
ANGLICAN CHURCH OF AUSTRALIA

DIOCESE OF GIPPSLAND



39th SYNOD

THIRD SESSION

14-16 MAY 2021

SALE, VICTORIA

SECTION FOUR

CONSOLIDATED FINANCIAL STATEMENTS

*Issued by the Registrar, Diocese of Gippsland,
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7 MAY 2021*

SECTION FOUR
ANGLICAN DIOCESE OF GIPPSLAND
THIRD SESSION OF THE THIRTY-NINTH SYNOD
14 - 16 MAY 2021
SALE, VIC

The attached financial statements bring together all the entities of the Diocese and which report to Bishop in Council. They consolidation all the financial statements of:

- Operational expenditure contained within the Bishop in Council budget, (including The Gippsland Anglican and Gippsland Ministry Foundation)
- Trusts Corporation;
- Anglican Development Fund,
- The Abbey,
- The Church Bookroom,
- Gippsland Anglican Retirement Living,
- ADG Administration Ltd; and
- Anglican Earthcare Gippsland.

The Statements that are contained within are NOT the final audited statements and do not contain the audit report and management letter. These are anticipated to be received from the auditors on Tuesday 11 May 2021.

These interim statements are provided for the information of Synod members to enable due consideration of the financial performance of the Diocese. Any significant adjustments between these interim statements and the final audited statements will be brought to the attention of members during the presentation of the Financial Report at Synod.



Richard Connelly
Registrar

ANGLICAN DIOCESE OF GIPPSLAND

CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Anglican Diocese of Gippsland as Parent, Bishop In Council (including Gippsland Anglican and Gippsland Ministry Foundation), Trusts Corporation, Anglican Development Fund, The Abbey, Church Bookroom, Gippsland Anglican Retirement Living, Administration and Anglican Earthcare Gippsland, all under the control of Bishop In Council, are included for the purpose of preparing the consolidated financial statements.

ANGLICAN DIOCESE OF GIPPSLAND

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

*Includes Bishop In Council and Trust Coporation, plus surplus/(deficits) for ADF, The Abbey,
Church Bookroom, GARL, Administration and Anglican Earthcare Gippsland*

	Notes	2020/19	2019/18
INCOME			
Aboriginal Ministry Funds Received		100,640	50,384
ATO Cash Flow Boost		100,000	-
Capital Profits		327,360	143,281
Capital Gain/(Loss) on Sale of Non-Current Assets		(109,903)	-
Dividends & Interest		214,606	586,598
Gippsland Ministry Fund Grant		-	140,000
Management Fees Received		2,000	3,500
Parish Contributions		365,271	332,577
Property Income		206,951	249,749
Sundry Income		121,003	14,204
TOTAL INCOME		1,327,928	1,520,293
Less Income Applicable to:			
Diocesan Trusts		236,099	249,503
		236,099	249,503
NET INCOME		1,091,829	1,270,790
EXPENDITURE			
Administration		572,183	487,667
Allocations		250,443	281,425
Data Services		18,557	10,937
Miscellaneous Expenses		(139,971)	151,511
Property & Investment Expenses		121,244	134,006
Redress Expense		530,000	-
Staffing		402,295	459,574
TOTAL EXPENDITURE		1,754,751	1,525,120
OPERATING SURPLUS/(DEFICIT)		(662,922)	(254,330)
Add/(Less): Gippsland Anglican Surplus/(Deficit)		(19,133)	(25,822)
Add/(Less): Gippsland Ministry Foundation Surplus/(Deficit)		(14,713)	(8,594)
Unrealised Gains/(Losses) on Trust Corporation Investments		(252,135)	323,098
BISHOP IN COUNCIL & TRUSTS CORPORATION SURPLUS/(DEFICIT)		(948,903)	34,352

ANGLICAN DIOCESE OF GIPPSLAND

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

*Includes Bishop In Council and Trust Coporation, plus surplus/(deficits) for ADF, The Abbey,
Church Bookroom, GARL, Administration and Anglican Earthcare Gippsland*

	Notes	2020/19	2019/18
OTHER ENTITIES - SURPLUS/(DEFICIT)			
Add/(Less): Anglican Development Fund Surplus/(Deficit)		129,583	71,731
Add/(Less): The Abbey Surplus/(Deficit)		779	1,861
Add/(Less): Church Bookroom Surplus/(Deficit)		1,458	(682)
Add/(Less): Gippsland Anglican Retirement Living Surplus/(Deficit)		24,386	-
Add/(Less): Administration Surplus/(Deficit)		(4,728)	-
Add/(Less): Anglican Earthcare Gippsland Surplus/(Deficit)		11,013	-
TOTAL OTHER ENTITIES - SURPLUS/(DEFICIT)		162,491	72,910
NET SURPLUS/(DEFICIT)		(786,412)	107,262

ANGLICAN DIOCESE OF GIPPSLAND

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 30 SEPTEMBER 2020

*Includes Bishop In Council, Trust Corporation, ADF, The Abbey, Church Bookroom, GARL,
Administration and Anglican Earthcare Gippsland*

	Notes	2020/19	2019/18
ASSETS			
Cash		1,102,639	107,874
Receivables	2	1,716,256	1,695,594
Investments	3	9,224,662	9,112,603
Right of Use Assets	4	112,610	-
Property, Plant & Equipment	5	12,150,631	9,106,750
TOTAL ASSETS		24,306,798	20,022,821
LIABILITIES			
Creditors & Borrowings	6	8,034,925	2,947,946
Provisions	7	2,521	42,948
TOTAL LIABILITIES		8,037,446	2,990,894
NET ASSETS		16,269,352	17,031,927
DIOCESAN CAPITAL & TRUST FUNDS			
Capital Funds	8	1,865,750	1,865,700
Trust Funds	9	9,221,449	9,481,555
Other Reserves	10	4,397,474	4,116,946
General Reserve	11	784,679	1,567,726
TOTAL DIOCESAN CAPITAL & TRUST FUNDS		16,269,352	17,031,927

ANGLICAN DIOCESE OF GIPPSLAND

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2020**

*Includes Bishop In Council, Trust Coporation, ADF, The Abbey, Church Bookroom, GARL,
Administration and Anglican Earthcare Gippsland*

