Diocese of Sandhurst Development Fund

Special Purpose Financial Report

For the year ended 30 June 2026

Table of Contents

	Page
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to and forming part of the Financial Statements	7-18
Declaration by Members of the Board	19
Independent Auditor's Report	20-21
Auditor's Independence Declaration	22

The information contained in this document is confidential to the Diocese of Sandhurst Development Fund (DDF) and must not be disclosed to any third party without written consent from DDF.

Statement of Comprehensive Income
For the year ended 30 June 2026

	Note	2025-26 $	2024-25 $
Revenue			
Interest revenue	4(a)	11,922,625	12,296,768
Less Interest expense	4(b)	5,290,561	5,824,192
Net interest revenue		6,632,064	6,472,576
Other revenue	4(c)	569	576
Total revenue		**6,632,633**	**6,473,152**
Expenses			
Contracted services	4(d)	289,578	327,907
Other expenses from ordinary activities	4(e)	59,837	44,745
Total expenses		349,415	372,652
Operating profit for the year		6,283,218	6,100,500
Total comprehensive income for the year		**6,283,218**	**6,100,500**

Statement of Financial Position
As at 30 June 2026

	Note	2025-26 $	2024-25 $
Assets			
Current assets			
Cash and cash equivalents	5	27,068,970	31,862,144
Receivables	6	1,548,324	1,189,413
Net loans and advances	7	7,665,965	14,730,936
Investments	8	40,850,000	36,886,883
Total current assets		**77,133,259**	**84,669,376**
Non-current assets			
Net loans and advances	7	119,715,287	104,789,043
Property, plant and equipment	9	-	498
Total non-current assets		**119,715,287**	**104,789,541**
Total assets		**196,848,546**	**189,458,917**
Liabilities			
Current liabilities			
Deposits	10	159,121,273	154,350,351
Other liabilities	11	1,490,593	1,398,258
Total current liabilities		**160,611,866**	**155,748,609**
Non-current liabilities			
Deposits	10	49,586	586,163
Total non-current liabilities		**49,586**	**586,163**
Total liabilities		**160,661,452**	**156,334,772**
Net assets		**36,187,094**	**33,124,145**
Equity			
Retained earnings	12	36,187,094	33,124,145
Total equity		**36,187,094**	**33,124,145**

Statement of Changes in Equity for the Year Ended 30 June 2026

	Retained Earnings $	Total Equity $
Balance at 1 July 2024	29,955,945	29,955,945
Net profit for the year	6,100,500	6,100,500
Less appropriations	(2,932,300)	(2,932,300)
Balance at 30 June 2025	**33,124,145**	**33,124,145**
Balance at 1 July 2025	33,124,145	33,124,145
Net profit for the year	6,283,218	6,283,218
Less appropriations	(3,220,269)	(3,220,269)
Balance at 30 June 2026	**36,187,094**	**36,187,094**

Statement of Cash Flows
For the year ended 30 June 2026

	Note	2025-26 $	2024-25 $
Cash flows from operating activities			
Interest received from loans		7,451,532	6,960,931
Interest received from Investments		4,112,098	5,417,363
Other income		569	576
Interest paid on deposits		(5,245,319)	(6,317,409)
Payment to suppliers		(301,740)	(373,594)
Net cash inflows from operating activities	5(a)	**6,017,140**	**5,687,867**
Cash flows from investing activities			
Net movement in investments		(3,963,115)	9,361,200
Net movement in loans		(7,861,274)	(8,214,384)
Net cash inflows/(outflows) from investing activities		**(11,824,389)**	**1,146,816**
Cash flows from financing activities			
Net movement in deposits		4,234,344	6,554,138
Distributions		(3,220,269)	(2,932,300)
Net cash inflows/(outflows) from financing activities		**1,014,075**	**3,621,838**
Net increase/(decrease) in cash and cash equivalents		(4,793,174)	10,456,521
Cash and cash equivalents at the start of the year		31,862,144	21,405,623
Cash and cash equivalents at the end of the year	5	**27,068,970**	**31,862,144**

1. Reporting Entity

The Diocese of Sandhurst Development Fund (DDF) is the internal treasury service of the Catholic Diocese of Sandhurst (Diocese) which has been established by the Bishop of Sandhurst. The DDF is responsible for the management of the Diocese's investments & financial assets and provides funding to support various educational, religious and charitable activities across the Diocese.

