



Catholic Development Fund - Diocese of Ballarat

# *ANNUAL REPORT 2015*



# CDF Staff

## FUND MANAGER

Mr. Mark Bromley

## ASSISTANT MANAGER

Mrs. Sharyn Simpson

## CUSTOMER SERVICE OFFICERS

Mrs. Aasha Liversidge

Mrs. Julie Boyd

Mrs. Lisa Gehan

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L-R: Mark Bromley, Sharyn Simpson, Lisa Gehan, Julie Boyd, Philip Westbrook



## From the Bishop

Over the past few months, I have been delighted to celebrate the opening of new buildings in three of the schools in our diocese.

On Friday, November 13, I drove west to the town of Coleraine for the blessing and opening of a new primary school. The school there has a small number of students but the students and staff and members of the local community can rightly be proud of the spacious facilities they have provided for these young people. The pride was evident in the opening song "This is our school" right through to the final item on the program, "St Joseph's School Song". I am pleased to say that our diocesan Catholic Development Fund had an important part to play in the building of the new school by providing a loan for the project.

On Wednesday, December 2, I visited St Francis Xavier Primary School in Ballarat East to celebrate the opening of a new junior school. Here too the locals rejoiced in what has been provided for the young members of the community. Here too the Catholic Development Fund had provided a loan to make the new building possible.

On Friday, February 26, I travelled south to Camperdown for the opening of a new section at Mercy Regional College. The new block is part of an overall plan for ongoing expansion and the next stage of works has already begun. This also has been made possible by a loan from our diocesan development fund.

I thank the parishes, schools, agencies and individuals who have entrusted deposits to our Catholic Development Fund. By making these deposits, they provide a pool of resources from which parishes and schools and agencies throughout the diocese can draw to finance new buildings and other vital projects for communities large and small.

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 the CDF staff for their dedicated service day after day.

I give thanks to God for the success of the Catholic Development Fund in 2015, a success achieved in a difficult economic climate, and I give thanks for the support the Fund has continued to provide to the life of the Catholic Community throughout our diocese.

*+ Paul Bird CSSR*  
*Bishop of Ballarat*

# Chairman's Report 2015



It is a pleasure to present the 40th Annual Report of the activities of the Catholic Development Fund - Diocese of Ballarat for the year ended 31st December, 2015.

The Board and Management of the Fund continue to be challenged in a difficult economic environment as growth is sporadic throughout the economy and sustained growth with a clear path forward is yet to appear and these factors can potentially have an enormous impact on the operations and financial results Catholic Development Fund. I am pleased to advise that in 2015, the Fund has been able to continue to increase it's assets by \$13m to \$156m. I sincerely 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 of \$1,852,651 is another wonderful result given the difficult interest rate environment. This result would not have been possible 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 is below:

- Excellent surplus of \$1,852,651
- Deposits growth of \$11m
- Assets exceed \$156m
- \$900,000 distribution to Diocese

The ability of the Board to maintain an annual \$900,000 distribution to the Diocese is a wonderful achievement for the 2015 year. After consultation with the Diocesan Finance Council it has been determined that a distribution to the Retired Priest Facilities is not required as sufficient funds are held in reserve to provide for the immediate accommodation needs of our retired priests.

The Board has elected to distribute the 2015 surplus as follows:

Diocese of Ballarat	\$900,000
Retained Earnings	\$952,651

## 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.

I thank all Board members for their thoughtful and considered contributions to the overall management of the Catholic Development Fund in 2015.