	Capital Funds	Trust Funds	Other Reserves	General Reserve	Total
Balance at 30 September 2018	1,865,700	10,183,814	4,054,796	1,218,685	17,322,995
Profit attributable to members				107,262	107,262
Transfers to/from reserves					
- Trust Funds		(702,259)			(702,259)
- Asset Revaluation Reserve			62,150	(62,150)	-
- General Reserve				303,929	303,929
Balance at 30 September 2019	1,865,700	9,481,555	4,116,946	1,567,726	17,031,927
Profit attributable to members				(786,412)	(786,412)
Transfers to/from reserves					
- Capital Funds	50				50
- Trust Funds		(260,106)			(260,106)
- Asset Revaluation Reserve			280,860		280,860
- Marketing Reserve			(332)		(332)
- General Reserve				3,365	3,365
Balance at 30 September 2020	1,865,750	9,221,449	4,397,474	784,679	16,269,352

ANGLICAN DIOCESE OF GIPPSLAND

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

*Includes Bishop In Council, Trust Coporation, ADF, The Abbey, Church Bookroom, GARL,
Administration and Anglican Earthcare Gippsland*

	Notes	2020/19	2019/18
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Investments		2,722,077	2,453,292
Payments to Suppliers and Employees		(6,833,988)	(3,254,149)
Net Cash (Used in)/Provided by Operating Activities	13(b)	<u>4,111,911</u>	<u>800,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		665,262	19,090
Payment for Property, Plant and Equipment		(373,813)	(443,540)
Net Cash (Used in)/Provided by Investing Activities		<u>291,449</u>	<u>(424,450)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Repayments) of Trust Funds		(3,408,595)	(702,260)
Net Cash (Used in)/Provided by Financing Activities		<u>(3,408,595)</u>	<u>(702,260)</u>
Net Increase in Cash Held		994,765	(325,853)
Cash and Cash Equivalents at 1 July		107,874	433,727
Cash and Cash Equivalents at 30 June		<u>1,102,639</u>	<u>107,874</u>

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTE 1. General Information Statement and Statement of Compliance

The Group consists of the Parent and the following entities under the control of Bishop In Council for the purpose of preparing the consolidated financial statements:

- Bishop In Council, including Gippsland Anglican and Gippsland Ministry Foundation;
- Trusts Corporation;
- Anglican Development Fund (ADF);
- The Abbey;
- Church Bookroom;
- Gippsland Anglican Retirement Living (GARL);
- Administration; and
- Anglican Earthcare Gippsland (AEG).

Bishop In Council is the body responsible for the administration of the Diocese, including management of funds raised by Diocesan property and management of staff employed to provide the functions of the Diocese and its parishes.

The Trusts Corporation is responsible for the management of assets and investments of the Diocese, these primarily include real estate used to generate rental income and financial investments generating interest and dividend income.

The ADF is a charitable trust of which the Diocese is the trustee. The principal activity of the ADF is to provide finance at a below market rate of interest for all parishes and other associated facilities. The finance necessary to service this activity is derived from investments.

The Abbey is responsible for the management of a property on Raymond Island, and is operated as a function centre and accommodation provider.

The Church Bookroom is responsible for the management of inventory and supplies required by all parishes in the Diocese.

Gippsland Anglican Retirement Living is responsible for the management of Clifton Waters Village, a resident-funded retirement village. GARL arranges for the collection of monies from incoming residents and the maintenance of properties occupied by the residents.

ADG Administration Ltd is a fund with a principal activity of managing funds allocated to address workforce liabilities (Workcover) and professional standards matters of the Diocese.

Anglican Earthcare Gippsland is a fund that manages monies received from grants and donations, which are primarily used to support projects and initiatives of The Abbey.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Basis of Consolidation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Anglican Diocese of Gippsland is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared in accordance with the historical cost convention, except for certain assets which are at fair value. Unless otherwise stated the accounting policies are consistent with those of the previous year.

The financial statements consolidate those of the Parent and of the Group as of 30 September 2019 and 30 September 2020. The Parent controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All controlled entities have a reporting date of 30 September.

The parishes of the Anglican Diocese of Gippsland are not controlled entities for the purposes of consolidation in the financial statements.

All transactions and balances between the Group's entities are eliminated on consolidation, including unrealised gains and losses on transactions between the Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Statement of Compliance

The financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards:

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031 Materiality

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures

AASB 10 Consolidated Financial Statements

Significant Accounting Policies

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

(a) Property, Plant and Equipment

Leasehold improvements, plant, equipment and furnishings and motor vehicles are carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the Diocese commencing from the time the asset is held ready for use.

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

Class of Fixed Assets	Depreciation Rate
Leasehold improvements	5% - 20%
Plant, equipment and furnishings	5% - 33.3%
Motor vehicles	13.3% - 25%

All properties held by the Trust Corporation for commercial investment, the Diocesan Registry Office and The Abbey were revalued in September 2020 by independent valuers. Bishopscourt was revalued in September 2015 and the properties held at Clifton Waters Village and Botterill Court were revalued in January 2015.

(b) Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(c) Provisions

Provisions are recognised when the Diocese has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

(f) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

The Diocese has applied *AASB 15: Revenue from Contracts with Customers* (AASB 15) and *AASB 1058: Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under *AASB 118: Revenue* and *AASB 1004: Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

In the current year

Contributed assets

The Diocese receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg. AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Diocese recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Diocese recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amount.

Operating grants, donations and bequests

When the Diocese receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both of these conditions are satisfied, the Diocese:

- identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement;
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Diocese:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg. AASB 9, AASB 16, AASB 116 and AASB 138);

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Diocese recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the Diocese receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Diocese recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

Interest income

interest income is recognised using the effective interest method.

Dividend income

The Diocese recognises dividends in profit or loss only when the right to receive payment of the dividend is established.

All revenue is stated net of the amounts of goods and services tax.

In the comparative period

Non-reciprocal grant revenue was recognised in profit or loss when the Diocese obtained control of the grant and it was probable that the economic benefits gained from the grant would flow to the Diocese and the amount of the grant could be measured reliably.

If conditions were attached to the grant which must be satisfied before the Diocese was eligible to receive the contribution, the recognition of the grant as revenue was deferred until those conditions were satisfied.

When grant revenue was received whereby the Diocese incurred an obligation to deliver economic value directly back to the contributor, this was considered a reciprocal transaction and the grant revenue was recognised in the statement of financial position as a liability until the service had been delivered to the contributor; otherwise the grant was recognised as income on receipt.

