

ANNUAL REPORT 2019



Catholic Development Fund - Diocese of Ballarat





Helping each other and building a stronger church and community

CDF Staff

FUND MANAGER

Mr. Andrew Jirik

ASSISTANT MANAGER

Mrs. Sharyn Simpson

CUSTOMER SUPPORT

Mrs. Claire Blewitt

Mrs. Aasha Liversidge

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L-R: Mark Bromley, Sharyn Simpson, Philip Westbrook, Aasha Liversidge, Claire Blewitt and Andrew Jirik

From the Bishop



For months now, our news bulletins have been dominated by updates on the spread of the coronavirus. It is a health emergency that has touched people everywhere, including Australia. Many have been infected. Some have lost their lives to the virus. Even for those who have not been infected, the virus has changed daily life. First of all we stopped shaking hands, then we cancelled travel. Like so many people, I am no longer attending meetings face-to-face. Rather, I am meeting via teleconference or videoconference as a way of limiting personal contacts and so limiting the spread of the virus. We have had to change the way we do things.

In a quiet way, through these times of change, our Catholic Development Fund has been a source of steady support for the communities of our diocese. The Fund has been able to continue supporting projects that parishes and schools have been working on for some time. Schools have created master plans for improvements in their buildings and grounds. The Fund is continuing to provide loans to make these plans a reality. Parishes have been developing some of their property to provide additional income for local parish needs. The Fund is continuing to help parishes with these developments.

The Fund has also been able to help communities adapt to new ways of living in the midst of the coronavirus epidemic. Schools, for example, have been switching to more online learning and the Fund has been able to provide low interest loans to allow them to purchase computers for students and teachers.

I thank all those who have made deposits in our Catholic Development Fund. By making these deposits, they have provided a pool of resources from which parishes, schools and other diocesan agencies can draw in order to finance works that serve our Catholic community and the wider community. This support is particularly important as we face the extra demands of this difficult time.

I thank Mr Paul Foley, who has continued to chair the CDF Committee, and all the members of the Committee for their ongoing supervision of the Fund. I thank the fund manager, Mr Andrew Jirik, and the CDF staff who have adjusted their ways of working so that they can continue to deliver the daily services that the CDF offers.

I give thanks to God for the success of the Catholic Development Fund in 2019. I give thanks for the support the Fund has continued to provide to people throughout our diocese.

+ Paul Bird

*+ Paul Bird CSSR
Bishop of Ballarat*

Chairman's Report 2019



It is a pleasure for me to present the 44th Annual Report of the activities of the Catholic Development Fund - Diocese of Ballarat for the year ended 31st December, 2019.

The 2019 year continued to be a challenging year for the Committee and Management of the Fund. Given that we all operate in a generational low interest rate environment the opportunities for improved returns for the Fund are extremely limited so the Fund has analysed many different alternatives during 2019. I advise that in 2019, the Fund assets grew to \$181m primarily due to the changing mix of investments of the Fund. It is important that we continue to improve our 'bond' with such depositors however the Committee is fully aware of how competitive that the Fund must be in order to attract such support into the future.

FINANCIAL RESULTS

The surplus for the year of \$3.4m is a wonderful result for the Fund which was primarily achieved through realised investment returns. I sincerely thank the on-going thoughtful and excellent management of the Fund by Mr Andrew Jirik and staff.

The Committee is constantly challenged by competitive markets throughout each year and I am proud of the caring and prudent manner of the decision making process employed.

A synopsis of the year is below:

- Excellent surplus of \$3,448,866
- Assets exceed \$181m
- \$1,000,000 distribution to Diocese

The ability of the Committee to be able to maintain the distribution of \$1,000,000 to the Diocese is a fantastic achievement for the 2019 year given my previous comments. After consultation with the Diocesan Finance Committee 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 accommodation of our retired priests.

THE COMMITTEE

The Committee meets on four 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 Committee to maintain a rate structure that is fair to borrowers and depositors.

Chairman's Report 2019

I thank all Committee members for their thoughtful and considered contributions to the overall management of the Catholic Development Fund in 2019.

LOANS

Lending is primarily provided to primary and secondary schools throughout the Diocese. Loans settled during the year exceed \$6.7m

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

STAFF

I must acknowledge Mr Andrew Jirik for his astute financial management of the Fund. Andrew has administered the Fund in a most efficient, effective and caring manner throughout 2019 whilst constantly looking for opportunities closely aligned to our core purpose.

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 Support Officers, Claire Blewitt and Aasha Liversidge, provide competent and friendly service to all who have contact with the Fund.

APPRECIATION

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

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

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 of all sectors of the Diocese.