The DDF is not a reporting entity and as such a special purpose report has been prepared for the Bishop of Sandhurst. This special purpose report presents the financial activities of the DDF and does not consolidate the activities of the abovementioned entities. Likewise the scope of the independent audit is limited to only the activities of the DDF.

2. Basis of preparation

(a) Statement of compliance

The special purpose financial report has been prepared in accordance with the recognition and measurement aspects of applicable Australian Accounting Standards (including the Australian Accounting Interpretations) as detailed below as well as *Division 60* of the *Australian Charities and Not-for-profits Commission Regulations 2022*. The requirements of the Australian Accounting Standards do not have mandatory application to the DDF in relation to the year ended 30 June 2026 as it is a not-for-profit, non-reporting entity.

In order for the financial report to present fairly the DDF's financial performance and financial position the special purpose report has been prepared using the following standards as a minimum**:**

AASB 9	*Financial Instruments*
AASB 101	*Presentation of Financial Statements*
AASB 107	*Statement of Cash Flows*
AASB 108	*Accounting Policies, Changes in Accounting Estimates and Errors*
AASB 124	*Related Party Disclosures*
AASB 116	*Property, Plant and Equipment*
AASB 1048	*Interpretation of Standards*
AASB 1054	*Australian Additional Disclosures*

(b) Basis of preparation

The special purpose financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

3. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Revenue

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(b) Goods and services tax
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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 a current asset in the balance sheet.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(d) Loans and other receivables

Loans and other receivables comprise of loans and advances to clients with fixed or determinable payments. Loans and other receivables are measured at amortised cost using the effective interest method. Interest income is recognised by applying the effective interest rate.

(e) Financial assets and liabilities

The DDF applies AASB 9 *Financial Instruments* and classifies all of its financial assets and liabilities based on the business model for managing the assets and the asset's contractual terms.

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the DDF to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The DDF recognises the following assets in this category:

- cash and deposits;
- receivables;
- loans and advances; and
- term investments.

(ii) Financial liabilities at amortised cost
Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period.

The DDF recognises the following liabilities in this category:

- payables;
- deposits; and
- other liabilities.

(iii) Impairment of investments and other financial assets

The DDF assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired, and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or that can be reliably estimated.

An impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Impairment losses when recognised are transferred through profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(f) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the DDF prior to the end of the financial year. These payables are unpaid and arise when the DDF becomes obliged to make further payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(g) Deposits

Deposits comprise of term deposits and other at demand deposits which are recognised at amortised cost. Interest is recognised in the profit or loss on an accrual basis and is recorded as part of other liabilities.

(h) Income tax

No provision has been made for income tax as the income of the DDF is exempt from income tax under section *50-5* of the *Income Tax Assessment Act 1997* as amended.

(i) Adoption of new and revised accounting standards

The DDF has adopted and complied with all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory for the current year.

4. Revenue and Expenses from continuing operations

(a) Interest revenue	2025-26 $	2024-25 $
Interest revenue from borrowers	7,451,532	6,960,931
Interest revenue from investments	4,471,093	5,335,837
	11,922,625	**12,296,768**

(b) Interest expense	2025-26 $	2024-25 $
Interest expense from deposits at call	1,112,569	2,099,729
Interest expense from deposits at term	4,177,992	3,724,463
	5,290,561	**5,824,192**

(c) Other revenue	2025-26 $	2024-25 $
Other revenue[(i)]	569	576
	569	**576**

Note:
(i) Mainly relates to distributions received from the CDF Community Fund (auspiced by CDF Melbourne) of which the DDF is a participating member.

(d) Contracted services	2025-26 $	2024-25 $
Secretarial fees[(i)]	225,050	217,440
IT Support services	64,528	110,467
	289,578	**327,907**

Note:
(i) This is for contracted secretarial services. The provision of these services was transferred from the Catholic Diocese of Sandhurst to the Catholic Development Fund Melbourne from 1 December 2025.