The Diocese received non-reciprocal contributions of assets from the government and other parties for no or nominal value.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

These assets were recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests were recognised as revenue when received.

Interest revenue was recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue was recognised when the right to receive a dividend had been established. Rental income from operating leases was recognised on a straight-line basis over the term of the relevant leases.

Revenue from the rendering of a service was recognised upon the delivery of the service to the customer.

(g) Leases

The association as lessee

At inception of a contract, the Diocese assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Diocese where the Diocese is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the association to further its objectives (commonly known as peppercorn/concessionary leases), the association has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

(h) 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 Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

(k) Critical Accounting Estimates and Judgement

The Diocese evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Diocese.

Key Estimates - Impairment

The Diocese assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

(j) Financial Assets

Initial recognition and measurement

contractual provisions of the instrument. For financial assets, this is equivalent to the date that the transaction costs, except where the instrument is classified "at fair value through profit or loss", in

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in *AASB 15: Revenue from Contracts with Customers*.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Diocese initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Derecognition

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

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.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the Diocese elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Diocese recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Diocese uses the following approaches to impairment, as applicable under *AASB 9: Financial Instruments* :

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

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

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

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivable; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Diocese measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Diocese assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Diocese applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

ANGLICAN DIOCESE OF GIPPSLAND

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

(k) New and Amended Accounting Policies Adopted

Initial application of AASB 16

The Diocese has adopted *AASB 16: Leases* (AASB 16) retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 October 2019. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated.

The Diocese has recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases under *AASB 117: Leases* where the Diocese is the lessee. The lease liabilities are measured at the present value of the remaining lease payments. The Diocese's incremental borrowing rate as at 1 October 2019 was used to discount the lease payments.

The right of use assets for equipment was measured at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the Diocese's weighted average incremental borrowing rate on 1 October 2019.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 October 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised as at 1 October 2019 (that are related to the lease).

The following practical expedients have been used by the Diocese in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied;
- leases that have remaining lease term of less than 12 months as at 1 October 2019 have been accounted for in the same way as short-term leases;
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- applying AASB 16 to leases previously identified as leases under *AASB 117: Leases* and *Interpretation 4: Determining whether an arrangement contains a lease* without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

Initial application of AASB 15 and AASB 1058

The Diocese has applied *AASB 15: Revenue from Contracts with Customers* (AASB 15) and *AASB 1058: Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 October 2019. Therefore, the comparative information has not been restated and continues to be presented under *AASB 118: Revenue* and *AASB 1004: Contributions*.

ANGLICAN DIOCESE OF GIPPSLAND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020/19	<i>2019/18</i>
NOTE 2. Receivables		
Parish & Other Debtors	447,425	376,755
Parish Loans - ADF	1,051,437	1,076,172
Clergy Car Loans	80,955	74,112
Macquarie Debtor	19,977	8,762
Other - Government Stimulus Package	12,500	-
Other	103,962	159,793
	1,716,256	<i>1,695,594</i>
NOTE 3. Investments (At Market Value)		
Debentures, Term Deposits	361,793	220,000
Shares	7,617,864	7,844,779
Anglican Funds SA Float	421,247	102,081
Anglican Funds SA Security	10,568	10,480
ANZ Online Saver Account	735,000	75,780
Macquarie Investments	74,856	856,477
Stock on Hand	3,334	3,006
	9,224,662	<i>9,112,603</i>
NOTE 4. Right of Use Assets		
Right of Use Assets	128,323	-
Accumulated Amortisation	(15,713)	-
	112,610	-
NOTE 5. Property, Plant & Equipment		
Land & Buildings		
- Diocesan Property	5,614,947	3,294,947
- Investment Property	4,565,000	4,155,933
- Clifton Waters Village	1,450,000	1,450,000
- Gippsland Church Extension Fund	5,236	5,236
	11,635,183	<i>8,906,116</i>
Leasehold Improvements	366,206	-
Accumulated depreciation	(33,963)	-
	332,243	-

ANGLICAN DIOCESE OF GIPPSLAND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020/19	<i>2019/18</i>
NOTE 5. Property, Plant & Equipment		
Plant, Equipment & Furnishings	331,828	<i>264,087</i>
Accumulated depreciation	(216,811)	<i>(173,374)</i>
	115,017	<i>90,713</i>
Motor Vehicles	119,316	<i>154,854</i>
Accumulated depreciation	(51,128)	<i>(44,933)</i>
	68,188	<i>109,921</i>
	12,150,631	<i>9,106,750</i>

NOTE 6. Creditors & Borrowings

Accrued Expenses	17,400	<i>1,387</i>
ADF Gippsland Depositors	2,394,551	<i>2,131,726</i>
ADF Loan to the Abbey	-	-
ADF Registry Relocation Loan	302,093	<i>309,904</i>
Car Replacement Deposits	317,312	<i>270,586</i>
Diocesan Clergy Benefits	6,384	<i>10,490</i>
GARL Incoming Contribution Liability	4,387,184	-
Grants Received in Advance	13,019	-
GST & PAYG Liabilities	41,954	<i>6,047</i>
Insurance Liabilities	17,145	<i>(59,172)</i>
JobKeeper Clearing	3,943	-
Lease Liability	114,487	-
Long Service Leave Liabilities	47,081	<i>18,510</i>
Parish Stipends Payments Received in Advance	202,133	<i>201,796</i>
Revenue Received in Advance	9,543	-
Sundry Creditors	119,093	<i>8,595</i>
Superannuation Liabilities	41,603	<i>48,077</i>
	8,034,925	<i>2,947,946</i>

NOTE 7. Provisions

Long Service Leave - Registry Staff	2,521	<i>2,521</i>
ADF Promotion	-	<i>40,427</i>
	2,521	<i>42,948</i>

ANGLICAN DIOCESE OF GIPPSLAND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020/19	2019/18
NOTE 8. Capital Funds		
Anglican Development Fund	140,992	140,992
Geddes/Clements Capital Fund	845,801	845,801
Other Diocesan Capital Funds	651,748	651,748
The Abbey	227,209	227,159
	1,865,750	1,865,700
NOTE 9. Trust Funds		
Diocesan Trust Fund Capital	2,383,405	2,201,147
Gippsland Ministry Foundation	6,039,405	6,362,799
Parish Trust Fund Capital	798,639	917,609
	9,221,449	9,481,555
NOTE 10. Other Reserves		
Asset Revaluation Reserve	4,371,492	4,090,632
Bishop's Election Reserve	3,000	3,000
General Synod Reserve - Accommodation & other expenses	10,482	10,482
Lambeth Conference	12,500	12,500
Marketing Reserve - The Abbey	-	332
	4,397,474	4,116,946
NOTE 11. General Reserve		
Surplus Brought Forward	1,567,726	1,156,534
Prior Year Adjustment	3,365	303,929
Add Surplus for Current Year	(786,412)	107,262
Total Surpluses & Reserves	784,679	1,567,726

NOTE 12. Contingent Liabilities

These contingent liabilities consist of loans made by Bishop-In-Council, the Trusts Corporation and the Anglican Development Fund to parishes, clergy and other parties that may become uncollectable. All such loan receivable balances have therefore been included in contingent liabilities to account for this possibility.

