



ANNUAL REPORT 2014



Catholic Development Fund - Diocese of Ballarat

CDF Staff

FUND MANAGER

Mr. Mark Bromley

ASSISTANT MANAGER

Mrs. Sharyn Simpson

CUSTOMER SERVICE OFFICERS

Mrs. Aasha Liversidge

Mrs. Julie Boyd

Mrs. Lisa Gehan

Mrs. Wendy Huby

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L-R: Lisa Gehan, Sharyn Simpson, Mark Bromley, Philip Westbrook, Wendy Huby, Aasha Liversidge
Absent: Julie Boyd



From the Bishop

Nowadays we use the word “talent” in a wide sense. For example, someone might have a talent for singing. Someone else might have a talent for playing football. In these cases, “talent” means the ability to do something. When Jesus spoke about talents, he used the word in its original sense, meaning a gold coin. He told a parable about a master who gave each of his servants a certain number of talents, a certain number of gold coins. The master then expected the servants to use the gold coins well to make more gold coins.

This is something like the challenge for those who manage the Catholic Development Fund for our diocese. Investors entrust them with a certain amount of money and expect them to make some profit so that they can have a return on the investment. Happily, those looking after the Catholic Development Fund have managed to achieve a profit again this year and been able to pay a return to investors. Particularly considering the general context of low interest rates, they have done well and we can commend them in the words of the gospel: “Well done, good and faithful servants”. They have achieved a return on investments in difficult financial circumstances.

At the same time, others have been able to come to the Catholic Development Fund to borrow what they need to undertake projects for the good of parishes and schools around the diocese. We can also commend the borrowers for their initiative in undertaking such projects. So, to all involved with the Catholic Development Fund throughout 2014, we can say: “Well done, good and faithful servants.” Each in their own way has fostered the life of our community.

I thank the parishes, schools, agencies and individuals who have entrusted deposits to the Fund. I thank Mr Paul Foley, who has chaired the CDF Board, and all the members of the Board for guiding the Fund through the year. I also thank Mr Mark Bromley, the manager of the Fund, and all the CDF staff for their dedicated service day after day.

I give thanks to God for the success of the Catholic Development Fund in 2014, a success achieved in difficult circumstances, and I give thanks for the support the Fund has continued to give to the life of the Catholic Community throughout the Diocese.

+ Paul Bird

*+ Paul Bird CSsR
Bishop of Ballarat*



It is a pleasure to present the 39th Annual Report of the activities of the Catholic Development Fund - Diocese of Ballarat for the year ended 31st December, 2014.

This year has again been a challenging one for the Management and Board as the economy continues to struggle and as a result external interest rates continue to be at the lowest levels seen in a generation. The Fund has been able to continue to increase its assets by \$10m to \$143m. In 2011, the Assets of the Fund were \$100m, so growth of the investments has been rapid and I thank the continued support from depositors which demonstrates the important role that the Fund plays within the Diocese.

FINANCIAL RESULTS

The surplus for the year \$1,590,414 is another excellent result given the difficult interest rate environment, as gross margin of the Fund decreased by over \$70,000 from 2013. I am convinced that this result would have been greatly reduced if it were not for the astute management of the Fund by Mr Mark Bromley and staff.

The Board handled all challenges it faced throughout the year and I am proud of the thoughtful and prudent manner of the decision making process employed.

A synopsis of the year follows:

- Excellent surplus of \$1,590,414
- Investments growth of \$10m
- Assets exceed \$143m
- \$900,000 distribution to Diocese
- \$50,000 distribution to Retired Priest facilities

The ability of the Board to maintain an annual \$900,000 distribution to the Diocese and a further \$50,000 to the retired priests facility is a wonderful achievement for the 2014 year.

The Board has elected to distribute \$900,000 to the diocese from the 2014 surplus.

THE BOARD

The Board meets on six occasions during the year to assist and provide guidance to the management of the Fund, assessing and approving loans, policy implementation and reviewing interest rates.

A key to the on-going success of the CDF is the determination by the Board to maintain a rate structure that is fair to borrowers and depositors.

During the year the Board welcomed Mr Luke Rieniets as a member and his financial expertise will play an important role in the future of the Fund.

LOANS

Lending is primarily provided to primary and secondary schools throughout the Diocese.

Loans settled during the year total \$14,456,679.00

Every school, both primary and secondary has benefited in some way in recent years with the assistance of the Fund.