## LOANS

Lending is primarily provided to primary and secondary schools throughout the Diocese. Loans settled during the year exceed \$8.1m. 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 only been very slight 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 will continue to be difficult for the foreseeable future as governments around the world struggle to implement effective strategies to stimulate growth and improved economic activity. The expectation is that these factors will challenge the Fund in being able to achieve another satisfactory financial result for 2016 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 Lisa Gehan 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 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*

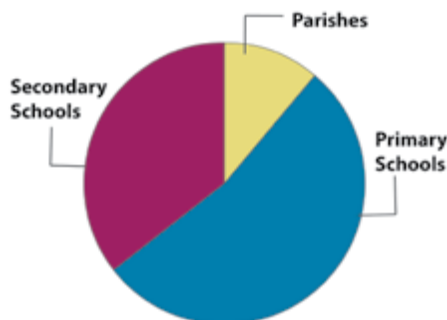


# 2015 at a glance.....

## Loans Advanced 2015

\$Mil

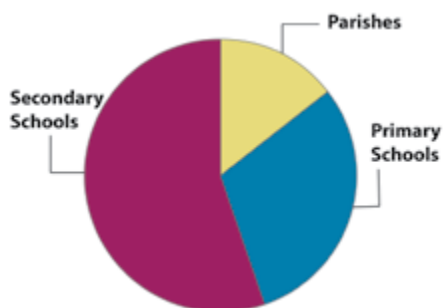
Parishes	0.92
Primary Schools	4.34
Secondary Schools	2.90



## Loans Outstanding (as at 31/12/15)

\$Mil

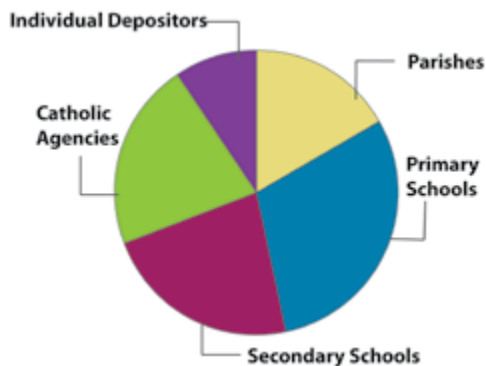
Parishes	7.38
Primary Schools	15.24
Secondary Schools	27.93



## Deposits Held (as at 31/12/15)

\$Mil

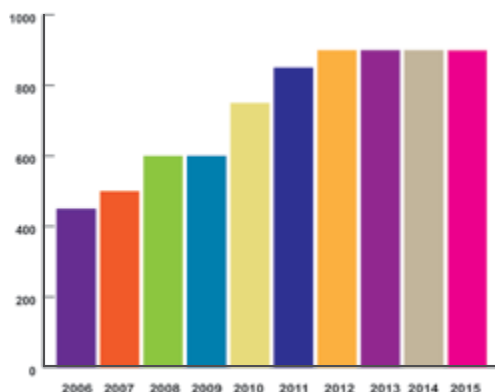
Parishes	23.37
Primary Schools	41.48
Secondary Schools	31.27
Catholic Agencies	29.90
Individual Depositors	12.94



# 2015 at a glance.....

## Distribution to the Diocese \$

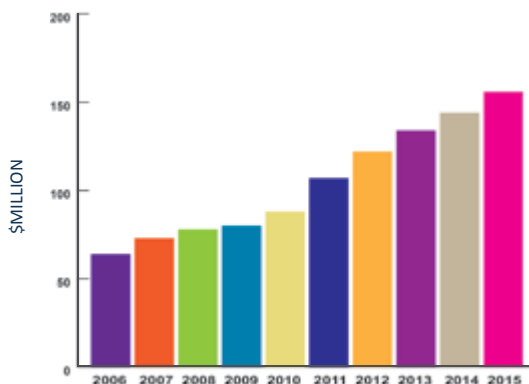
2006	450,000
2007	500,000
2008	600,000
2009	600,000
2010	750,000
2011	850,000
2012	900,000
2013	900,000
2014	900,000
2015	900,000



## Total Assets (as at 31/12/15)

\$Mil

2006	64
2007	73
2008	78
2009	80
2010	88
2011	107
2012	122
2013	134
2014	144
2015	156