(e) Other expenses from ordinary activities	2025-26 $	2024-25 $
Insurance costs	8,313	7,787
Travel & accommodation costs	9,174	6,169
Audit & consulting fees	30,244	15,240
General expenses	11,608	9,852
Depreciation	498	5,697
	59,837	**44,745**

5. Cash and Cash Equivalents

	2025-26 $	2024-25 $
Cash at bank and in hand	8,520,287	1,323,764
Deposits at call – CCIS[(i)]	18,548,683	30,538,380
	27,068,970	**31,862,144**

Note:
(i) Relates to funds held with Catholic Church Investment Service (CCIS) which is operated by the Archdiocesan Development Fund of Brisbane. The DDF utilises the CCIS service (together with other Catholic Development Funds) in managing day to day liquidity requirements with funds available effectively at call. The CCIS invests funds on behalf of CDFs in Bank Deposits, Bank

Accepted Bills, Managed Funds, Direct Securities and Local/State/Commonwealth Government Bonds.

5(a). Reconciliation of the surplus to the net cash flows from operating activities

	2025-26 $	2024-25 $
Comprehensive income for the period	6,283,218	6,100,500
Adjustment for:		
Depreciation	498	5,697
Change in assets and liabilities:		
(Increase)/Decrease in receivables	(358,910)	81,527
Increase/(Decrease) in accrued expenses	47,092	(6,835)
Increase/(Decrease) in other liabilities	45,242	(493,217)
Decrease in GST clearing	-	195
Net cash flows from operating activities	**6,017,140**	**5,687,867**

6. Receivables

	2025-26 $	2024-25 $
Accrued interest revenue from term deposits	1,548,324	1,189,329
Goods and services tax	-	84
	1,548,324	**1,189,413**

7. Net loans and advances

	2025-26 $	2024-25 $
(a) Amounts due:		
Loans to schools	106,884,783	99,932,922
Loans to healthcare provider	15,392,305	14,995,666
Loans to early learning provider	2,686,045	2,761,963
Loans to parishes	2,213,253	1,573,842
Loans other	204,866	255,586
	127,381,252	**119,519,979**
(*b) Maturity Analysis*:		
Less than 1 year	7,665,965	14,730,936
Greater than 1 year	119,715,287	104,789,043
	127,381,252	**119,519,979**

8. Investments

Other financial assets at amortised cost	2025-26 $	2024-25 $
National Australia Bank	5,850,000	11,259,157
Bank Vic	-	10,500,000
Australian Unity	-	5,127,726
AMP	-	5,000,000
Judo Bank	5,000,000	-
Westpac	30,000,000	5,000,000
	40,850,000	**36,886,883**

9. Property, plant & equipment

30 June 2026	**Total $**
Plant & Equipment	
Opening WDV	498
Depreciation	(498)
Closing WDV	**-**
Cost	111,646
Depreciation	(111,646)
Carrying Value	

30 June 2025	**Total $**
Plant & Equipment	
Opening WDV	6,195
Depreciation	(5,697)
Closing WDV	**498**
Cost	111,646
Depreciation	(111,148)
Carrying Value	**498**

10. Deposits

	2025-26 $	2024-25 $
(a) Deposits at call		
Deposits from schools	50,066,149	65,094,269
Deposits from non-parishioners	6,587,611	6,838,168
Deposits other	4,511,567	4,867,389
	61,165,327	**76,799,826**
(b) Deposits at term		
Deposits from schools	73,866,135	46,668,705
Deposits from non-parishioners	24,139,397	31,467,983
	98,005,533	**78,136,688**
Total Deposits	**159,170,859**	**154,936,514**

	2025-26 $	2024-25 $
(c) Maturity Analysis		
Less than 1 year	159,121,273	154,350,351
Greater than 1 year	49,586	586,163
	159,170,859	**154,936,514**

11. Other liabilities

	2025-26 $	2024-25 $
Accrued interest on deposits	1,426,867	1,381,625
Accrued expenses	63,726	16,633
	1,490,593	**1,398,258**

12. Retained earnings

	2025-26 $	2024-25 $
Retained earnings at the beginning of the year	33,124,145	29,955,945
Surplus for the period	6,283,218	6,100,500
Ordinary appropriations	(3,220,269)	(2,932,300)
Accumulated surplus at the end of the year	**36,187,094**	**33,124,145**

13. Financial Instruments

The DDF's main financial assets consist of cash and cash equivalents, fixed term deposits and loans. The main financial liabilities consist of deposits from clients. The purpose of holding these financial instruments is to generate a return on funds held through earning a net interest margin to support the works of the Catholic Diocese of Sandhurst.