ANGLICAN DIOCESE OF GIPPSLAND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Percentage of Total Liability	2020/19	2019/18
Trusts Corporation			
Clergy Car Loans	1.42%	80,955	74,112
		<u>80,955</u>	<u>74,112</u>
Gippsland Anglican Retirement Living			
Ingoing Contributions	76.68%	4,387,184	4,402,911
		<u>4,387,184</u>	<u>4,402,911</u>
Anglican Development Fund - Loans to Parishes			
The Abbey - Numby Numby Fit-out	0.59%	33,926	36,657
Bass/Phillip Island - Cowes Building	3.97%	227,107	244,298
Bunyip - High Street	1.54%	88,141	-
Diocese - Insurance Premium Loan	2.93%	167,664	163,604
Lakes Entrance & Metung Shed	0.26%	14,615	18,269
Maffra - Op Shop Building (Loan redraw for a storage shed during the year)	0.50%	28,707	50,468
Moe			
- Parish Car Loan	0.00%	-	12,601
Neerim South - Op Shop	2.40%	137,576	147,048
Sale			
- Consolidated Development Loan	1.31%	74,965	96,866
- Cash Flow Loan	0.00%	-	4,473
Traralgon			
- Op Shop Fitout - Facilities Upgrade	0.12%	6,956	6,552
- Shed	1.85%	105,897	99,742
Warragul Building Loan	1.14%	65,380	68,750
Westernport - Rectory Renovations	0.00%	-	17,201
Chapter House Refurbishment	5.28%	302,093	309,904
		<u>1,253,027</u>	<u>1,276,433</u>
Total Contingent Liabilities	100%	<u>5,721,166</u>	<u>5,753,456</u>

Contingent liabilities relating to Professional Standards

Since 2004 a number of claims have been received under Professional Standards arrangements put in place by the Diocese. All known claims have been settled. During the current financial year redress payments of \$530,000 have been made.

ANGLICAN DIOCESE OF GIPPSLAND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020/19	<i>2019/18</i>
NOTE 13. Cash Flow Information		
(a) Reconciliation of Cash and Cash Equivalents		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to these items in the balance sheet:		
Cash	1,102,639	<i>107,874</i>
(b) Reconciliation of Cash Flows from Operations with Profit from Ordinary Activities:		
Net Profit from Ordinary Activities	(786,412)	<i>107,262</i>
Non-Cash Flows in Profit from Ordinary Activities		
Amortisation	15,713	-
Depreciation	37,679	<i>36,427</i>
Net (Gain)/Loss on Disposal of Property, Plant and Equipment	56,058	<i>881</i>
Prior Year Adjustments	3,365	<i>303,929</i>
	112,815	<i>341,237</i>
Changes in Assets and Liabilities		
(Increase)/decrease in Receivables	118,010	<i>107,337</i>
(Increase)/decrease in Investments	(112,059)	<i>746,445</i>
(Increase)/decrease in Right of Use Assets	(128,323)	-
Increase/(decrease) in Creditors & Borrowings	4,948,307	<i>(501,424)</i>
Increase/(decrease) in Provisions	(40,427)	-
	4,785,508	<i>352,358</i>
Net Cash Flows from Operations	4,111,911	<i>800,857</i>

ANGLICAN DIOCESE OF GIPPSLAND
BISHOP IN COUNCIL DECLARATION
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Bishop in Council of the Anglican Diocese of Gippsland, declare that the financial statements:

1. Presents a true and fair view of the financial position of Anglican Diocese of Gippsland as at 30 September 2020 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial statements.
2. At the date of this declaration, there are reasonable grounds to believe that Anglican Diocese of Gippsland will be able to pay its debts as and when they fall due.

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

Name: David Gittins
Position: Chair, Finance Committee

Date:

Name: Richard Connelly
Position: Diocesan Registrar & Secretary of the Trusts Corporation

Date:

ANGLICAN DIOCESE OF GIPPSLAND

**BISHOP IN COUNCIL
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020/19	2019/18
INCOME			
Aboriginal Ministry Funds Received		100,640	50,384
ATO Cash Flow Boost		100,000	-
Parish Contributions		365,271	332,577
Interest from Investments		3,932	145,770
Management Fees Received		2,000	3,500
Sundry Income		357	11,038
Gippsland Ministry Fund Grant		-	140,000
Trust Grant		340,000	340,000
Trust Management Fee		130,000	130,000
TOTAL INCOME		1,042,200	1,153,269
EXPENDITURE			
Administration		572,183	487,667
Allocations		250,443	281,425
Staffing		402,295	459,574
TOTAL EXPENDITURE		1,224,921	1,228,666
OPERATING SURPLUS/(DEFICIT)		(182,721)	(75,397)
Add: Transfer to Reserves		-	-
Add: Transfer from Reserves		-	-
Less: Gippsland Anglican Deficit		(19,133)	(25,822)
Less: Gippsland Ministry Foundation Deficit		(14,713)	(8,594)
TOTAL SURPLUS/(DEFICIT)		(216,567)	(109,813)