OUTLOOK

Unfortunately, since my report of this time a year ago there has been very little improvement in the world and Australian economy. The short term expectation is that interest rates will continue at historic lows in the short term.

We believe that the economic environment in which we operate will continue to be difficult for at least the next twelve months as governments around the world struggle to implement effective strategies to stimulate growth and improved economic activity. The expectation is that these factors will lead to the Fund being able to achieve another satisfactory financial result for 2015 with loan demand remaining steady.

STAFF

I congratulate the Fund Manager, Mr. Mark Bromley for his outstanding management of the Fund over many years. His astute financial knowledge and management of the Fund is without peer. Mark as always administers the Fund in a most efficient, effective and caring manner.

Assistant Manager Sharyn Simpson plays an important role for the Fund and her vast experience in the banking sector is critical to the sound management of the Fund.

Customer Services Officers Wendy Huby, Lisa Gehan, Aasha Liversidge and Julie Boyd provide competent and friendly service to all who have contact with the Fund.

APPRECIATION

I extend my appreciation to Bishop Paul Bird for his on-going guidance, confidence, support and trust he places in all the Board members of the Fund. It is a privilege and a pleasure to be able to serve the Catholic Church in the Diocese.

I thank all Board members who willingly volunteer their own valuable time and expertise in the assistance of the management of the Fund.

CONCLUSION

I must acknowledge the support and loyalty that the Fund continues to receive from the clergy, parishes, schools and colleges throughout the Diocese of Ballarat. The Fund is delighted to continue to be seen as the preferred lender to our parishes and schools for the important projects that they require financial funding to assist to maintain and grow their assets. The Fund is acutely aware it can only achieve any financial success from the loyalty and support all sectors of the Diocese.

The Fund continues to strive to provide a caring, efficient and competitive service for the Diocese of Ballarat.

Paul D. Foley
CHAIRMAN

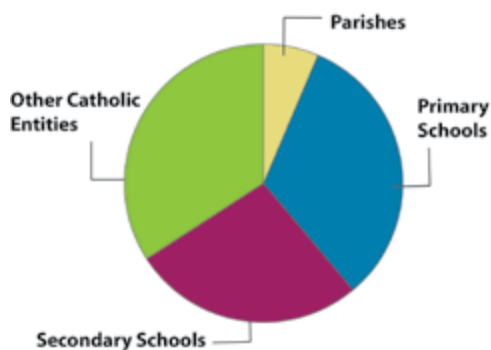


*Helping each other
and building
a stronger church
and community*

2014 at a glance.....

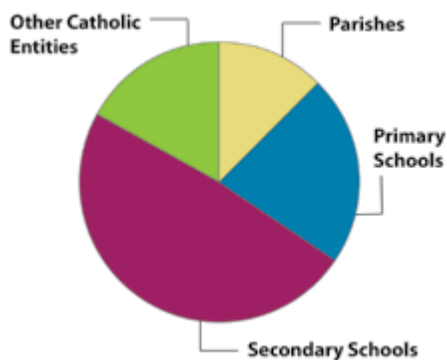
Loans Advanced 2014 \$Mil

Parishes	0.94
Primary Schools	4.71
Secondary Schools	3.90
Diocesan Entities	4.90



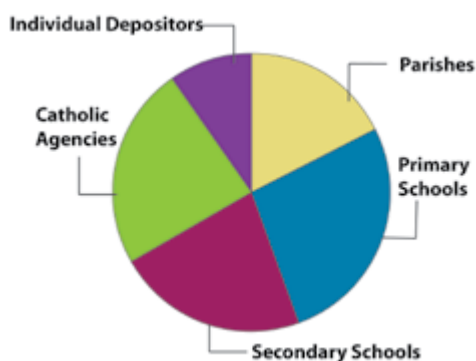
Loans Outstanding (as at 31/12/14) \$Mil

Parishes	7.36
Primary Schools	13.11
Secondary Schools	28.65
Other Catholic Entities	9.99



Deposits Held (as at 31/12/14) \$Mil

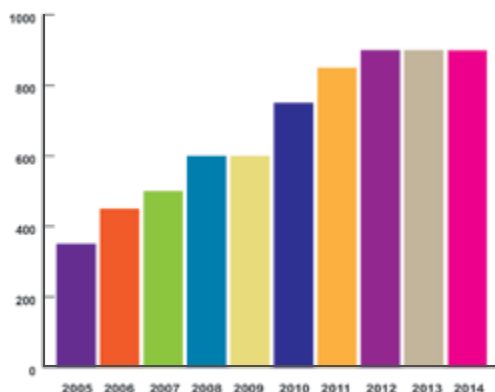
Parishes	22.58
Primary Schools	34.21
Secondary Schools	28.50
Catholic Agencies	29.59
Individual Depositors	12.51



2014 at a glance.....