The following table sets out the categories of financial instruments held by the DDF at their carrying amounts:

	2025-26 $	2024-25 $
Financial Assets (at amortised cost)		
Cash and cash equivalents	27,068,970	31,862,144
Investments	40,850,000	36,886,883
Loans and advances	127,381,252	119,519,979
Other receivables	1,548,324	1,189,413
Total	**196,848,546**	**189,458,419**
Financial Liabilities (at amortised cost)		
Deposits	159,170,859	154,936,514
Other payables	1,490,593	1,398,258
Total	**160,661,452**	**156,334,772**

Financial Risk Management

The DDF is exposed to a number of risks from the use of financial instruments in the ordinary course of providing its services. These risks include:

a) Credit risk
b) Market risk
c) Liquidity risk

The DDF seeks to manage these risks through internal reporting which includes an analysis of exposures against prescribed thresholds set by the board of the DDF. The management of these risks is carried out by the secretary of the DDF under the policies approved by the board. The board has also established an Audit and Risk Committee which oversees the formulation and monitoring of the DDF's risk management policies and systems.

a) Credit Risk

Credit as it relates to the DDF's lending and investment activities, is the provision of funds on agreed terms and conditions to a counterparty who is obliged to repay the amount borrowed or received. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the DDF.

Credit risk for the DDF can be segregated as follows:

<u>Loans and advances</u>
The risk of losses that may arise from loans advanced is mitigated by the application of a loan assessment criteria designed to evaluate a client's repayment capacity, available collateral, operational risk and applies LVR principles. Where collateral is held, it is in the form of mortgage interest over the property or by a letter of guarantee.

The loan portfolio comprises of loans predominantly to Catholic schools operating within the Catholic Diocese of Sandhurst. The weighted average term to maturity was 8.14 years as at 30 June 2026 (2024-25 8.5 years) and the DDF has no reason to believe that these entities will not be able to meet their respective loan commitments. There has been no allowance provided for the impairment of the loan portfolio. The DDF has had no loan defaults since its establishment which is reflective of the industry sectors it services and its loan assessment practices.

Investments

The risk of losses from investments made as part of managing the DDF's liquid asset portfolio is mitigated by policies that limit both the counterparties with which the DDF transacts and the aggregate exposure to any one counterparty.

There have been no changes to the way credit risk is managed during the financial year. The DDF's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the amount of those assets as listed in the table below.

2025-26

	Current and not impaired				Past due and/or impaired	Total
		Rated (Short Term)				
	Unrated $	A1+ $	A1 $	A2 $	$	$
Financial Assets						
Cash and cash equivalents	18,548,683	8,520,287	-	-	-	**27,068,970**
Investments	-	35,850,000	-	5,000,000	-	**40,850,000**
Loans and advances	127,381,252	-	-	-	-	**127,381,252**
Total	**145,929,935**	**44,370,287**	**-**	**5,000,000**	**-**	**195,300,222**

2024-25

	Current and not impaired				Past due and/or impaired	Total
		Rated (Short Term)				
	Unrated $	A1+ $	A1 $	A2 $	$	$
Financial Assets						
Cash and cash equivalents	30,538,380	1,323,764	-	-	-	**31,862,144**
Investments	-	16,259,157	-	20,627,726	-	**36,886,883**
Loans and advances	119,519,979	-	-	-	-	**119,519,979**
Total	**150,058,359**	**17,582,921**	**-**	**20,627,726**	**-**	**188,269,006**

b) Market Risk

Market risk is the risk of losses arising from movement in market prices. The primary market risk exposure for the DDF is interest rate risk. Interest rate risk is the risk of a change in the fair value of future cash flows arising from financial instruments due to variability in interest rates.

The DDF is exposed to interest rate risk through the deposits it holds, funds placed in investments and provision of loans. Interest rates are monitored regularly and reviewed by the board who recommend any changes. Financial modelling is used to forecast the impact to earnings of any changes to interest rates. There has been no material change to the DDF's exposure to interest rate risk, or the manner in which this risk is managed and measured over the reporting period.

