



ANNUAL REPORT 2012 - 2013



Catholic
Development Fund
DIOCESE OF MAITLAND-NEWCASTLE

Date 25th Feb 2014

Pay Penola Hase

The sum of Three thousand seven hundred and
seventy seven dollars

NOT NEGOTIABLE

\$3,777.00

Hampbell

For and on behalf of
CATHOLIC DEVELOPMENT FUND ABN 59 728 447 308

Acknowledgement of country and traditional owners

We acknowledge Aboriginal Peoples are Australia's first Peoples and the Traditional Owners and Custodians of the land on which we work to build a stronger, fairer and kinder society that values children, young people, families and individuals.





Contents

Acknowledgement of country and traditional owners	2	Concise Financial Reports	7
About Us	4	Catholic Development Fund Directory	9
A message from Bishop Bill Wright	5	Catholic Development Fund Contacts	10
A Message from the Chairman and Fund Manager	6		

DISCLAIMER The Catholic Development Fund (CDF) in the Diocese of Maitland-Newcastle is not subject to the provisions of the Corporations Act 2001 nor has it been examined or approved by the Australian Securities and Investments Commission. The CDF is not subject to the normal disclosure requirements of a financial institution. Deposits with the 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.

In addition, neither the Corporation of the Trustees of the Roman Catholic Diocese of Maitland-Newcastle, nor the CDF, is prudentially supervised by the Australian Prudential Regulation Authority; contributions to the CDF do not obtain the benefit of the depositor protection provisions of the Banking Act 1959, and the CDF is designed for investors who wish to promote the charitable purposes of the CDF.



About us

Mission statement

The Maitland-Newcastle Catholic Development Fund (CDF) exists to provide prudent financial management and to further the pastoral mission of the Catholic Church in the diocese. By harnessing the financial resources of the Catholic community we are able to provide cost-effective financial arrangements for capital works and other essential pastoral programs.

Where we have come from

The CDF has operated in the Diocese of Maitland-Newcastle for over 50 years. The CDF assists with the management of the finances for the diocese (agencies, parishes, schools etc) and also offers members a range of investment products. Over the past five years the CDF has focused effort on building its capital base and strengthening its risk management framework so as to provide an adequate financial 'buffer' against an uncertain future economic environment.

Our products and services

- Investment accounts for clergy, parishes, Catholic schools, religious congregations, Church agencies, members of the broad community and other Catholic entities.
- Cheque issuance facilities and other financial services for clergy, parishes, Catholic schools, religious congregations, Church agencies and other Catholic entities (subject to APRA regulations).
- Loans for the building of churches and schools and other church related activities.
- Other financial services such as direct debiting, BPay, online transactions and funds transfers.



A message from Bishop Bill Wright

The Diocese of Maitland-Newcastle and its Bishop continue to have good reasons to be proud of the performance of its Catholic Development Fund. This Annual Report again documents a successful year for the CDF. Congratulations are due to the management, as are the thanks of the diocese to all those who, as investors, make it all possible.

In this last year, the diocese has been able to construct more houses for the disabled and for affordable housing. Construction has begun on land for a school at Thornton North, which will be the first new school for many years. It is due largely to the successful operation of the CDF that the diocese has the means and the confidence to be undertaking these new developments in our ministries.

All the same, the CDF faces challenges that lie ahead. The government is planning to impose new and additional regulation of religious and charitable development funds. There are decisions to be made as the situation becomes clearer over the coming months, decisions that will be determined by our assessment of which course is in the best interests of the CDF and its investors.

I am pleased to recognise another successful year for the CDF in supporting the life and mission of the church. I wish to thank the Advisory Board members, who gave their time and expertise so generously, and especially the Chairman, Mr Ray O'Brien, and the Fund Manager, Mr Sean Scanlon, together with the dedicated staff of CDF and our many agents. I commend this Annual Report to you.

Sincerely in Christ

Most Reverend William Wright
BISHOP OF MAITLAND-NEWCASTLE

A Message from the Chairman and Fund Manager



Ray O'Brien
CHAIRMAN

Once again it is pleasing to report a successful year for the Development Fund. Building on last year's result the fund achieved a surplus of \$5.5million which was our best result in the fund's history.

The fund was able to manage costs and deal effectively with a falling interest rate environment. While financial markets remain uncertain and tentative, the fund's result has been underpinned by its focus on loans for school and parish developments and investments in Australian financial institutions.

