

**ANGLICAN CHURCH OF AUSTRALIA**

**DIOCESE OF GIPPSLAND**



**40<sup>th</sup> SYNOD**

**THIRD SESSION**

**24 – 26 May 2024**

**SALE**

## **The Synod Book**

### **SECTION 4**

**Consolidated Financial Statement**

**Bishop in Council Financial Statements**

**Trusts Corporation Statements**

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*10 May 2024*

**SECTION FOUR**  
**ANGLICAN DIOCESE OF GIPPSLAND**  
**THIRD SESSION OF FORTIETH SYNOD**  
**24 – 26 May 2024**

**SALE, VIC**

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The attached financial statements bring together all the entities under the control of, and which report to Bishop in Council.

The Statements that are contained within consist of the final audited statements and contain the audit report and management letter.

Following the consolidated statements, the financial statements for Bishop in Council and the Trusts Corporation as at 30 September 2023 are attached reflecting the operational management of the Council's budget and investment portfolios. The remainder of the Diocesan entities are contained within the Consolidated Statements

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**ANGLICAN TRUSTS CORPORATION OF  
THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**ABN 89 363 058 392**

**CONSOLIDATED FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

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**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	2023 \$	2022 \$
<b>INCOME</b>			
Aboriginal Ministry Funds Received		116,462	42,500
Realised Gains/(Losses) on Investments		(64,180)	9,818
Dividends & Interest		391,556	332,816
Parish Contributions		365,271	365,271
Property Income		251,264	241,804
Sundry Income		40,889	14,446
Anglican Development Fund Revenue	15	226,243	158,005
The Abbey Revenue	16	229,802	133,327
Church Bookroom Revenue	17	8,253	7,922
Anglican Retirement Living Revenue	18	882,020	902,369
Administration Revenue	19	4	6
Gippsland Anglican Revenue	20	27,323	30,177
Gippsland Ministry Foundation Revenue	21	5,000	3,046
<b>TOTAL INCOME</b>		<b>2,479,907</b>	<b>2,241,507</b>
<b>EXPENDITURE</b>			
Administration		304,270	291,000
Allocations		254,494	247,885
Data Services		15,737	15,730
Miscellaneous Expenses		297,034	250,220
Property & Investment Expenses		117,534	145,650
Redress Expense		-	160,000
Staffing		487,774	463,426
Anglican Development Fund Expenses		71,561	70,646
The Abbey Expenses	16	212,231	152,093
Church Bookroom Expenses	17	7,137	7,433
Anglican Retirement Living Expenses	18	486,796	630,583
Administration Expenses	19	188,410	176,986
Gippsland Anglican Expenses	20	121,506	64,904
Gippsland Ministry Foundation Expenses	21	33,441	20,716
<b>TOTAL EXPENDITURE</b>		<b>2,597,925</b>	<b>2,697,272</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(118,018)</b>	<b>(455,765)</b>
Unrealised (Losses)/Gains on Trust Corporation Investments		496,499	(1,768,257)
<b>NET OPERATING SURPLUS/(DEFICIT)</b>		<b>378,481</b>	<b>(2,224,022)</b>

The accompanying notes form part of these financial statements.

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**CONSOLIDATED BALANCE SHEET  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		2,245,831	1,776,938
Trade and Other Receivables	2	2,055,384	1,655,255
Inventories		4,070	2,716
		<u>4,305,285</u>	<u>3,434,909</u>
<b>Non-Current Assets</b>			
Investments	3	8,802,005	7,721,669
Right-of-Use Assets	4	65,471	81,184
Property, Plant & Equipment	5	27,480,919	27,334,250
		<u>36,348,395</u>	<u>35,137,103</u>
<b>TOTAL ASSETS</b>		<u>40,653,680</u>	<u>38,572,012</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	6	3,047,804	3,524,489
Lease Liabilities	7	14,565	18,000
		<u>3,062,369</u>	<u>3,542,489</u>
<b>Non-Current Liabilities</b>			
Lease Liabilities	7	55,403	67,321
Provisions	8	34,138	71,676
ARL Ingoing Contribution Liability		4,777,427	4,407,722
		<u>4,866,968</u>	<u>4,546,719</u>
<b>TOTAL LIABILITIES</b>		<u>7,929,337</u>	<u>8,089,208</u>
<b>NET ASSETS</b>		<u>32,724,343</u>	<u>30,482,804</u>
<b>DIOCESAN CAPITAL &amp; TRUST FUNDS</b>			
Capital Funds	9	1,855,750	1,855,750
General Reserve	10	(3,537,698)	(3,916,179)
Other Reserves	11	22,759,512	22,567,026
Trust Funds	12	11,646,779	9,976,207
<b>TOTAL DIOCESAN CAPITAL &amp; TRUST FUNDS</b>		<u>32,724,343</u>	<u>30,482,804</u>

The accompanying notes form part of these financial statements.