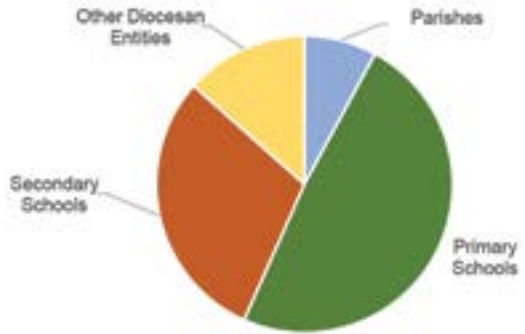
The Fund continues to strive to provide a caring, efficient and competitive service for the Diocese of Ballarat.

Paul D. Foley
CHAIRMAN

2019 at a glance.....

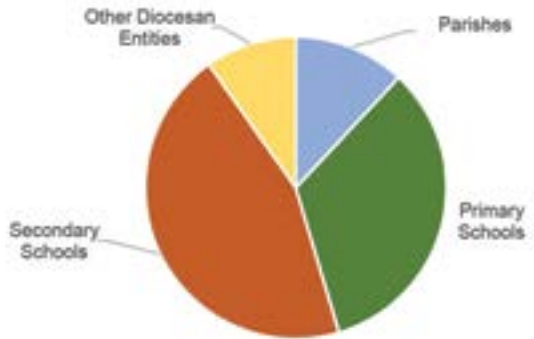
Loans Advanced 2019 \$Mil

Parishes	0.5
Primary Schools	3.3
Secondary Schools	2.0
Other Diocesan Entities	0.9



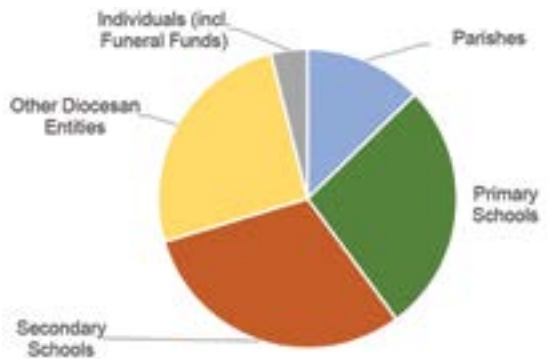
Loans Outstanding (as at 31/12/19) \$Mil

Parishes	5.9
Primary Schools	16.4
Secondary Schools	22.0
Other Diocesan Entities	4.8



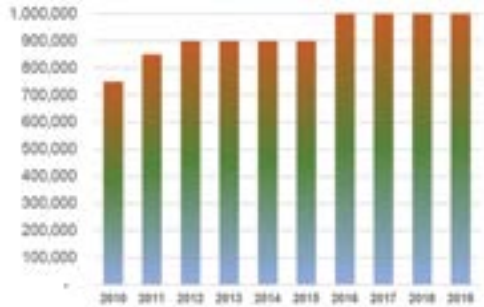
Deposits Held (as at 31/12/19) \$Mil

Parishes	20.3
Primary Schools	43.1
Secondary Schools	48.5
Other Diocesan Agencies	40.8
Individual (incl. Funeral Funds)	6.3



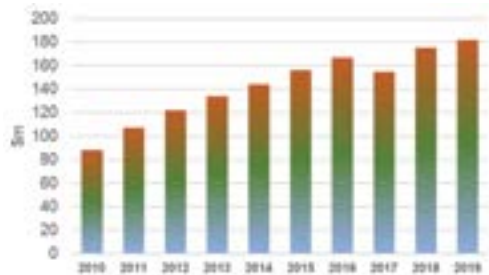
Distribution to the Diocese \$

2010	750,000
2011	850,000
2012	900,000
2013	900,000
2014	900,000
2015	900,000
2016	1,000,000
2017	1,000,000
2018	1,000,000
2019	1,000,000



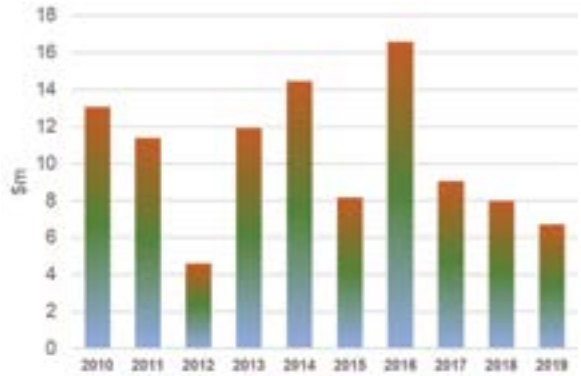
Total Assets \$Mil *(as at 31/12/19)*

2010	88
2011	107
2012	122
2013	134
2014	144
2015	156
2016	167
2017	155
2018	175
2019	182



2019 at a glance.....