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

BISHOP IN COUNCIL
BALANCE SHEET
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020/19	2019/18
ASSETS			
Bank Account		85,247	77,903
ANZ Online Saver		220,000	-
Receivables	1	360,777	665,061
Right of Use Assets	2	112,610	-
Property, Plant & Equipment	3	2,143,481	1,895,581
TOTAL ASSETS		2,922,115	2,638,545
LIABILITIES			
Creditors & Borrowings	4	909,943	709,806
Provisions	5	2,521	2,521
TOTAL LIABILITIES		912,464	712,327
NET ASSETS		2,009,651	1,926,218
DIOCESAN CAPITAL & TRUST FUNDS			
Capital Funds	6	1,478,344	1,478,344
Other Reserves	7	1,343,199	1,043,199
General Reserve	8	(811,892)	(595,325)
TOTAL DIOCESAN CAPITAL & TRUST FUNDS		2,009,651	1,926,218

The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

**BISHOP IN COUNCIL
NOTES TO AND FORMING PART OF THE ACCOUNTS**

	Notes	2020/19	2019/18
NOTE 1. Receivables			
Parish Debtors		136,123	338,961
Other - Government Stimulus Package		12,500	-
Other		212,154	326,100
		360,777	665,061
NOTE 2. Right of Use Assets			
Right of Use Assets		128,323	-
Accumulated Amortisation		(15,713)	-
		112,610	-
NOTE 3. Property, Plant & Equipment			
Diocesan Property		1,650,000	1,350,000
Property Improvements - New Registry Offices		344,947	344,947
		1,994,947	1,694,947
<i>Market Values September 2020</i>			
<i>Bishopscourt</i>		900,000	900,000
<i>453-455 Raymond Street, Sale</i>		750,000	450,000
Total		1,650,000	1,350,000
Plant, Equipment and Furnishings		270,986	264,087
Accumulated depreciation		(189,379)	(173,374)
		81,607	90,713
Motor Vehicle - at cost		115,347	154,854
Accumulated depreciation		(48,420)	(44,933)
		66,927	109,921
Total Property, Plant & Equipment		2,143,481	1,895,581

ANGLICAN DIOCESE OF GIPPSLAND

**BISHOP IN COUNCIL
NOTES TO AND FORMING PART OF THE ACCOUNTS**

	Notes	2020/19	2019/18
NOTE 4. Creditors & Borrowings			
ADF Insurance Loan		167,664	163,604
ADF Registry Relocation Loan		302,093	309,904
GST & PAYG Liabilities		8,544	21,837
Insurance Liabilities		17,145	(59,172)
JobKeeper Clearing		3,943	-
Lease Liability		114,487	-
Long Service Leave Liabilities		47,081	18,510
Stipends Payments Received in Advance		202,133	201,796
Sundry Creditors		5,250	5,250
Superannuation Liability		41,603	48,077
		909,943	709,806
		909,943	709,806
NOTE 5. Provisions			
Long Service Leave - Registry Staff		2,521	2,521
		2,521	2,521
		2,521	2,521
NOTE 6. Capital Funds			
Geddes/Clements Capital Fund		845,801	845,801
Other Diocesan Trust Funds		632,543	632,543
		1,478,344	1,478,344
		1,478,344	1,478,344
NOTE 7. Other Reserves			
Asset Revaluation Reserve		1,317,217	1,017,217
Bishops Election Expense Reserve		3,000	3,000
General Synod Reserve - Accommodation and other expenses		10,482	10,482
Lambeth Conference Reserve		12,500	12,500
		1,343,199	1,043,199
		1,343,199	1,043,199
NOTE 8. General Reserve			
Diocesan Reserve		148,398	148,398
Surplus Brought Forward		(743,723)	(641,320)
Prior Year Adjustment		-	7,410
Surplus/(Deficit) Current Year		(216,567)	(109,813)
Total Surpluses & Reserves		(811,892)	(595,325)
		(811,892)	(595,325)

ANGLICAN DIOCESE OF GIPPSLAND

**GIPPSLAND ANGLICAN
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020/19	2019/18
INCOME			
Sales		24,643	25,515
Advertising		12,367	9,534
TOTAL INCOME		37,010	35,049
EXPENDITURE			
Consultant Costs (Editor & Design)		33,834	27,808
Commission		-	17
Melbourne Anglican		5,529	12,746
Production & Delivery		15,116	18,067
Postage & Telephone		636	734
Subscriptions & Conferences		1,005	1,299
Sundry Expenses		23	-
Travelling		-	200
TOTAL EXPENDITURE		56,143	60,871
TOTAL SURPLUS/(DEFICIT)		(19,133)	(25,822)

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

GIPPSLAND MINISTRY FOUNDATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020/19	2019/18
INCOME			
GMF Income		-	169
Donations - Clergy Training		401	1,595
TOTAL INCOME		401	1,764
EXPENDITURE			
A'Beckett Park		4,579	6,869
Clergy Training		135	285
Parish Assistance Bunyip		10,400	-
Safe Ministry		-	1,820
Theology Study Support		-	(611)
Vocational Assessment		-	1,995
TOTAL EXPENDITURE		15,114	10,358
TOTAL SURPLUS/(DEFICIT)		(14,713)	(8,594)
Capital as at 30 September 2020		798,639	917,609

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

**TRUSTS CORPORATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020/19	2019/18
INCOME			
Capital Profits/(Loss)		327,360	143,281
Capital Gain/(Loss) on Sale of Non-Current Assets		(109,903)	-
Dividends & Interest	8	210,674	440,828
Property Income		206,951	249,749
Sundry Income		120,646	3,166
GROSS INCOME		755,728	837,024
Less Income Applicable to:			
Diocesan Trusts		236,099	249,503
NET INCOME		519,629	587,521
EXPENDITURE			
Data Services		18,557	10,937
Grant to Diocese		340,000	340,000
Investment Expenses		46,304	51,264
Miscellaneous Expenses		(139,971)	151,511
Property Expenses		74,940	82,742
Redress Expense		530,000	-
Trust Management Fee		130,000	130,000
TOTAL EXPENDITURE		999,830	766,454
OPERATING SURPLUS/(DEFICIT)		(480,201)	(178,933)
Plus: Unrealised Gains/(Losses) on Share Trading		(252,135)	323,098
TOTAL SURPLUS/(DEFICIT)		(732,336)	144,165

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

TRUSTS CORPORATION
BALANCE SHEET
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020/19	2019/18
ASSETS			
Bank Account		6,287	13,463
Receivables	1	133,868	195,745
Investments	2	6,543,476	7,030,396
Property	3	6,020,236	5,611,169
TOTAL ASSETS		12,703,867	12,850,773
LIABILITIES			
Creditors & Borrowings	4	360,185	423,716
TOTAL LIABILITIES		360,185	423,716
NET ASSETS		12,343,682	12,427,057
DIOCESAN CAPITAL & TRUST FUNDS			
Trust Funds	5	9,221,449	9,481,555
Other Reserves	6	2,743,208	1,834,141
General Reserve	7	379,025	1,111,361
TOTAL DIOCESAN CAPITAL & TRUST FUNDS		12,343,682	12,427,057