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	<b>Capital Funds \$</b>	<b>General Reserve \$</b>	<b>Other Reserves \$</b>	<b>Trust Funds \$</b>	<b>Total \$</b>
Balance at 30 September 2021	1,855,750	(1,692,037)	22,571,382	9,378,467	32,113,562
Profit/(Loss) attributable to members	-	(2,224,022)	-	-	(2,224,022)
Transfers to/from reserves					
- General Reserve	-	(120)	-	-	(120)
- Other Reserves	-	-	(4,356)	-	(4,356)
- Trust Funds	-	-	-	597,740	597,740
<b>Balance at 30 September 2022</b>	<b>1,855,750</b>	<b>(3,916,179)</b>	<b>22,567,026</b>	<b>9,976,207</b>	<b>30,482,804</b>
Profit/(Loss) attributable to members	-	378,481	-	-	378,481
Transfers to/from reserves					
- General Reserve	-	-	-	-	-
- Other Reserves	-	-	192,486	-	192,486
- Trust Funds	-	-	-	1,670,572	1,670,572
<b>Balance at 30 September 2023</b>	<b>1,855,750</b>	<b>(3,537,698)</b>	<b>22,759,512</b>	<b>11,646,779</b>	<b>32,724,343</b>

The accompanying notes form part of these financial statements.

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Investments		2,479,907	2,241,507
Payments to Suppliers and Employees		<u>(3,661,295)</u>	<u>(2,245,285)</u>
<b>Net Cash Used in Operating Activities</b>	14(b)	<u><b>(1,181,388)</b></u>	<u><b>(3,778)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant and Equipment		<u>(39,013)</u>	<u>(339,496)</u>
<b>Net Cash Used in Investing Activities</b>		<u><b>(39,013)</b></u>	<u><b>(339,496)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Trust Funds		<u>1,689,294</u>	593,384
<b>Net Cash Used in Financing Activities</b>		<u><b>1,689,294</b></u>	<u><b>593,384</b></u>
Net Increase in Cash Held		468,893	250,110
Cash and Cash Equivalents at 1 October		<u>1,776,938</u>	1,526,828
Cash and Cash Equivalents at 30 September	14(a)	<u><b>2,245,831</b></u>	<u><b>1,776,938</b></u>

The accompanying notes form part of these financial statements.



**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**NOTE 1. General Information Statement and Statement of Compliance**

The Group consists of the Anglican Trusts Corporations of the Diocese of Gippsland as Parent and the following entities under the control of Bishop In Council for the purpose of preparing the consolidated financial statements:

- Anglican Diocese of Gippsland Administration Limited
- Anglican Retirement Living

Administration is a fund with a principal activity of managing funds allocated to address professional standards matters of the Diocese.

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

**Basis of Consolidation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. The Anglican Diocese of Gippsland is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 2022 and 30 September 2023. 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.

**Material Accounting Policies**

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

**(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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
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The depreciation rates used for each class of depreciable assets are as follows:

<b>Class of Fixed Assets</b>	<b>Depreciation Rate</b>
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 A'Beckett Park were revalued in September 2020 by independent valuers. The Bishopscourt property and the properties held at Clifton Waters Village and Botterill Court were revalued in September 2021.

**(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.

**(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.

**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 (e.g. 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).

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 (e.g. AASB 9, AASB 16, AASB 116 and AASB 138);
- 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.

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**(g) Leases**

**The Diocese 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.

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.

**(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.

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**(j) Financial Assets**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Diocese becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Diocese commits itself to either the purchase or the sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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*.

**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.

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.

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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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.

**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 (i.e. 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 (e.g. 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 TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 (i.e.. 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 (e.g. 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;
- 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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 fulfill 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 (e.g. 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.

**(k) Comparative Amounts**

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

When the Diocese retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparatives financial statements is presented.