Distribution to the Diocese \$

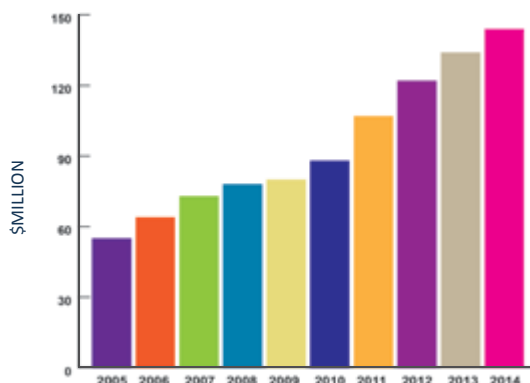
2005	350,000
2006	450,000
2007	500,000
2008	600,000
2009	600,000
2010	750,000
2011	850,000
2012	900,000
2013	900,000
2014	900,000



Total Assets (as at 31/12/14)

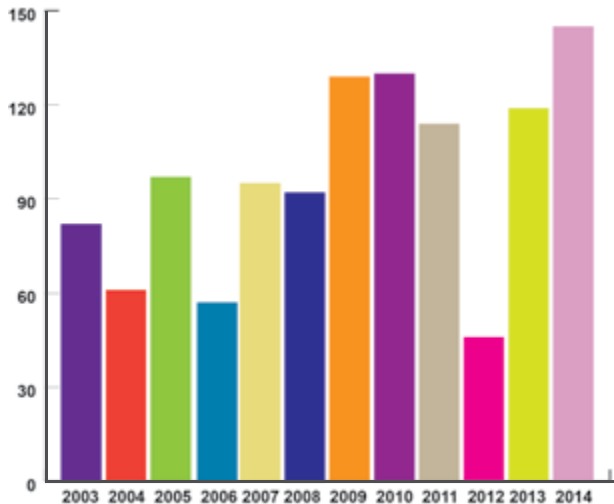
\$Mil

2005	55
2006	64
2007	73
2008	78
2009	80
2010	88
2011	107
2012	122
2013	134
2014	144



2014 at a glance.....

Loans Funded	\$
2002	4,895,863
2003	8,189,552
2004	6,093,548
2005	9,705,763
2006	5,758,303
2007	9,540,348
2008	9,164,741
2009	12,946,229
2010	13,054,504
2011	11,368,663
2012	4,586,813
2013	11,917,639
2014	14,456,679
<hr/>	
TOTAL	137,406,291



Our Mission Statement



Our aim is to maximise the use of resources within the Catholic community in order to provide facilities to invest funds, offer loans at favourable cost for capital and other projects, and provide the means of promoting the pastoral and educational needs of the Ballarat Diocese

Recent Projects



St James Primary School, Sebastopol



Loreto College, Ballarat



Solar panelling at St Joseph's Primary School, Red Cliffs

Recent Projects



Monaghan Centre, Mildura



Emmaus Catholic Primary School, Mt Clear



Statement of Income and Expenditure

For the Year Ended 31st December 2014

INCOME	2014	2013
	\$	\$
Interest on Loans	3,152,627	2,824,689
Interest on Investments	3,578,536	3,635,678
Total Income	\$6,731,163	\$6,460,367
Less Cost of Funds	4,642,496	4,303,322
GROSS MARGIN	\$2,088,667	\$2,157,045
Expenditure	498,253	499,374
OPERATING SURPLUS	\$1,590,414	\$1,657,671
Less Distributions		
Distribution to Diocese	900,000	900,000
Transfer to Retired Priests' Facility Reserve	50,000	50,000
Total Distributions	\$950,000	\$950,000
Retained Surplus	\$640,414	\$707,671
Accumulated Surplus brought forward	5,634,589	4,926,918
Accumulated Surplus carried forward	\$6,275,003	\$5,634,589

Completed Audited Financial Statements are available on request from the Fund Office

