Anglican Diocese of Adelaide

Anglicanfunds SOUTH AUSTRALIA

Anglican Funds South Australia - Community Fund

Financial Statements
for the year ended 30 June 2021

Contents to annual report

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Notes	2021 $	2020 $
Finance income	4	1,084,931	1,092,945
Finance costs	5	(419,506)	(627,187)
Net finance income		**665,425**	**465,758**
Other income		205,811	233,444
Staff expenses		(316,614)	(286,829)
Administration expenses		(185,513)	(158,824)
Operating profit		**369,109**	**253,549**
Finance costs attributable to members			
Distributions paid		(50,000)	(50,000)
Profit for the year		**319,109**	**203,549**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Net gain/(loss) on revaluation of investments at fair value through other comprehensive income	12.2	623,681	(447,314)
Other comprehensive income/(loss) for the year		**623,681**	**(447,314)**
Total comprehensive income/(loss) for the year		**942,790**	**(243,765)**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	6	15,004,948	7,993,515
Other receivables	7	186,710	192,220
Loans	8	436,763	991,274
Investments	9	35,361,761	34,472,292
Total current assets		50,990,182	43,649,301
Non-current assets			
Loans	8	2,561,127	2,689,039
Total non-current assets		2,561,127	2,689,039
Total assets		**53,551,309**	**46,338,340**
Liabilities			
Current liabilities			
Trade and other payables	10	141,694	149,008
Borrowings	11	50,313,923	44,036,430
Distribution payable		50,000	50,000
Total current liabilities		50,505,617	44,235,438
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		**50,505,617**	**44,235,438**
Net assets		**3,045,692**	**2,102,902**
Equity			
Capital	12.1	1,104,340	1,104,340
Reserves	12.2	257,874	(412,228)
Accumulated surplus		1,683,478	1,410,790
Total equity		**3,045,692**	**2,102,902**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2021

	Capital (Note 12.1)	Accumulated surplus	Reserves (Note 12.2)	Total equity
	$	$	$	$
At 1 July 2020	**1,104,340**	**1,410,790**	**(412,228)**	**2,102,902**
Profit for the year	-	319,109	-	319,109
Other comprehensive (loss)/income	-	(46,421)	670,102	623,681
Total comprehensive income for the year	-	272,688	670,102	942,790
At 30 June 2021	**1,104,340**	**1,683,478**	**257,874**	**3,045,692**
At 1 July 2019	**1,104,340**	**1,143,820**	**98,507**	**2,346,667**
Profit for the year	-	203,549	-	203,549
Other comprehensive income/(loss)	-	63,421	(510,735)	(447,314)
Total comprehensive income/(loss) for the year	-	266,970	(510,735)	(243,765)
At 30 June 2020	**1,104,340**	**1,410,790**	**(412,228)**	**2,102,902**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2021

	Note	2021 $	2020 $
Operating activities			
Payments of expenses		(686,284)	(603,722)
Other receipts		389,702	384,782
Investment income received		656,804	663,863
Net increase in members debentures		6,277,493	12,572,546
Net decrease/(increase) in loans to members		682,423	(264,648)
Interest paid to members		(428,059)	(766,353)
Interest received		371,908	401,683
Net cash flows from operating activities		**7,263,987**	**12,388,151**
Investing activities			
Proceeds from sale of investments		17,645,980	9,353,269
Purchase of investments		(21,841,768)	(10,011,725)
Net cash flows used in investing activities		**(4,195,788)**	**(658,456)**
Financing activities			
Distributions paid		(50,000)	(50,000)
Net cash flows used in financing activities		**(50,000)**	**(50,000)**
Net increase in cash and cash equivalents		3,018,199	11,679,695
Cash and cash equivalents at 1 July		21,493,515	9,813,820
Cash and cash equivalents at 30 June	6	**24,511,714**	**21,493,515**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2021

1. Corporate information

The financial statements of Anglican Funds South Australia - Community Fund (the "Fund"), an operating cost centre of The Synod of the Diocese of Adelaide of the Anglican Church of Australia Incorporated (the "Association"), for the year ended 30 June 2021 were authorised by the Diocesan Councils on 8 September 2021.

The financial statements have been prepared to comply with the requirement of the ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813, that separate financial statements be prepared and audited for the Community Fund.

The Fund is principally engaged in financing activities.

The registered office and principal place of business of the Fund is 18 King William Rd, North Adelaide SA 5006, Australia.