**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Note 2. Trade and Other Receivables</b>		
Clergy Car Loans	27,554	47,489
Macquarie Debtor	16,726	12,985
Parish & Other Debtors	702,513	705,620
Parish Loans - ADF	1,308,591	889,161
	<u>2,055,384</u>	<u>1,655,255</u>

**Note 3. Investments (At Market Value)**

Debentures	31,793	31,793
Shares	7,900,112	7,282,577
Macquarie Investments	870,100	407,299
	<u>8,802,005</u>	<u>7,721,669</u>

**Note 4. Right-of-Use Assets**

Right-of-Use Assets	128,323	128,323
Accumulated Amortisation	(62,852)	(47,139)
	<u>65,471</u>	<u>81,184</u>

Chapter House		
Balance as at 1 October	81,184	96,897
Amortisation of Right-of-Use Assets during the year	(15,713)	(15,713)
Balance as at 30 September	<u>65,471</u>	<u>81,184</u>

**Note 5. Property, Plant & Equipment**

**Land & Buildings**

Botterill Court Land & Buildings	1,115,700	1,115,700
Clifton Waters Land & Buildings	13,765,000	13,765,000
Diocesan Property	6,814,947	6,814,947
Gippsland Church Eextension Fund Land	179,000	5,236
Investment Property	4,960,000	4,960,000
	<u>26,834,647</u>	<u>26,660,883</u>

Leasehold Improvements	351,730	351,730
Accumulated depreciation	(144,229)	(117,698)
	<u>207,501</u>	<u>234,032</u>

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Note 5. Property, Plant &amp; Equipment</b>		
Plant, Equipment & Furnishings	362,528	362,528
Accumulated Depreciation	(300,257)	(278,756)
	<u>62,271</u>	<u>83,772</u>
Motor Vehicles	115,347	115,347
Accumulated Depreciation	(85,752)	(76,581)
	<u>29,595</u>	<u>38,766</u>
Capital Improvements - ILU	356,223	317,210
Accumulated depreciation	(9,318)	(413)
	<u>346,905</u>	<u>316,797</u>
	<u>27,480,919</u>	<u>27,334,250</u>

**Note 6. Trade & Other Payables**

Accrued Expenses	1,428	851
ADF Gippsland Depositors	2,055,118	2,450,682
ADF Registry Relocation Loan	239,000	284,891
Clergy Car Replacement Deposits	371,404	372,379
Diocesan Clergy Benefits	14,648	18,193
Grants Received in Advance	-	23,700
GST & PAYG Liabilities	(63,575)	(7,373)
Insurance Liabilities	208,766	131,538
Stipends Payments Received in Advance	179,970	196,981
Sundry Creditors	2,706	9,364
Superannuation Liability	38,339	43,283
	<u>3,047,804</u>	<u>3,524,489</u>

**Note 7. Lease Liabilities**

Current	14,565	18,000
Non-Current	55,403	67,321
	<u>69,968</u>	<u>85,321</u>

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Note 8. Provisions</b>		
Long Service Leave Liabilities	29,992	69,155
Long Service Leave - Registry Staff	4,146	2,521
	<u>34,138</u>	<u>71,676</u>

**Note 9. Capital Funds**

Anglican Development Fund	140,992	140,992
Diocesan Capital Funds	845,801	845,801
Other Diocesan Capital Funds	651,748	651,748
The Abbey	217,209	217,209
	<u>1,855,750</u>	<u>1,855,750</u>

**Note 10. General Reserve**

Surplus Brought Forward	(3,916,179)	(1,692,037)
Prior Year Adjustments	-	(120)
Surplus/(Deficit) Current Year	378,481	(2,224,022)
	<u>(3,537,698)</u>	<u>(3,916,179)</u>

**Note 11. Other Reserves**

Asset Revaluation Reserve	22,719,164	22,545,400
Bishops Election Expense Reserve	3,000	3,000
General Synod Reserve - Accommodation and other expenses	10,482	10,482
Lambeth Conference Reserve	8,144	8,144
Long Service Leave Reserve	18,722	-
	<u>22,759,512</u>	<u>22,567,026</u>

**Note 12. Trust Funds**

Diocesan Trust Fund Capital	2,534,666	2,600,067
Gippsland Ministry Foundation	926,412	839,542
Parish Trust Fund Capital	8,185,701	6,536,598
	<u>11,646,779</u>	<u>9,976,207</u>

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**NOTE 13. 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 uncollectible. All such loan receivable balances have therefore been included in contingent liabilities to account for this possibility.

	Percentage of Liability	2023 \$	2022 \$
<b>Trusts Corporation</b>			
Clergy Car Loans	1.62%	27,554	47,489
		<u>27,554</u>	<u>47,489</u>
<b>Anglican Development Fund - Loans to Parishes</b>			
The Abbey - Numby Numby Fit-out	1.46%	24,772	27,931
Bass/Phillip Island - Cowes Building	15.85%	269,767	220,779
Bunyip - High Street	1.73%	29,422	35,878
Diocese - Insurance Premium Loan	20.02%	340,830	321,819
Drouin	29.69%	505,420	-
Neerim South - Op Shop	5.54%	94,296	105,811
Toora	2.58%	43,937	-
Traralgon			
- Op Shop Fitout - Facilities Upgrade	0.00%	-	111,557
- Shed	7.48%	127,321	119,333
Warragul Building Loan	0.00%	-	10,913
Chapter House Refurbishment	14.04%	239,001	284,891
		<u>1,674,766</u>	<u>1,238,912</u>
<b>Total Contingent Liabilities</b>	<b>100%</b>	<u><u>1,702,320</u></u>	<u><u>1,286,401</u></u>

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.