The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

**TRUSTS CORPORATION
NOTES TO AND FORMING PART OF THE ACCOUNTS**

	Notes	2020/19	2019/18
NOTE 1. Receivables			
Clergy Car Loans		80,955	74,112
Macquarie Debtor		15,907	8,762
Sundry Debtors		37,006	112,871
		133,868	195,745
NOTE 2. Investments			
Debentures, Term Deposits		330,000	190,000
Anglican Funds SA Float		279,078	7,749
Anglican Funds SA Security		5,284	5,240
Shares		5,867,429	6,165,413
Goldman Sachs J B Were Investments		-	5,780
Macquarie Investments		61,685	656,214
		6,543,476	7,030,396
NOTE 3. Property, Plant & Equipment			
Land & Buildings - Investment Property		4,565,000	4,155,933
Clifton Waters & Botterill Court Land		1,450,000	1,450,000
Gippsland Church Eextension Fund Land		5,236	5,236
		6,020,236	5,611,169
<i>Investment Property Market Values September 2020</i>			
<i>3/11 Kay Street, Traralgon</i>		<i>600,000</i>	<i>435,000</i>
<i>33A Grey Street, Traralgon</i>		<i>1,350,000</i>	<i>1,300,000</i>
<i>126-128 Franklin Street, Traralgon</i>		<i>570,000</i>	<i>510,000</i>
<i>204-210 Raymond Street, Sale</i>		<i>1,000,000</i>	<i>700,000</i>
<i>49 Desailly Street, Sale</i>		<i>-</i>	<i>500,000</i>
<i>62 Marley Street, Sale</i>		<i>510,000</i>	<i>320,000</i>
<i>Unit 2/33 Newlands Drive, Paynesville</i>		<i>345,000</i>	<i>200,933</i>
<i>47 South Street, Moe</i>		<i>190,000</i>	<i>190,000</i>
		4,565,000	4,155,933

ANGLICAN DIOCESE OF GIPPSLAND

**TRUSTS CORPORATION
NOTES TO AND FORMING PART OF THE ACCOUNTS**

	Notes	2020/19	2019/18
NOTE 4. Creditors & Borrowings			
Clergy Car Replacement Deposits		317,312	270,586
Diocesan Clergy Benefits		6,384	10,490
GST Payable		21,644	(12,205)
Sundry Creditors		14,845	154,845
		360,185	423,716
NOTE 5. Trust Funds			
Diocesan Trust Fund Capital		2,383,405	2,201,147
Parish Trust Fund Capital		6,039,405	6,362,799
Gippsland Ministry Foundation		798,639	917,609
		9,221,449	9,481,555
NOTE 6. Other Reserves			
Asset Revaluation Reserve		1,834,141	1,834,141
Asset Revaluation Reserve 2019/20		909,067	-
		2,743,208	1,834,141
NOTE 7. General Reserve			
Balance brought forward		1,111,361	604,242
Prior Year Adjustment		-	362,954
Surplus/Deficit		(732,336)	144,165
Total Surpluses Carried Forward		379,025	1,111,361
TOTAL CAPITAL & TRUST FUNDS		12,343,682	12,427,057
NOTE 8. Franking Credit Refunds			
Franking Credit refunds included in Dividends and Interest		27,121	102,986

ANGLICAN DIOCESE OF GIPPSLAND

**ANGLICAN DEVELOPMENT FUND
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020/19	2019/18
INCOME			
ADF Income		150,234	226,588
Interest Received		4	666
Capital Profit/(Loss)		74,811	36,131
Capital Gain/(Loss) on Sale of Non-Current Assets		52,665	-
TOTAL INCOME		277,714	263,385
EXPENDITURE			
General Expenditure		12,498	153,223
Interest Paid		33,737	45,897
Investment Expenses		14,316	17,466
TOTAL EXPENDITURE		60,551	216,586
OPERATING SURPLUS/(DEFICIT)		217,163	46,799
Plus: Unrealised Gains/(Losses) on Share Trading		(87,580)	24,932
TOTAL SURPLUS/(DEFICIT)		129,583	71,731

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

**ANGLICAN DEVELOPMENT FUND
BALANCE SHEET
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020/19	2019/18
ASSETS			
Bank Account		23,793	9,694
Maryvale Land		-	200,000
Sundry Debtors		285,681	37,794
Loans to Parishes		1,253,027	1,276,434
Investments		1,750,435	1,679,366
ANZ Online Saver Account		515,000	70,000
Macquarie Cash Account		13,171	200,263
Macquarie Debtor		4,070	2,051
Adelaide Funds Float		142,169	94,332
Adelaide Funds Security Deposit		5,284	5,240
TOTAL ASSETS		3,992,630	3,575,174
LIABILITIES			
Accrued Expenses		1,435	1,387
Deposits with the Fund		2,394,551	2,131,726
Provision for Promotion		-	40,427
Capital Account		133,819	133,819
GCEF Capital		7,173	7,173
GST Payable		25,000	-
Sundry Creditor		144,995	144,995
TOTAL LIABILITIES		2,706,973	2,459,527
NET ASSETS		1,285,657	1,115,647
EQUITY			
Accumulated Surplus		1,223,507	1,053,497
Asset Revaluation Reserve		62,150	62,150
TOTAL EQUITY		1,285,657	1,115,647

NOTE 1. Franking Credit Refunds

Franking Credit refunds included in ADF Income	7,705	34,449
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The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

