outcome of this analysis is that there is sufficient security available to support a 0% LGD assumption across all segments. Therefore, the Fund believes a COVID-19 overlay credit loss provision is not required.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Fund is exposed to this risk as it raises fund and also lends and invests funds.

Market interest rates are monitored daily. The Fund's rates are reviewed at each Finance Committee meeting. Recommended interest rate changes are approved by the Finance Committee.

Interest rate sensitivity analysis

The Fund's investment taking, lending and investment policies are all aimed at ensuring its financial position is not materially exposed to interest rate risk through changes in interest rates. To this end the Fund accepts investments with no fixed term, or except for a low proportion of investments, with short term maturity not beyond 12 months. Similarly, loans (again with minor exceptions) are made at variable interest rates additionally, the Fund has the ability to adjust variable interest rate loans subject to market/competitive forces, to ensure that satisfactory operating profit is achieved. Investments are principally, cash, fixed rate bank deposits/bank bills and floating rate notes of varying maturities.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Financial instruments (continued)

The Fund's Board is of the opinion that these policies and practices together with prudent capital and liquidity management ensure that the Fund's exposure to interest rate movements in any one year are immaterial in the context on annual net operating profit and the net equity of the Fund.

In support of this, the following Interest rate sensitivity analysis shows the net impact of one off 1% change in interest rates, on only those liabilities and assets which would be immediately impacted as at the end of the balance date. Any liabilities or assets as at balance date, with a maturity during the year or beyond are not included in the rate sensitivity calculation unless they were capable of being re-priced as at the end of the relevant reporting period. The following table details the calculations, showing a net operating profit impact of +/- \$344,264 as at 30 June 2021 and +/- \$362,847 as at 30 June 2020.

	1% +/- VARIANCE			
Financial instrument assets	2021	2020	2021	2020
	\$	\$	\$	\$
Cash and liquid assets	1,806,418	2,062,255	18,064	20,623
Floating rate notes	10,708,438	9,814,774	107,084	98,148
Total financial instruments assets	12,514,856	11,877,029	125,149	118,770
Customer investments	46,941,249	48,161,664	469,412	481,617
Total financial instrument liabilities	46,941,249	48,161,664	469,412	481,617
Net change			(344,264)	(362,847)

The Fund's operations allow it to re-price interest rates for loan and investment products running variable rates to allow for market movements in interest rates. These factors would have ensured that any impact on the surplus and equity of the Fund would be immaterial to the period ended 30 June 2021.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Financial instruments (continued)

Net fair values

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

	2021		2020	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
Financial assets				
Cash	1,806,418	1,806,418	2,062,255	2,062,255
Term Deposits	6,550,000	6,550,000	14,200,000	14,200,000
Floating rate notes	10,708,438	10,856,211	9,814,774	9,814,774
Other Financial Assets	13,100,000	13,100,000	8,900,000	8,900,000
Loans and receivable	25,726,172	25,726,172	25,080,340	25,080,340
	<u>57,891,028</u>	<u>58,038,801</u>	<u>60,057,369</u>	<u>60,057,369</u>
Financial liabilities				
Customer investments	16,912,823	16,912,823	16,663,397	16,663,397
Client term investments	34,278,103	34,278,103	36,679,502	36,679,502
	<u>51,190,926</u>	<u>51,190,926</u>	<u>53,342,899</u>	<u>53,342,899</u>

(c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund limits its exposure to liquidity by investing in highly liquid securities which are realisable when the need arises.

The approved Investment Policy regarding credit and liquidity risk is as follows:

Liquid Assets Management

Liquid assets management is the responsibility of the Fund's Treasury Department.

The investment portfolio, including bank account balances, is monitored daily. Liquid assets are to be managed in a way to ensure that:

- (i) Capital value is preserved;
- (ii) Optimum return is achieved; and
- (iii) Sufficient cash-flow is maintained to cover the Fund's operational commitments.

Liquid assets are managed in accordance with the Fund's Investment Guidelines and Liquidity Management Policy.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Financial instruments (continued)

Liquidity management

The Fund monitors liquidity on a daily basis in accordance with its liquidity management policy.

The minimum liquidity holding (MLH) target ratio is set at 12%.

Liquidity and interest risk tables

The following tables detail the Fund's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of the financial assets and liabilities based on the earliest date on which the Fund can be required to pay. The table includes both interest and principal cash flows. Whilst current liabilities exceed current assets; investments held by the Fund are considered non-volatile as clients have a contractual agreement when borrowing to invest surplus funds with the Fund.