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>NOTE 14. Cash Flow Information</b>		
<b>(a) Reconciliation of Cash and Cash Equivalents</b>		
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 in bank	2,245,631	1,776,738
Cash on hand	200	200
	<u>2,245,831</u>	<u>1,776,938</u>
<b>(b) Reconciliation of Cash Flows from Operations with Net Profit/(Loss) from Ordinary Activities:</b>		
<b>Net Profit/(Loss) from Ordinary Activities</b>	378,481	(2,224,022)
<b>Non-Cash Flows in Profit from Ordinary Activities</b>		
Amortisation	15,713	15,713
Depreciation	66,108	62,132
Prior Year Adjustments	-	(120)
	<u>81,821</u>	<u>77,725</u>
<b>Changes in Assets and Liabilities</b>		
(Increase)/decrease in Receivables	(400,129)	(62,295)
(Increase)/decrease in Inventories	(1,354)	(309)
(Increase)/decrease in Investments	(1,080,336)	2,189,871
Increase/(decrease) in Trade and Other Payables	(106,980)	10,713
Increase/(decrease) in Lease Liabilities	(15,353)	(14,834)
Increase/(decrease) in Provisions	(37,538)	19,373
	<u>(1,641,690)</u>	<u>2,142,519</u>
<b>Net Cash Used in Operating Activities</b>	<u>(1,181,388)</u>	<u>(3,778)</u>

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Note 15. Anglican Development Fund Detailed Profit or Loss Statement</b>		
<b>Revenue</b>		
ADF Income	212,215	208,840
Realised Gains/(Losses) on Investments	11,537	(51,162)
Interest Received	2,491	327
	<u>226,243</u>	<u>158,005</u>
<b>Expenses</b>		
Bank Charges	5	-
General Expenditure	11,248	11,143
Interest Paid	46,523	38,809
Investment Expenses	13,785	20,694
	<u>71,561</u>	<u>70,646</u>
<b>Net Surplus/(Deficit)</b>	<u>154,682</u>	<u>87,359</u>

**Note 16. The Abbey Detailed Profit or Loss Statement**

<b>Revenue</b>		
Accommodation	104,139	94,213
Allowances	6,869	6,869
Donations	57,897	3,457
Grants	35,000	13,797
Programs	25,815	14,304
Sundry Income	82	687
	<u>229,802</u>	<u>133,327</u>
<b>Expenses</b>		
Abbey Development	45,118	-
Administration	17,195	15,291
Fundraising & Marketing	5,916	6,198
Hospitality	33,890	27,020
Land Management & Conservation	120	2,524
Payroll Expenses	83,352	82,539
Programs	970	170
Site Management & Maintenance	15,913	7,839
Spirituality	99	291
Utilities & Rates	9,658	10,221
	<u>212,231</u>	<u>152,093</u>
<b>Net Surplus/(Deficit)</b>	<u>17,571</u>	<u>(18,766)</u>

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Note 17. Church Bookroom Detailed Profit or Loss Statement</b>		
<b>Revenue</b>		
Sales	8,253	7,922
	<u>8,253</u>	<u>7,922</u>
<b>Expenses</b>		
Cost of Goods Sold	6,767	6,879
Postage	370	534
Sundry Expenses	-	20
	<u>7,137</u>	<u>7,433</u>
<b>Net Surplus</b>	<u>1,116</u>	<u>489</u>

**Note 18. Anglican Retirement Living Detailed Profit or Loss Statement**

<b>Revenue</b>		
Deferred Management Fees	47,698	54,596
Fees & Charges	2,370	10,782
Grants	-	10,870
Guest Suite Fees	1,050	11,780
Hall, Lounge, Common Facility Hire	304	269
ILU Expenses - Recoverable	9,593	10,849
Interest Received	31,345	22,157
Maintenance Charges	137,866	521,098
Property Income	651,278	242,227
Sales	322	2,199
Sinking Fund	-	14,352
Sundry Income	94	-
Trust Donations	100	1,190
	<u>882,020</u>	<u>902,369</u>
<b>Expenses</b>		
Administration	-	2,200
Advertising & Promotion	781	4,052
Agent Management Fees	3,108	3,273
Bank Charges	582	1,934
Board & Governance Expenses	-	2,216
Business Planning, Reporting	92	-
Cleaning	2,642	9,796
Computer Expenses	4,541	8,443
Depreciation	40,560	34,212
Guest Suite Expenses	2,084	4,068