2. Significant accounting policies

2.1 Basis of preparation

These general purpose financial statements have been prepared in compliance with the requirements of the Australian Accounting Standards - Simplified Disclosures. The Fund is a not-for-profit entity for the purposes of preparing these financial statements.

The Fund has opted to adopt AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* ahead of its mandatory effective date of 1 July 2021. These general purpose financial statements for the year ended 30 June 2021, are the first financial statements the Fund has prepared complying with Australian Accounting Standards - Simplified Disclosures (SDS). The Fund has availed itself of the relief from restating comparative information, from presenting comparative information not disclosed in the notes of the previous financial statements and from distinguishing corrections of errors from changes in accounting policies, as permitted by AASB 1053 *Application of Tiers of Australian Accounting Standards*. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Fund's previous financial statements complied with Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements have been prepared on a historical cost basis, except for certain investments that have been measured at fair value.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar ($).

Impact of the coronavirus (COVID-19) outbreak

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have not seen a significant impact on the business to date. The outbreak and the response of the Governments in dealing with the pandemic has interfered with general activity levels within the community, the economy and the operations of the Fund and has seen a corresponding increase in financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. The scale and duration of these developments remain uncertain as at the date of this report however they may continue making an impact on the earnings, cash flow and financial condition.

2.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2020. Other than the early adoption of AASB 1060 to comply with Australian Accounting Standards - Simplified Disclosures (see Note 2.1), the Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements of the Fund.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Fund presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Fund classifies all other liabilities as non-current.

b) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, as defined above.

c) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

c) Financial instruments (continued)

(i) Financial assets (continued)

Initial recognition and measurement (continued)

The Fund’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Subsequent measurement

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund’s financial assets at amortised cost includes other receivables and loans.

Other receivables

A receivable represents the Fund's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Loans

Loans are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost using the EIR method.

Financial assets designated at fair value through OCI

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Fund elected to classify irrevocably its investments under this category.

Investments

Investments are purchased primarily as long term investments and not for trading purposes. Listed investments are classified as fair value through other comprehensive income and carried at market value at the end of the year. Any revaluations to market value are reflected in the Investment Revaluation Reserve. Unlisted debentures and investments in unit trusts are recorded at amortised cost. Investment income is brought to account on an accruals basis, when the right to receive payment is established.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

c) Financial instruments (continued)

(i) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Impairment of financial assets

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and trade and other payables, net of directly attributable transaction costs.

The Fund's financial liabilities include trade and other payables and borrowings.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

c) Financial instruments (continued)

(ii) Financial liabilities (continued)

Subsequent measurement

Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

After initial recognition, borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

d) Fair value measurement

The Fund measures financial instruments such as investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

d) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

e) Other income

Investment and other income is recognised in the statement of profit or loss and other comprehensive income when the right to receive has been established, except from when the Association benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

All revenue is stated net of GST.

f) Interest income

Interest income is recorded using the EIR method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

g) Finance costs

All finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h) Taxes

The Fund is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Notes to the financial statements (continued)

For the year ended 30 June 2021

2. Significant accounting policies (continued)

i) Distributions

From time to time, the Fund distributes amounts as determined by the Anglican Funds SA Board in accordance with Diocesan Council approved policy. Distributions to members are recognised in the statement of profit or loss and other comprehensive income as finance costs. A distribution payable is recognised in the statement of financial position where the amounts remain unpaid at reporting date.

j) Comparatives

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

3. Significant accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the financial statements (continued)

For the year ended 30 June 2021

4 Finance income

	2021	2020
	$	**$**
Interest income	372,060	393,500
Investment income	712,871	699,445
	1,084,931	**1,092,945**

5 Finance costs

	2021	2020
	$	**$**
Interest expense	**419,506**	**627,187**

6. Cash and cash equivalents

	2021	2020
	$	**$**
Cash at bank	**15,004,948**	**7,993,515**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the above.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2021	2020
	$	**$**
Cash at bank	15,004,948	7,993,515
Term deposits (Note 9)	9,506,766	13,500,000
Cash and cash equivalents	**24,511,714**	**21,493,515**

7. Other receivables

	2021	2020
	$	**$**
Accrued income	**186,710**	**192,220**

Notes to the financial statements (continued)

For the year ended 30 June 2021

8. Loans

	2021	2020
	$	$
Current		
Loans to Community Fund Members	**436,763**	**991,274**
Non-current		
Loans to Community Fund Members	**2,561,127**	**2,689,039**

The Community Fund acts as a financier for Anglican affiliated parties and its activities include receiving investments from its members and loan financing to its members where needed. Loans to members can be either secured and unsecured, interest-bearing and repayable on demand. Interest is currently charged at rates between 2.45% and 5.45% per annum.