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Financial instruments (continued)

Liquidity and interest risk tables	Weighted average eff. interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years	Total
ASSETS	%	\$	\$	\$	\$	\$	\$
2021							
Variable interest rate deposits	0.41%	2,200,000	4,350,000	12,100,000	1,000,000	-	19,650,000
Variable interest rate loans	3.50%	196,280	205,807	1,208,024	6,430,839	17,470,366	25,511,316
Variable FRN's	0.78%	-	-	1,408,438	9,300,000	-	10,708,438
		<u>2,396,280</u>	<u>4,555,807</u>	<u>14,716,462</u>	<u>16,730,839</u>	<u>17,470,366</u>	<u>55,869,754</u>
2020							
Variable interest rate deposits	1.08%	4,700,000	9,500,000	8,900,000	-	-	23,100,000
Variable interest rate loans	3.70%	196,280	185,105	528,714	2,935,793	21,117,890	24,963,782
Variable FRN's	0.85%	-	-	800,000	9,014,774	-	9,814,774
		<u>4,896,280</u>	<u>9,685,105</u>	<u>10,228,714</u>	<u>11,950,567</u>	<u>21,117,890</u>	<u>57,878,556</u>

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Financial instruments (continued)

Liquidity and interest risk tables	Weighted average eff. interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
	%	\$	\$	\$	\$	\$
LIABILITIES						
2021						
Variable interest rate investments	0.46 %	16,912,823	-	-	-	16,912,823
Fixed interest rate term investments	0.96 %	3,689,174	8,806,359	17,532,893	4,249,677	34,278,103
		20,601,997	8,806,359	17,532,893	4,249,677	51,190,926
2020						
Variable interest rate investments	0.56%	16,663,397	-	-	-	16,663,397
Fixed interest rate term investments	1.59%	4,727,575	3,810,601	22,959,781	5,181,544	36,679,501
		21,390,972	3,810,601	22,959,781	5,181,544	53,342,898

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

14. Auditors' remuneration

	2021	2020
	\$	\$
Amounts received or due and receivable by the auditors for:		
Auditing of the financial report	26,150	21,500
Other services	6,500	6,500
	<u>32,650</u>	<u>28,000</u>

The auditor of the Fund is Deloitte Touche Tohmatsu.
The auditors did not receive any other benefits.

15. Commitments for expenditure

	2021	2020
	\$	\$
Loans approved but not disbursed	<u>-</u>	<u>3,000,000</u>

16. Cash flow information

(a) Reconciliation of cash

For the purpose of the cash flow statement, cash includes cash on hand and deposits readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash at the end of the reporting period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2021	2020
	\$	\$
Cash at bank	1,806,418	2,062,255
Deposits at call & term investments	<u>19,650,000</u>	<u>23,100,000</u>
	<u>21,456,418</u>	<u>25,162,255</u>
Less term deposits >3 months	<u>13,100,000</u>	<u>8,900,000</u>
Cash at the end of the reporting period	<u>8,356,418</u>	<u>16,262,255</u>

**ARCHDIOCESE OF MELBOURNE
CDF COMMUNITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. Cash flow information (continued)

(b) Cash flows presented on a net basis

Cash flows arising from the following activities are on a net basis in the cash flow statement:

- (i) customer investments in and withdrawals from savings, money market and other investment accounts;
- (ii) sales and purchases of dealing securities;
- (iii) sales and purchases of maturing certificates of investment and
- (iv) short-term borrowings.

(c) Reconciliation of the net cash flow from operating activities to operating surplus

	2021	2020
	\$	\$
Operating surplus before distribution	121,607	84,746
Net loans granted	(547,533)	(1,026,859)
Decrease in interest receivable	98,299	114,373
(Increase)/decrease in other debtors	(196,598)	3,805
Decrease in accrued expenses and commitments	(135,975)	(168,315)
Net cash used in operating activities	<u>(660,200)</u>	<u>(992,250)</u>

17. Contingent liabilities

The Fund had no contingent liabilities to disclose at 30 June 2021.

18. Subsequent events

There are no material subsequent events to report since the end of the financial year.

19. Fund details

The registered office and principal place of business of the Fund is:

Archdiocese of Melbourne, CDF Community Fund
Level 4, 486 Albert Street
EAST MELBOURNE VIC 3002

Tel: (03) 9926 2200

Independent Auditor's Report to the Board Members of the Archdiocese of Melbourne CDF Community Fund

Opinion

We have audited the financial report, being a special purpose financial report, of the Archdiocese of Melbourne CDF Community Fund (the "CDF-CF" or the "Fund") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other 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 other explanatory information, and the declaration by Board Members as set out on pages 9 to 28.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Fund's financial position as at 30 June 2021 and of its financial performance and its cash flows for the period then ended in accordance with accounting policies as described in Note 1 in the financial report.

Basis for Opinion

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

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 and Restriction on Distribution and Use

We 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 to meet the financial reporting requirements of Australian Accounting Standards. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Board Members and should not be distributed or used by parties other than the Board Members. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Board Members' report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board Members for the Financial Report

Management of the Fund is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation and accounting policies described in Note 1 to the financial report is appropriate to meet the requirements of Australian Accounting Standards and is appropriate to meet the needs of the Board Members. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board Members are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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



We communicate with the management and the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "M Stretton".

Mark Stretton
Partner
Chartered Accountants

Melbourne, 27 October 2021