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Expenses</b>		
Health, Fire & Safety	220	4,004
ILU Expenses	6,757	15,555
ILU Repairs & Maintenance	7,248	16,364
Insurance	27,445	28,363
Legal Fees	29,580	11,127
Light, Power & Gas	1,988	5,471
Management Fees	196,784	-
Motor Vehicle Expenses	1,345	6,294
Postage, Freight & Courier	-	72
Printing & Stationery	990	2,016
Rates	50,603	97,753
Repairs & Maintenance	41,927	128,224
Residents Welfare	3,553	3,284
Salaries & Wages	46,839	191,762
Security	887	1,264
Small Plant and Equipment	684	9,748
Staff Amenities	297	352
Staff Training & Development	-	62
Superannuation	6,543	18,707
Telephone	1,369	3,394
Waste Disposal	7,347	16,573
	<u>486,796</u>	<u>630,583</u>
<b>Net Surplus</b>	<u>395,224</u>	<u>271,786</u>

**Note 19. Administration Detailed Profit or Loss Statement**

<b>Revenue</b>		
Interest Received	4	6
	<u>4</u>	<u>6</u>
<b>Expenses</b>		
Administration	-	5,678
Clearance Officer	-	26,080
Clinical Supervision	-	439
Computer Expenses	-	2,049
Consultant Fees	-	49,711
Counselling Costs	300	1,205
Deputy Director PSC	-	17,100
General Expenditure	-	597
Investigations	17,507	-



**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Expenses</b>		
Kooyoora - Case Management	73,789	-
Kooyoora - Clearances	13,207	-
Kooyoora - Meeting & Reporting	18,289	-
Kooyoora - General Expenses & Travel	42	-
Kooyoora - Redress	757	-
Kooyoora - Intake	1,165	-
Legal Fees	1,890	-
Miscellaneous Expenses	156	1,847
Office Supplies	900	439
Pastoral Supervision	-	2,205
Postage	-	182
Professional Standards	7,530	2,405
Safe Ministry	26,304	27,089
Service Fees	500	1,000
Spiritual Direction	-	270
Stationery	83	60
Superannuation	-	7,920
Telephone	102	149
WorkCover	25,889	30,561
	<u>188,410</u>	<u>176,986</u>
<b>Net Deficit</b>	<u>(188,406)</u>	<u>(176,980)</u>

**Note 20. Gippsland Anglican Detailed Profit or Loss Statement**

<b>Revenue</b>		
Advertising	8,156	10,120
Sales	19,167	20,057
	<u>27,323</u>	<u>30,177</u>
<b>Expenses</b>		
Consultant Costs (Editor & Design)	43,900	36,300
Melbourne Anglican	9,830	10,899
Postage & Telephone	736	753
Production & Delivery	67,040	16,011
Subscriptions & Conferences	-	220
Travelling	-	721
	<u>121,506</u>	<u>64,904</u>
<b>Net Deficit</b>	<u>(94,183)</u>	<u>(34,727)</u>

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 \$	2022 \$
<b>Note 21. Gippsland Ministry Foundation Detailed Profit or Loss Statement</b>		
<b>Revenue</b>		
Donations - Clergy Training	5,000	3,046
	<u>5,000</u>	<u>3,046</u>
<b>Expenses</b>		
A'Beckett Park	6,869	6,869
Clergy Training	1,095	547
Conferences	150	-
Discernment	365	-
Parish Assistance Bunyip	10,400	10,400
Parish Assistance Westernport	10,980	-
Vocational Assessment	3,582	2,900
	<u>33,441</u>	<u>20,716</u>
<b>Net Deficit</b>	<u>(28,441)</u>	<u>(17,670)</u>

**NOTE 22. Going Concern**

The consolidated financial report has been prepared on the going concern basis which contemplates the continuity of the normal business activity and the realisation of assets and settlement of liabilities on the ordinary course of business.

The Diocese incurred a consolidated profit for the year of \$378,481 (2022: Loss of \$2,224,022). As at 30 September 2023 the Synod had a net working capital of \$1,242,916 (2022: (\$107,580)). Current liabilities include Car Replacement Deposits of \$371,404, ADF Gippsland Depositors of \$2,055,118, and ADF Registry Relocation Loan of \$239,000 that will not be recalled to repay in the next 12 months.