Loans Funded	\$Mil
2010	13.1
2011	11.4
2012	4.6
2013	11.9
2014	14.5
2015	8.2
2016	16.6
2017	9.0
2018	8.0
2019	6.7
<hr/>	
TOTAL (last 10 years)	104



Recent Projects



St Joseph's Primary School, Red Cliffs



St Joseph's Primary School, Red Cliffs



Lumen Christi Primary School, Delacombe



Our Lady Help of Christians Primary School, Wendouree

Recent Projects



Siena Primary School, Lucas



Sacred Heart Primary School, Colac



Sacred Heart Primary School, Mildura

Statement of Income and Expenditure

For the Year Ended 31st December 2019

INCOME	2019	2018
	\$	\$
Interest on Loans	2,183,043	2,434,677
Other income	7,214	3,390
Interest on Investments	5,122,766	2,835,960
Total Income	\$7,313,023	\$5,274,027
EXPENDITURE		
Interest paid to Depositors	3,282,983	3,143,191
Operating Expenditure	581,174	539,301
Total Expenditure	\$3,864,157	\$3,682,492
SURPLUS FOR THE YEAR	\$3,448,866	\$1,591,535
Allocated as follows:		
Distribution to Diocese	1,000,000	1,000,000
Transferred to Reserve Funds	2,448,866	591,535
	\$3,448,866	\$1,591,535
Reserve Funds at Beginning of Year	19,688,406	19,096,871
Add Surplus Transferred to Reserves	2,448,866	591,535
Reserve Funds at End of Year	\$22,137,272	\$19,688,406

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

Balance Sheet

For the year ended 31st December 2019

ASSETS	2019	2018
	\$	\$
Loans Advanced	49,074,282	54,858,227
Investments	132,273,067	119,586,356
Accrued Income/Prepaid Expenses	44,333	116,468
Accrued Interest Receivable	287,800	646,609
Fixed Assets	33,864	20,023
Total Assets	\$181,713,346	\$175,227,683
LIABILITIES		
Depositors' Funds	159,082,066	155,161,840
Sundry Creditors	34,796	10,426
Accrued Interest Payable	357,880	282,988
Provision for Leave Entitlements	101,332	84,023
Total Liabilities	\$159,576,074	\$155,539,277
Net Assets	\$22,137,272	\$19,688,406
EQUITY		
Accumulated Surplus	4,137,272	8,188,406
Retired Priests Facility Reserve	1,500,000	1,500,000
General Reserve	16,500,000	10,000,000
Total Equity	\$22,137,272	\$19,688,406

Our Purpose

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.



Church Clients

With the CDF – Ballarat Parishes and schools have access to a fund which is user friendly.

The continuing support of the Fund from parishes and schools is most important, as it ensures that we can continue our mission within the Diocese. The CDF provides a range of financial services, including fee-free accounts with a competitive return on investments and also offers low-cost loans with minimum fuss.

Our Savings and Term Investments are available to all parishes and schools.

The CDF provides loans to all parishes, schools and catholic organisations within the Ballarat Diocese.

- No fees / minimal paperwork
- Affordable Interest rates
- Negotiable repayment terms

Please contact the CDF for more information.

Bishop Paul BIRD

Mr. Paul FOLEY (Chairperson)

Rev. Kevin MALONEY

Ms. Julie DUYNHOVEN

Mr. Luke DUNNE

Mr. Jeff PRIMMER

Mr. Luke RIENIETS

Ms. Jo BREWER

Mr. Andrew JIRIK

Auditors Report

We have audited the financial reports of the Ballarat Catholic Development Fund in accordance with Australian Auditing Standards. Extracts from the Income Statement and Balance Sheet are included in this Annual Report. In our opinion the financial report presents fairly the financial position of the Ballarat Catholic Development Fund as at the 31 December 2019 and the results of its operations for the year ended.

In our opinion, the information given in this report is consistent with the unabridged financial reports.

BALLARAT
13 March, 2020

CHRIS KOL
McLaren Hunt.





The Diocese of Ballarat – Catholic Development Fund (the **Fund**) is required by law to make the following disclosure. The Fund is not prudentially supervised by the Australian Prudential Regulation Authority nor has it been examined or approved by the Australian Securities and Investments Commission. An investor in the Fund will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959 (Cth). Investments in the Fund are intended to be a means for investors to support the charitable religious and educational works of the Catholic Diocese of Ballarat and for whom the consideration of profit are not of primary relevance in the investment decision. The investments that the Fund offers are not subject to the usual protections for the investors under the Corporations Act (Cth) or regulation by Australian Securities and Investments Commission. Investors may be unable to get some or all of their money back when the investor expects or at all and any investment of the Fund are comparable to investments with banks, finance companies or fund managers. The Fund's identification statement may be viewed at www.ballarat.catholic.org.au or by contacting the Fund. The Fund does not hold an Australian Financial Services Licence.