The interest rate sensitivity analysis has been prepared assuming the balance of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole reporting period.

			1% +/- Variance	
	2025-26 $	2024-25 $	2025-26 $	2024-25 $
Financial Assets				
Cash and cash equivalents	27,068,970	31,862,144	270,690	318,621
Term deposits	40,850,000	36,886,883	408,500	368,869
Loans and advances	127,381,252	119,519,979	1,273,813	1,195,200
Total	**195,300,222**	**188,269,006**	**1,953,003**	**1,882,690**
Financial liabilities				
Accrued interest on deposits	1,426,867	1,381,625	14,269	13,816
Client deposits	159,170,859	154,936,514	1,591,709	1,549,365
Total	**160,597,726**	**156,318,139**	**1,605,978**	**1,563,181**
Net Change			**347,025**	**319,509**

c) Liquidity Risk

Liquidity risk is the risk that the DDF may experience difficulties in raising funds to meet its financial commitments as and when they fall due. The DDF manages liquidity risk through compliance with its Liquidity Management and Investment policy. The objectives of this policy are as follows:

- maintain the ability to provide funds for lending requirements and to meet depositor withdrawal requests as they occur;
- comply with the minimum liquidity requirements;
- investments are managed in such a way to provide an optimum level of return whilst ensuring that the capital value of the investment is preserved; and
- market interest rates, the investment portfolio and bank balances are monitored daily.

The DDF manages liquidity risk by holding financial assets which can be readily converted into cash as and when the need arises. The DDF monitors liquidity on a daily basis which incorporates forecasting cash outflows. This is supported by a minimum liquidity holding target ratio of 9% and a trigger level of 12% with a required course of action should there be a continued downward trend. The liquidity holding ratio as at 30 June 2026 was 15.9% (2024-25 22.3%).

The table below summarises the maturity profile of the DDF's financial assets and liabilities.

2025-26	WAIR	< 1 Month	1-3 Months	3 Months to 1 Year	1-5 years	> 5 Years	Total
		$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	4.35%	27,068,970	-	-	-	-	**27,068,970**
Investments	4.72%	30,000,000	10,000,000	850,000	-	-	**40,850,000**
Loans and advances	6.56%	11,959	1,923,703	5,730,304	30,841,776	88,873,510	**127,381,252**
Total		**57,080,929**	**11,923,703**	**6,580,304**	**30,841,776**	**88,873,510**	**195,300,222**
Financial Liabilities							
Deposits at call	1.58%	61,165,327	-	-	-	-	**61,165,327**
Deposits at term	4.70%	28,818,805	42,619,019	26,518,122	49,586	-	**98,005,532**
Total		**89,984,132**	**42,619,019**	**26,518,122**	**49,586**	**-**	**159,170,859**

2024-25	WAIR	< 1 Month	1-3 Months	3 Months to 1 Year	1-5 years	> 5 Years	Total
		$	$	$	$	$	$
Financial Assets							
Cash and cash equivalents	3.99%	31,862,144	-	-	-	-	**31,862,144**
Investments	4.80%	15,500,000	-	21,386,883	-	-	**36,886,883**
Loans and advances	6.06%	366	19,834	275,566	14,687,250	104,536,963	**119,519,979**
Total		**47,362,510**	**19,834**	**21,662,449**	**14,687,250**	**104,536,963**	**188,269,006**
Financial Liabilities							
Deposits at call	1.81%	76,799,826	-	-	-	-	**76,799,826**
Deposits at term	4.74%	21,842,850	23,427,851	32,279,824	586,163	-	**78,136,688**
Total		**98,642,676**	**23,427,851**	**32,279,824**	**586,163**	**-**	**154,936,514**

14. Capital Management

The DDF is required to maintain a level of capital to support the funds operations from unanticipated losses from its activities and continue as a going concern. Capital is managed with regard to the type, amount and concentration of risks to which the DDF is exposed to from its activities, having regard to any prospective, material changes in the DDF's risk profile

or level of capital. The DDF is required to maintain at all times a minimum of total capital to risk-weighted assets of 10% (Capital Adequacy Ratio) with a trigger ratio of 12%. The DDF's Capital Adequacy Ratio is as follows:

	2025-26	2024-25
Tier 1 – Capital Adequacy Ratio	56.4%	56.9%

15. Commitments

	2025-26 $	2024-25 $
Loans approved but not disbursed	17,561,821	8,742,766
	17,561,821	**8,742,766**

16. Related party transactions

a) Advisory board and committee members
The members of the DDF advisory board are appointed in a voluntary capacity and receive no fee for their services to the DDF.

b) Key management personnel compensation
The DDF does not employ any staff directly and is instead charged a service fee for contracted secretarial services, based on the reasonable costs of management and administration. The provision of these services was transferred from the Chancery Office of the Catholic Diocese of Sandhurst to the Catholic Development Fund Melbourne effective 1 December 2025. The total service fee for 2025–26 was $225,050 (2024–25: $217,440).

17. Auditor's remuneration

	2025-26 $	2024-25 $
Audit and review of financial statements	18,530	15,240
	18,530	**15,240**

18. Events occurring after the reporting period

Subsequent to 30 June 2026, the DDF has appropriated $8,308,721 to the Chancery Office of the Catholic Diocese of Sandhurst for the purposes of funding the Cathedral Square development. These appropriations were made between 23 July 2026 and the date of signing these financial statements.

Additional appropriations up to a total of $23M are expected to be made during the remaining construction phases of the development. The appropriations form part of the DDF's planned capital management strategy and have been taken into consideration in the ongoing assessment of its capital adequacy and liquidity requirements. The Directors have assessed the impact of these appropriations and are satisfied that they do not adversely affect the DDF's ability to meet its obligations as they fall due or to is ability to continue as a going concern.

DECLARATION OF ADVISORY BOARD OF THE DIOCESE OF SANDHURST DEVELOPMENT FUND

In the opinion of the members of the Advisory Board of the Diocese of Sandhurst Development Fund (DDF):

(a) the DDF is not a reporting entity;

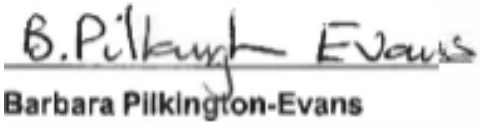
(b) the special purpose financial statements and notes thereto, set out in pages 3 to 20 have been prepared in accordance with the basis of accounting described in notes 2 to 3 so as to present a true and fair view of the financial position of the DDF as at 30 June 2026 and its performance as represented by the results of its operations for the year ended on that date;

(c) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Regulations 2022*; and

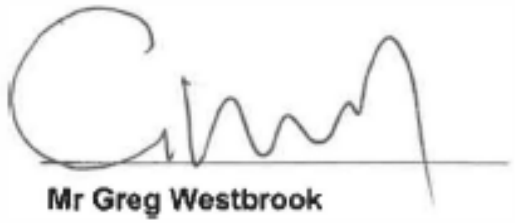
(d) at the date of this statement, there are reasonable grounds to believe that the DDF will be able to pay its debts as and when they fall due.

Dated at Bendigo this 27 day of October 2026

Signed in accordance with a resolution at a duly constituted meeting:



Barbara Pilkington-Evans
Chair of the DDF



Mr Greg Westbrook
Business Manager of the DDF

Independent Auditor's Report

To the Members of the Diocese of Sandhurst Development Fund

Report on the audit of the financial report

Opinion

We have audited the financial report of the Diocese of Sandhurst Development Fund (the DDF) which comprises the statement of financial position as at 30 June 2026, the statement of 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 material accounting policies, and the Advisory Board' declaration.

In our opinion, the accompanying financial report of the DDF has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the DDF's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
b) complying with Australian Accounting Standards to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 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 DDF in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Advisory Board's financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of the Advisory Board for the Financial Report

The Advisory Board of the DDF are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Advisory Board 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, Advisory Board are responsible for assessing DDF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the DDF or to cease operations, or has no realistic alternative but to do so.

The Advisory Board are responsible for overseeing the DDF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSD Audit

Kathie Teasdale
Director

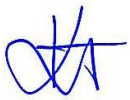
27 October 2026

Auditors Independence Declaration

To the Advisory Board of the Diocese of Sandhurst Development Fund

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of the Diocese of Sandhurst Development Fund As the lead auditor for the audit of the financial report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.





RSD Audit

Kathie Teasdale
Associate Director

27 October 2026