**NOTE 23. Key Management Personnel Compensation**

The totals of remuneration paid to key management personnel (KMP) of the Group during the year are as follows:

	2023 \$	2022 \$
Key management personnel compensation	<u>99,673</u>	<u>97,935</u>

**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**NOTE 24. Capital Commitments**

No capital commitments have been approved since the end of the reporting period.

**NOTE 25. Events After the Reporting Period**

The Bishop in Council is not aware of any significant events since the end of the reporting period.

**NOTE 26. Related Party Transactions**

The Group's main related parties are as follows:

**a. Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Bishop in Council members (whether executive or otherwise) of that Group, is considered key management personnel.

**b. Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their close family members.

**Transactions with Related Parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**NOTE 27. Auditor's Remuneration**

The auditor of the Group for the year ended 30 September 2023 is AMW Audit (30 September 2022 - AMW Audit).

Financial statement audit service	18,500	18,200
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**NOTE 28. Group's Information**

The Company is domiciled and incorporated in Australia.

The registered office of the Group is:

PO Box 928

SALE VIC 3850

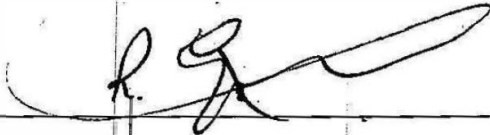
**ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS  
CONTROLLED ENTITIES**

**BISHOP IN COUNCIL DECLARATION  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The Bishop in Council of the Anglican Trusts Corporation of the Diocese of Gippsland and its controlled entities declares that in its opinion:

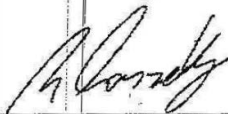
1. there are reasonable grounds to believe that the Anglican Trusts Corporation of the Diocese of Gippsland is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2022.



Name: Richard Gjisbers  
Position: Acting Chair, Finance Committee

Date:



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

Date: 27 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION TO THE SYNOD OF THE ANGLICAN TRUSTS CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS CONTROLLED ENTITIES**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Synod of Anglican Trusts Corporation of the Diocese of Gippsland and its controlled entities. As the lead auditor for the audit of the financial report of Anglican Trusts Corporation of the Diocese of Gippsland and its controlled entities for the year ended 30 September 2023, I declare that, to the best of my knowledge and belief, during the year ended 30 September 2023 there have been no contraventions of:

- the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

AMW Audit

**AMW AUDIT**

Chartered Accountants



**BILLY-JOE THOMAS**

Director

Dated at Perth, Western Australia this 27<sup>th</sup> day of March 2024.

**INDEPENDENT AUDITORS' REPORT TO THE SYNOD OF THE ANGLICAN TRUSTS  
CORPORATION OF THE DIOCESE OF GIPPSLAND AND ITS CONTROLLED ENTITIES**

**Opinion**

We have audited the accompanying financial report of Anglican Trusts Corporation of the Diocese of Gippsland and its controlled entities ("the Diocese") which comprises of the consolidated balance sheet as at 30 September 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the directors' declaration and other explanatory notes and Bishop in Council's declaration.

In our opinion, the accompanying financial report of the Diocese has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Diocese's financial position as at 30 September 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022*.

**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 registered entity in accordance with the ACNC Act, 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 confirm that the independence declaration required by *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, which has been given to Bishop in Council, would be in the same terms if given as at the time of this auditor's report.

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

**Information Other than the Financial Report and Auditor's Report Thereon**

The Bishop in Council is responsible for the other information. The other information comprises the information included in the Diocese's annual report for the year ended 30 September 2023 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 accordingly 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.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the distribution to the Synod for the purpose of fulfilling the Diocese's financial reporting obligations. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

**Responsibilities of the Bishop in Council for the financial report**

The Bishop in Council of the Diocese are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the Bishop in Council determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Bishop in Council responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibility 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 registered entity'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 registered entity 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 directors 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.

AMW Audit

**AMW AUDIT**

Chartered Accountants



**BILLY-JOE THOMAS**

Director

Dated at Perth, Western Australia this 27<sup>th</sup> day of March 2024.



27 March 2024

The Bishop in Council  
Anglican Trusts Corporation of the Diocese of Gippsland  
PO Box 928  
SALE VIC 3850

Dear Richard,

**MANAGEMENT LETTER 2023**

We advise that we have recently completed the audit of Anglican Trusts Corporation of the Diocese of Gippsland and its controlled entities (the Diocese) for the year ended 30 September 2023.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. While our procedures are designed to identify any material weaknesses and detect misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

During our audit, we noted the following matter which we believe needs to be brought to your attention.