9. Investments

	2021	2020
	$	$
Term deposits	9,506,766	13,500,000
Fixed interest and money market investments	24,704,505	20,972,292
Cash Management Trusts	1,150,490	-
	35,361,761	**34,472,292**

10. Trade and other payables

	2021	2020
	$	$
Trade creditors and accruals	**141,694**	**149,008**

11. Borrowings

	2021	2020
	$	$
Current		
Member debenture accounts	**50,313,923**	**44,036,430**

The Community Fund acts as a financier for Anglican affiliated parties and its activities include receiving investments from its members and loan financing to its members where needed. Investments from members are either repayable on demand or at a fixed maturity date. Interest paid is currently in the range of 0.00% to 0.50% per annum.

Notes to the financial statements (continued)

For the year ended 30 June 2021

12. Capital and reserves

12.1 Capital

	2021	2020
	$	$
Capital	**1,104,340**	**1,104,340**

Capital consists of historical contributions of cash and other assets.

12.2 Reserves

	Investment revaluation reserve
	$
At 1 July 2019	**98,507**
Realised gain on sale of investments	63,421
Net loss on revaluation of investments at fair value through other comprehensive income	(574,156)
At 30 June 2020	**(412,228)**
Realised gain on sale of investments	(46,421)
Net gain on revaluation of investments at fair value through other comprehensive income	716,523
At 30 June 2021	**257,874**

Nature and purpose of reserves

Investment revaluation reserve

The investment revaluation reserve records unrealised write-ups and write-downs on investments as valued and reported by the investment funds manager as at reporting period.

13. Related party disclosures

The Diocesan Council is the controlling body of the Association, and therefore of the Community Fund. The Council comprised 22 members during the year (2020: 21 members). None of these members were remunerated by the Fund.

14. Commitments and contingencies

Commitments

There are no commitments as at the reporting period which would have a material effect on the Fund's financial statements as at 30 June 2021 (2020: none).

Contingencies

There are no contingent assets or contingent liabilities as at the reporting period which would have a material effect on the Fund's financial statements as at 30 June 2021 (2020: none).

Notes to the financial statements (continued)

For the year ended 30 June 2021

15. Events after the reporting period

There were no significant events occurring after the reporting period which may affect either the Fund's operations or results of those operations or the Fund's state of affairs.

16. Auditor's remuneration

The auditor of Anglican Funds South Australia - Community Fund is Ernst & Young (Australia).

	2021	2020
	$	$
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity	12,252	12,252
Compilation fee	4,500	-
	16,752	**12,252**

Statement by Diocesan Council

In the opinion of the Diocesan Council, the accompanying financial statements as set out on pages 1 to 15:

(a) presents fairly the financial position of Anglican Funds South Australia - Community Fund as at 30 June 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and the policies described in Note 2 to the financial statements;

(b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts and when they fall due; and

(c) satisfies the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Associations Incorporation Act 1985*.

Diocesan Council reports that no officer of the Association or firm of which the officer is a member or a corporation in which the officer has a substantial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and the Association.

Diocesan Council also reports that no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

This statement is signed for and on behalf of Diocesan Council by:

+ Geoffrey Adelaide

The Most Rev'd Geoffrey Smith
Archbishop of the Diocese of Adelaide
8 September 2021

Mr Joseph Thorp
Registrar and Secretary of Synod
8 September 2021

Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Independent Auditor's Report to the Members of Anglican Funds South Australia Community Fund

Opinion

We have audited the financial report Anglican Funds South Australia Community Fund (the registered entity), which comprises the balance sheet as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the council's declaration.

In our opinion, the accompanying financial report of Anglican Funds South Australia Community Fund is in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

(a) giving a true and fair view of the financial position of Anglican Funds South Australia Community Fund as at 30 June 2021 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Diocesan Council's Responsibility for the Financial Report

The Diocesan Council of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal controls as the 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 Council are 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 Council either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Council.

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Nigel Stevenson
Partner
Adelaide
8 September 2021

Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Auditor's Independence Declaration to the members of Anglican Funds South Australia Community Fund

In relation to our audit of the financial report of the Anglican Funds South Australia Community Fund for the financial year ended 30 June 2021, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Australian Charities and Not-for profits Commission Act 2012 or any applicable code of professional conduct.

Ernst & Young

Nigel Stevenson
Partner
8 September 2021