**THE ABBEY
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020/19	2019/18
INCOME			
37 Fourth Street Raymond		-	3,155
Abbey - Donations		6,089	18,421
Accommodation		51,477	70,300
Accommodation - Deposit		-	4,957
Allowances		3,434	-
Catering		-	5,175
Gift Fund Allocation		21,306	2,000
General Fund Allocation		-	600
JobKeeper Payments		30,618	-
Grants		30,880	5,848
Programmes		3,545	8,200
Sundry Income		2,077	4,173
Use of Facilities (Kitchen)		-	29,330
TOTAL INCOME		149,426	152,159
EXPENDITURE			
37 Fourth Street Raymond		-	9,225
ADF Gippsland Loan		-	2,265
Administration Costs		1,614	12,515
Catering		3,542	7,820
Cleaning Materials		436	827
Contractors - Cleaning		7,588	13,070
Contractors - Other		-	3,803
Equipment Purchase		-	38
Fundraising & Marketing		4,060	-
Grounds Maintenance		800	6,454
Insurance - Buildings etc		9,029	-
Interest Expenses		2,105	-
Light, Power & Gas		8,140	9,227
Rates		3,469	3,882
Remun - Admin Staff		73,996	56,394
Remun Staff - Superannuation		9,346	8,366
Repairs & Maintenance		3,644	576

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

**THE ABBEY
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEBER 2020**

	Notes	2020/19	2019/18
Siteminder, Commission & Costs		-	7,198
Sundry Expense		357	2,942
Telephone & Internet		1,152	-
TOTAL OPERATING EXPENDITURE		129,278	144,602
TOTAL OPERATING SURPLUS/(DEFICIT)		20,148	7,557
Development Costs		19,369	5,696
TOTAL SURPLUS/(DEFICIT)		779	1,861

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

THE ABBEY
BALANCE SHEET
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020/19	2019/18
ASSETS			
Bendigo Bank Account		9,663	3,270
ANZ Bank Account		1	-
Bendigo Bank Holding Account		18,019	-
Bendigo Bank Corporate Debt Card		300	-
Debtors		10,000	15,017
Land and Buildings		3,620,000	1,400,000
TOTAL ASSETS		3,657,983	1,418,287
LIABILITIES			
ADF Loan		33,926	36,658
Grants Received in Advance		18,019	-
GST Payable		(224)	(4,135)
Marketing Reserve		-	332
TOTAL LIABILITIES		51,721	32,855
NET ASSETS		3,606,262	1,385,432
EQUITY			
Asset Revaluation Reserve		3,397,125	1,177,125
Capital Account		227,209	227,158
Accumulated Surplus/(Deficit)		(18,072)	(18,851)
TOTAL EQUITY		3,606,262	1,385,432

The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

CHURCH BOOK ROOM
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020/19	2019/18
INCOME			
Sales		6,994	10,600
TOTAL INCOME		<u>6,994</u>	<u>10,600</u>
COST OF GOODS SOLD			
Purchases		5,081	9,587
Stock Adjustments		(196)	(515)
TOTAL COST OF GOODS SOLD		<u>4,885</u>	<u>9,072</u>
GROSS TRADING PROFIT		<u>2,109</u>	<u>1,528</u>
INDIRECT EXPENDITURE			
Sundry Expenses		2,273	2,017
Postage		174	235
TOTAL EXPENDITURE		<u>2,447</u>	<u>2,252</u>
OPERATING SURPLUS/(DEFICIT)		(338)	(724)
OTHER INCOME			
Other Income		1,796	42
TOTAL OTHER INCOME		<u>1,796</u>	<u>42</u>
TOTAL SURPLUS/(DEFICIT)		<u>1,458</u>	<u>(682)</u>

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

CHURCH BOOK ROOM

BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEBER 2020

	Notes	2020/19	2019/18
ASSETS			
Bank Account		481	394
ADF Investment		31,793	30,000
ANZ Online Saver Account		3,200	3,000
Stock on Hand		2,731	3,006
Cash on Hand		150	150
Debtors		29	249
TOTAL ASSETS		38,384	36,799
LIABILITIES			
GST Payable		677	550
Capital Account		19,205	19,205
TOTAL LIABILITIES		19,882	19,755
NET ASSETS		18,502	17,044
EQUITY			
Retained Earnings		18,502	17,044
TOTAL EQUITY		18,502	17,044

The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

**GIPPSLAND ANGLICAN RETIREMENT LIVING
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEBER 2020**

	Notes	2020/19	2019/18
INCOME			
ILU Expenses - Recoverable		220	-
Interest		4,261	-
Maintenance Charges		116,307	-
Rental Income		49,440	-
Trust Donations		2,400	-
TOTAL INCOME		172,628	-
EXPENDITURE			
Advertising & Promotion		1,764	-
Agent Management Fees		1,914	-
Bank Charges		446	-
Cleaning		674	-
Computer Expenses		1,597	-
Health, Fire & Safety		584	-
Insurance		8,932	-
Legal Fees		14,688	-
Light, Power & Gas		1,826	-
Motor Vehicle Expenses		270	-
Printing & Stationery		262	-
Rates		18,669	-
Repairs & Maintenance		45,060	-
Residents Welfare		481	-
Salaries & Wages		41,801	-
Superannuation		3,961	-
Security		110	-
Small Plant and Equipment		235	-
Telephone		1,264	-
Waste Disposal		3,704	-
TOTAL EXPENDITURE		148,242	-
NET SURPLUS/(DEFICIT)		24,386	-

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

GIPPSLAND ANGLICAN RETIREMENT LIVING

BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020/19	2019/18
ASSETS			
Bank Account	1	939,155	-
Receivables		15,592	-
Property, Plant & Equipment	2	366,914	-
Inventory on Hand		603	-
Residential Tenancy Bond Authority		11,297	-
TOTAL ASSETS		<u>1,333,561</u>	-
LIABILITIES			
Creditors	3	110,498	-
Revenue Received in Advance		9,543	-
Accrued Expenses		15,965	-
Ingoing Contribution Liability		4,387,184	-
TOTAL LIABILITIES		<u>4,523,190</u>	-
NET ASSETS		<u><u>(3,189,629)</u></u>	-
EQUITY			
Asset Revaluation Reserve	4	(3,148,208)	-
Accumulated Surplus/(Deficit)		(41,421)	-
TOTAL EQUITY		<u><u>(3,189,629)</u></u>	-

The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

**GIPPSLAND ANGLICAN RETIREMENT LIVING
NOTES TO AND FORMING PART OF THE ACCOUNTS**

	Notes	2020/19	2019/18
NOTE 1. Bank Accounts			
ANZ Operating Account		24,308	-
ANZ Debit Account		537	-
Trust Corporation		912,249	-
Trust Corporation - Donations		2,011	-
Cash on Hand		50	-
		939,155	-
 NOTE 2. Property, Plant & Equipment			
Leasehold Improvements		366,206	-
Accumulated depreciation		(33,963)	-
		332,243	-
 Plant & Equipment		56,401	-
Accumulated depreciation		(26,030)	-
		30,371	-
 Furniture & Fittings		4,441	-
Accumulated depreciation		(1,402)	-
		3,039	-
 Motor Vehicles		3,969	-
Accumulated depreciation		(2,708)	-
		1,261	-
 Total Property, Plant & Equipment		366,914	-