**Payroll**

During our review of personnel records for our sampled employees and parishes, we observed an absence of increment letters or recent confirmations to support the current pay rates. Whilst we were provided with a copy of the 2023 Administration Circular, it only declared a percentage increase without the individual rates. This did not support the current stipends and allowances, especially for contracts dating back several years.

We recommend that a review of all personnel files during the 2023/2024 financial year and an increment letter or a letter outlining the current rate of pay for all employees and parishes be maintained on file, with a copy provided to each respective employee or parish. We discussed this matter with the Finance Officer.

We would like to take this opportunity to thank Richard Connelly and his team for their assistance provided during the course of our audit.

Yours faithfully  
**AMW AUDIT**  
Chartered Accountants



**BILLY-JOE THOMAS**  
Director

<b>Bishop in Council</b>	<b>2023</b>	<b>2022</b>
	<b>BIC</b>	<b>BIC</b>
<b>INCOME</b>		
Aboriginal Ministry Funds Received	116,462.00	42,500.00
Management Fees Received	55,200.00	55,200.00
Parish Contributions	365,271.00	365,271.00
Property Income	35,775.00	30,116.00
Sundry Income	40,889.00	14,446.00
Transfers/Drawdowns - Trust	484,722.00	-
Transfers/Drawdowns - ADF	162,815.00	-
Transfers/Drawdowns - ADG Admin	23,279.00	-
Trust Management Fee	130,000.00	130,000.00
<b>TOTAL INCOME</b>	<b>1,414,413.00</b>	<b>977,674.00</b>
<b>EXPENDITURE</b>	-	-
Administration	484,270.00	491,000.00
Allocations	254,494.00	247,885.00
Bank Charges		
Staffing	487,774.00	463,426.00
<b>TOTAL EXPENDITURE</b>	<b>1,226,538.00</b>	<b>1,202,311.00</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	187,875.00	(224,637.00)
Less: Gippsland Anglican Deficit	(94,183.00)	(34,727.00)
Less: Gippsland Ministry Foundation Deficit	(28,441.00)	(17,670.00)
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>65,251.00</b>	<b>(277,034.00)</b>

<b>ASSETS</b>	-	-
<b>Cash and Cash Equivalents</b>	-	-
Bank Account	50,207.00	23,643.00
<b>Trade and Other Receivables</b>	-	-
Parish Debtors	302,603.00	277,040.00
Other	186,100.00	186,100.00
Sundry Debtors	-	-
<b>Right-of-Use Assets</b>	-	-
Right of Use Assets	128,323.00	128,323.00
Accumulated Amortisation	(62,852.00)	(47,139.00)
<b>Property, Plant &amp; Equipment</b>	-	-
Diocesan Property	2,850,000.00	2,850,000.00
Property Improvement - Registry Offices	344,947.00	344,947.00
Bishops court	2,100,000.00	2,100,000.00
453-455 Raymond Street, Sale	750,000.00	750,000.00
Plant, Equipment & Furnishings	285,942.00	285,942.00
Accumulated Depreciation	(237,845.00)	(221,468.00)
Motor Vehicles	115,347.00	115,347.00
Accumulated Depreciation	(237,845.00)	(221,468.00)
Leasehold Improvements	-	-
Accumulated depreciation	(237,845.00)	(221,468.00)
Plant & Equipment	-	-
Accumulated depreciation	(237,845.00)	(221,468.00)
Furniture & Fittings	-	-
Accumulated depreciation	(237,845.00)	(221,468.00)
Capital Improvements - ILU	-	-
Accumulated depreciation	(237,845.00)	(221,468.00)
<b>TOTAL ASSETS</b>	<b>3,877,020.00</b>	<b>3,866,154.00</b>
<b>LIABILITIES</b>	-	-
<b>Trade and Other Payables</b>	-	-
ADF Insurance Loan	340,830.00	321,819.00
ADF Registry Relocation Loan	239,000.00	284,891.00
GST & PAYG Liabilities	(16,332.00)	27,027.00
GST Payable	-	-
Insurance Liabilities	208,766.00	131,538.00
Stipends Payments Received in Advance	179,970.00	196,981.00
Superannuation Liability	38,339.00	43,283.00
Lease Liabilities	69,968.00	85,321.00
<b>Provisions</b>	-	-
Long Service Leave Liabilities	29,992.00	69,155.00
Long Service Leave - Registry Staff	4,146.00	2,521.00
<b>TOTAL LIABILITIES</b>	<b>1,094,679.00</b>	<b>1,167,786.00</b>
<b>NET ASSETS</b>	<b>2,782,341.00</b>	<b>2,698,368.00</b>