Balance Sheet

For the year ended 31st December 2014

ASSETS

	2014	2013
	\$	\$
Loans Advanced	59,111,874	51,731,863
Investments	83,947,529	81,401,511
Accrued Interest Receivable	691,407	744,031
Fixed Assets	24,819	9,028
Total Assets	\$143,775,629	\$133,886,433

LIABILITIES

Depositors' Funds	127,391,675	118,223,282
Accrued Expenses	26,165	26,900
Accrued Interest Payable	346,128	337,578
Provision for Leave Entitlements	236,658	214,084
Total Liabilities	\$128,000,626	\$118,801,844
Net Assets	\$15,775,003	\$15,084,589

EQUITY

Accumulated Surplus	6,275,003	5,634,589
Retired Priests Facility Reserve	1,500,000	1,450,000
General Reserve	8,000,000	8,000,000
Total Equity	\$15,775,003	\$15,084,589

REPORT ON THE CONCISE FINANCIAL REPORT

We have audited the concise financial report of the Catholic Development Fund, which comprises the income statement for the year ended 31 December 2014, the balance sheet as at 31 December 2014. The concise financial report is derived from the audited financial report of the Catholic Development Fund. The concise financial report does not contain all the disclosures required by the Australian Accounting standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

THE RESPONSIBILITY OF THOSE CHARGED WITH GOVERNANCE FOR THE CONCISE FINANCIAL REPORT

The committee of the Catholic Development Fund is responsible for the preparation and fair presentation of the concise financial report in accordance with the accounting policies that they have decided are appropriate for the Catholic Development Fund and for such internal control as the committee determines 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. We have conducted an independent audit in accordance with Australian Auditing Standards, of the financial report of the Catholic Development Fund for the year ended 31 December 2014. We expressed an unmodified audit opinion on that financial report in our report dated 13 April 2015. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the committee's preparation of the concise financial report that gives a true and fair view 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 entity's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year. These procedures have been undertaken to form an opinion on whether the information reported in the concise financial report is consistent, in all material respects, with the financial report from which it was derived.

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

AUDIT OPINION

In our opinion, the information reported in the concise financial report is consistent, in all material respects, with the financial report from which it was derived.

CROWE HORWATH MELBOURNE
JOHN GAVENS
Partner
Level 17, 181 William Street, Melbourne, Victoria
Registered Company Auditor #7516
Dated this 13th day of April 2015

CDF Products and Interest Rates

AT CALL SAVINGS/CHRISTMAS CLUB ACCOUNTS

A CDF savings account offers an attractive rate of interest, has no account fees and gives prompt access to your funds when required.

A Christmas Club account offers the same terms as a savings account and is paid electronically or rolled over on the 1st December each year.

TERM INVESTMENTS

You may choose any term from 6 to 36 months. Interest is calculated on the daily balance and paid to you half yearly.

Interest will be sent electronically to your nominated bank account or added to your investment.

You will be notified 2-3 weeks prior to the maturity of your investment and you may nominate to re-invest or redeem all or part of your deposit upon maturity.

INTEREST RATES

To obtain details of current interest rates on all products, please email cdf@ballarat.catholic.org.au and we will send you an updated list of our current rates.

CDF Board of Management

Bishop Paul BIRD	Mr. Jeff PRIMMER
Mr. Paul FOLEY (Chairperson)	Mr. Shane LENEHAN
Rev. Justin DRISCOLL	Mr. Peter JOHNSON
Ms. Julie DUYNHOVEN	Mr. Luke RIENIETS
Mr. Luke DUNNE	Mr. Mark BROMLEY



The Diocese of Ballarat – Catholic Development Fund (CDF) is not subject to the provisions of the Corporation Act 2001 nor has it been examined or approved by the Australian Securities and Investments Commission. Deposits with CDF are guaranteed by CDPF Limited, a company established by the Australian Catholic Bishops Conference for this purpose. We welcome your investment with the CDF rather than with a profit oriented commercial organisation as a conscious commitment by you to support the Charitable, Religious and Educational works of the Catholic Church. Neither CDF nor the Trustees of the Roman Catholic Trusts Corporation for the Diocese of Ballarat are prudentially supervised by the Australian Prudential Regulation Authority; contributions to CDF do not obtain the benefit of the depositor protection provisions of the Banking Act 1959; CDF is designed for investors who wish to promote the charitable purposes of the Catholic Diocese of Ballarat.