# 2015 at a glance.....

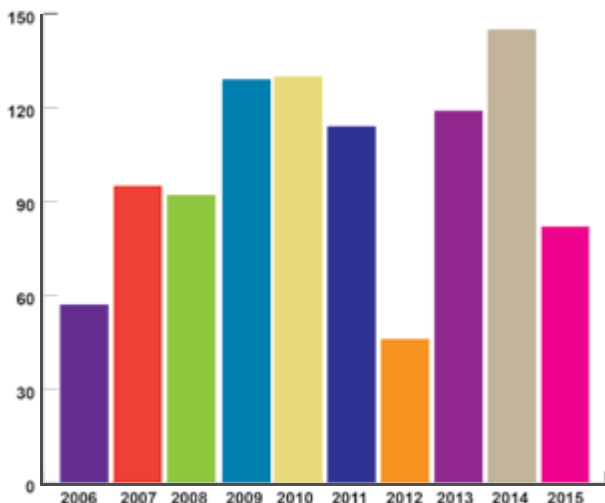
## Loans Funded

\$

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
2015	8,161,826

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TOTAL	116,755,056
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## 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 Joseph's Primary School, Coleraine



St Patrick's Church, Port Fairy



Mercy Regional College, Camperdown



St Joseph's Primary School, Charlton



# Recent Projects



St Peter's Church, Daylesford



St Francis Xavier Primary School, Ballarat East



St Joseph's College, Mildura



# Statement of Income and Expenditure

For the Year Ended 31st December 2015

<b>INCOME</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Interest on Loans	2,928,465	3,152,627
Interest on Investments	3,399,224	3,578,536
<b>Total Income</b>	<b>\$6,327,689</b>	<b>\$6,731,163</b>
Less Cost of Funds	3,980,915	4,642,496
<b>GROSS MARGIN</b>	<b>\$2,346,774</b>	<b>\$2,088,667</b>
Expenditure	494,123	498,253
<b>OPERATING SURPLUS</b>	<b>\$1,852,651</b>	<b>\$1,590,414</b>
<b>Less Distributions</b>		
Distribution to Diocese	900,000	900,000
Transfer to Retired Priests' Facility Reserve	-	50,000
Total Distributions	\$900,000	\$950,000
<b>Retained Surplus</b>	<b>\$952,651</b>	<b>\$640,414</b>
Accumulated Surplus brought forward	6,275,003	5,634,589
Accumulated Surplus carried forward	<b>\$7,227,654</b>	<b>\$6,275,003</b>

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

# Balance Sheet

For the year ended 31st December 2015

ASSETS	2015	2014
	\$	\$
Loans Advanced	50,547,421	59,111,874
Investments	104,989,223	83,947,529
Accrued Interest Receivable	712,833	691,407
Fixed Assets	17,728	24,819
<b>Total Assets</b>	<b>\$156,267,205</b>	<b>\$143,775,629</b>
LIABILITIES		
Depositors' Funds	138,962,162	127,391,675
Accrued Expenses	26,105	26,165
Accrued Interest Payable	275,200	346,128
Provision for Leave Entitlements	276,084	236,658
<b>Total Liabilities</b>	<b>\$139,539,551</b>	<b>\$128,000,626</b>
<b>Net Assets</b>	<b>\$16,727,654</b>	<b>\$15,775,003</b>
EQUITY		
Accumulated Surplus	7,227,654	6,275,003
Retired Priests Facility Reserve	1,500,000	1,500,000
General Reserve	8,000,000	8,000,000
<b>Total Equity</b>	<b>\$16,727,654</b>	<b>\$15,775,003</b>

## **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 2015, the balance sheet as at 31 December 2015. 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 2015. We expressed an unmodified audit opinion on that financial report in our report dated 28 April 2016. 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*

*GORDON ROBERTSON*

*Partner*

*Level 17, 181 William Street, Melbourne, Victoria*

*Registered Company Auditor #333476*

*Dated this 28th day of April 2016*

## *CDF Products and Interest Rates*

### 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](mailto: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. Peter JOHNSON

Rev. Justin DRISCOLL

Mr. Luke RIENIETS

Ms. Julie DUYNHOVEN

Mr. Mark BROMLEY

Mr. Luke DUNNE





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.