<b>Trusts Corporation</b>	<b>2023</b>	<b>2022</b>
	<b>TRUST</b>	<b>TRUST</b>
<b>INCOME</b>		
Realised Gains/(Losses) on Investments	(64,180.00)	9,818.00
Dividends & Interest	391,556.00	332,675.00
Property Income	215,489.00	211,688.00
<b>TOTAL INCOME</b>	<b>542,865.00</b>	<b>554,181.00</b>
<b>EXPENDITURE</b>	<b>-</b>	<b>-</b>
Administration	-	160,000.00
Data Services	15,737.00	15,730.00
Grant to Diocese	-	340,000.00
Investment Expenses	51,462.00	48,663.00
Miscellaneous Expenses	285,534.00	250,220.00
Property Expenses	66,072.00	96,987.00
Transfers/Drawdowns - BIC	484,722.00	-
<b>TOTAL EXPENDITURE</b>	<b>1,033,527.00</b>	<b>1,041,600.00</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(490,662.00)</b>	<b>(487,419.00)</b>
Plus: Unrealised Gains/(Losses) on Share Trading	386,040.00	(1,296,448.00)
Less: Gippsland Anglican Deficit	-	-
Less: Gippsland Ministry Foundation Deficit	-	-
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>(104,622.00)</b>	<b>(1,783,867.00)</b>

<b>ASSETS</b>	-	-
<b>Cash and Cash Equivalents</b>	-	-
Bank Account	138,308.00	21,010.00
Anglican Funds SA Float	28,247.00	146,701.00
Anglican Funds SA Security	5,490.00	5,315.00
Debentures, Term Deposits	28,000.00	300,000.00
<b>Trade and Other Receivables</b>	-	-
Clergy Car Loans	27,554.00	47,489.00
Macquarie Debtor	14,135.00	9,487.00
Sundry Debtors	49,742.00	69,030.00
<b>Investments</b>	-	-
Macquarie Investments	757,313.00	238,913.00
Shares	6,519,115.00	5,188,142.00
<b>Property, Plant &amp; Equipment</b>	-	-
Botterill Court Land & Buildings	1,115,700.00	1,115,700.00
Clifton Waters Land & Buildings	13,765,000.00	13,765,000.00
Gippsland Church Eextension Fund Land	179,000.00	5,236.00
Land & Buildings	4,960,000.00	4,960,000.00
Property Improvement - Registry Offices	-	-
3/11-13 Kay Street, Traralgon	600,000.00	600,000.00
2/35 Grey Street, Traralgon	1,350,000.00	1,350,000.00
126 Franklin Street, Traralgon	570,000.00	570,000.00
204 Raymond Street, Sale	1,000,000.00	1,000,000.00
62 Marley Street, Sale	510,000.00	510,000.00
Unit 2/33 Newlands Drive, Paynesville	345,000.00	345,000.00
Unit 3/33 Newlands Drive, Paynesville	395,000.00	395,000.00
47 & 47A South Street, Moe	190,000.00	190,000.00
St James Yallourn North	120,000.00	-
Gunyah Gunyah	59,000.00	-
<b>TOTAL ASSETS</b>	<b>27,587,604.00</b>	25,872,023.00
<b>LIABILITIES</b>	-	-
<b>Trade and Other Payables</b>	-	-
Clergy Car Replacement Deposits	371,404.00	372,379.00
Diocesan Clergy Benefits	14,648.00	18,193.00
GST Payable	(34,970.00)	(28,276.00)
Sundry Creditors	3,345.00	16,264.00
<b>TOTAL LIABILITIES</b>	354,427.00	378,560.00
<b>NET ASSETS</b>	<b>27,233,177.00</b>	25,493,463.00
<b>DIOCESAN CAPITAL &amp; TRUST FUNDS</b>	-	-
<b>General Reserve</b>	-	-
Surplus Brought Forward	(1,051,652.00)	732,215.00
Surplus/(Deficit) Current Year	(104,622.00)	(1,783,867.00)
<b>Other Reserves</b>	-	-
Asset Revaluation Reserve	2,007,905.00	1,834,141.00
Asset Revaluation Reserve 2019/20	909,067.00	909,067.00
Asset Revaluation Reserve 2020/21	13,825,700.00	13,825,700.00
<b>Trust Funds</b>	-	-
Diocesan Trust Fund Capital	2,534,666.00	2,600,067.00
Gippsland Ministry Foundation	926,412.00	839,542.00
Parish Trust Fund Capital	8,185,701.00	6,536,598.00
<b>TOTAL DIOCESAN CAPITAL &amp; TRUST FUNDS</b>	<b>27,233,177.00</b>	25,493,463.00
Franking Credit refunds included in Dividends and Interest	49,742.00	59,132.00