ANGLICAN DIOCESE OF GIPPSLAND

GIPPSLAND ANGLICAN RETIREMENT LIVING
NOTES TO AND FORMING PART OF THE ACCOUNTS

	Notes	2020/19	2019/18
NOTE 3. Creditors & Borrowings			
Annual Leave Entitlements		27,124	-
Chattel Mortgage		5,717	-
Conversion Clearing Account		(256)	-
GST, PAYG & FBT Liabilities		18,938	-
Long Service Leave Entitlements		22,499	-
RTBA - Rental Bonds		13,537	-
Superannuation Payable		26,274	-
Salary Sacrifice Clearing Account		9,531	-
Wages Payable		(12,866)	-
		<u>110,498</u>	<u>-</u>
NOTE 4. Asset Revaluation Reserve			
Asset Revaluation Reserve		(3,148,208)	-
Asset Revaluation Reserve 2019/20		-	-
		<u>(3,148,208)</u>	<u>-</u>

ANGLICAN DIOCESE OF GIPPSLAND

ADMINISTRATION
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020/19	2019/18
INCOME			
Bank Interest		37	-
General Allocation		13,000	-
Professional Standards		164,640	-
Redress		7,621	-
Sundry Income		256	-
WorkCover		22,000	-
TOTAL INCOME		207,554	-
EXPENDITURE			
Administration Assistance		2,600	-
Assessments		180	-
Clearance Officer		20,209	-
Consultant Fees		72,631	-
Counselling Costs		11,249	-
Investigations		21,273	-
Legal Expenses		7,900	-
Office Supplies		552	-
Pastoral Supervision		500	-
Postage		142	-
Redress Expenses		19,873	-
Safe Ministry		20,174	-
Service Fees		750	-
Superannuation		11,700	-
Travel Expenses		1,243	-
TOTAL EXPENDITURE		190,976	-
NET SURPLUS/(DEFICIT)		16,578	-

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

ADMINISTRATION

BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEBER 2020

	Notes	2020/19	2019/18
ASSETS			
Bank Account		2,891	-
TOTAL ASSETS		<u>2,891</u>	<u>-</u>
LIABILITIES			
GST Liabilities		(13,687)	-
TOTAL LIABILITIES		<u>(13,687)</u>	<u>-</u>
NET ASSETS		<u>16,578</u>	<u>-</u>
EQUITY			
Accumulated Surplus/(Deficit)		16,578	-
TOTAL EQUITY		<u>16,578</u>	<u>-</u>

The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

**ANGLICAN EARTHCARE GIPPSLAND
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020/19	2019/18
INCOME			
General Fund			
Bank Fees Refunded		160	-
Donations		900	-
Interest Received		97	-
Membership Fees		600	-
		<u>1,757</u>	-
Gift Fund			
Chapel Project		3,180	-
Interest Received		60	-
Solar Project		7,791	-
West Cottage Project		600	-
		<u>11,631</u>	-
TOTAL INCOME		<u>13,388</u>	-
EXPENDITURE			
General Fund			
Funds paid to The Abbey		375	-
Grants paid to The Abbey		5,000	-
		<u>5,375</u>	-
Gift Fund			
Funds paid to The Abbey		21,306	-
Donations paid to The Abbey		2,000	-
		<u>23,306</u>	-
TOTAL EXPENDITURE		<u>28,681</u>	-
NET SURPLUS/(DEFICIT)		<u>(15,293)</u>	-

The accompanying notes form part of this financial report.

ANGLICAN DIOCESE OF GIPPSLAND

ANGLICAN EARTHCARE GIPPSLAND

BALANCE SHEET

FOR THE YEAR ENDED 30 SEPTEBER 2020

	Notes	2020/19	2019/18
ASSETS			
General Fund		7,557	-
Gift Fund		5,895	-
TOTAL ASSETS		<u>13,452</u>	<u>-</u>
NET ASSETS		<u>13,452</u>	<u>-</u>
EQUITY			
Accumulated Surplus/(Deficit)		<u>13,452</u>	<u>-</u>
TOTAL EQUITY		<u>13,452</u>	<u>-</u>

The accompanying notes form part of this financial report

ANGLICAN DIOCESE OF GIPPSLAND

PROPERTY VALUATIONS AS AT 30 SEPTEMBER 2020

		<i>Date of Valuation</i>	<i>Type of Valuation</i>
<i>Diocesan Property</i>			
<i>Bishop In Council</i>			
<i>Bishops court</i>	900,000	14/09/2015	<i>Market</i>
<i>453-455 Raymond Street, Sale</i>	750,000	25/09/2020	<i>Market</i>
<i>Total</i>	<u>1,650,000</u>		
<i>The Abbey</i>			
<i>A'Beckett Park</i>	3,620,000	25/09/2020	<i>Market</i>
<i>Total</i>	<u>3,620,000</u>		
<i>Investment Properties</i>			
<i>3/11 Kay Street, Traralgon</i>	600,000	25/09/2020	<i>Market</i>
<i>33A Grey Street, Traralgon</i>	1,350,000	25/09/2020	<i>Market</i>
<i>126-128 Franklin Street, Traralgon</i>	570,000	25/09/2020	<i>Market</i>
<i>204-210 Raymond Street, Sale</i>	1,000,000	25/09/2020	<i>Market</i>
<i>62 Marley Street, Sale</i>	510,000	25/09/2020	<i>Market</i>
<i>Unit 2/33 Newlands Drive, Paynesville</i>	345,000	25/09/2020	<i>Market</i>
<i>47 South Street, Moe</i>	190,000		
	<u>4,565,000</u>		
<i>Clifton Waters Land</i>			
<i>- Clifton Waters Village, Bairnsdale</i>	1,300,000	31/01/2015	<i>Sworn</i>
<i>- Botterill Court, Morwell</i>	150,000	13/03/2015	<i>Sworn</i>
	<u>1,450,000</u>		
<i>Total Land & Buildings</i>	<i>11,285,000</i>		