The Development Fund continues to work with APRA to determine the future of development funds throughout Australia and its place in the financial system. We anticipate finalisation in late 2014. In the meantime, the fund continues to refine its risk management systems to ensure the fund can provide ongoing stability for investors and the church in the Diocese of Maitland-Newcastle.



Sean Scanlon
FUND MANAGER

In the past financial year the fund provided \$18.3 million in loans. These were mostly for new school developments. Of particular note have been the significant redevelopments at Lochinvar and the acquisition of the new St Aloysius school site at Chisholm. This acquisition and its construction is one of the most positive steps to meet the demand for Catholic education in the Maitland area.

The surplus generated by the fund has again supported the work of the diocese through many of its pastoral ministries. It has also assisted CatholicCare through ministries such as Zimmerman Services, Marriage Education and Penola House.

Finally, we thank our many supporters from children in Catholic schools who save through their school accounts, term investors and other account holders who continue to entrust their funds to the CDF to assist the churches work. The dedicated CDF staff continue to provide a level of service unlike any other financial organisation. We thank them for their work. And last but not least our advisory board members who contribute their time, professional skills and insight to provide guidance in the management of the fund, we acknowledge their work.

A handwritten signature in black ink, appearing to read 'Ray O'Brien'.

Ray O'Brien
CHAIRMAN

A handwritten signature in black ink, appearing to read 'Sean Scanlon'.

Sean Scanlon
FUND MANAGER

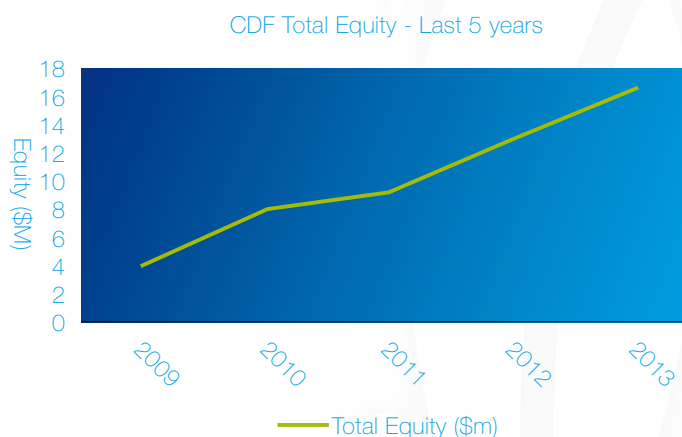
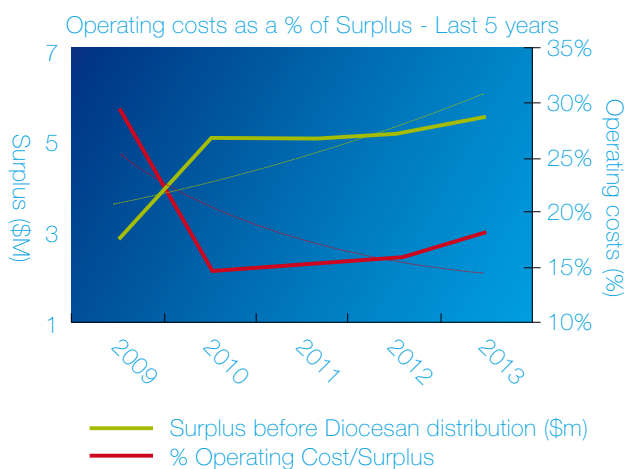
Concise Financial Reports

Income Statement for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
Interest income	15,738	17,308
Interest expense	(9,260)	(11,313)
Net interest income	6,478	5,995
Other operating income	13	-
Operating expenses	(1,005)	(827)
Surplus for the year before diocesan distribution	5,486	5,168
Distribution to Diocese of Maitland-Newcastle	(2,000)	(2,000)
Surplus for the year	3,486	3,168
Revaluation of available-for-sale assets	168	522
Other comprehensive income for the year	168	522
Total comprehensive income for the year attributable to the Catholic Development Fund	3,654	3,690

Key Financial Indicators – Income Statement

- Year end surplus of \$5.5m (2012: \$5.2m)
- Contribution to the diocese of \$2.0m (2012: \$2.0m)
- Operating costs as a % of surplus averaging 18.3% during 2013 (2012: 16.0%)



Concise Financial Reports

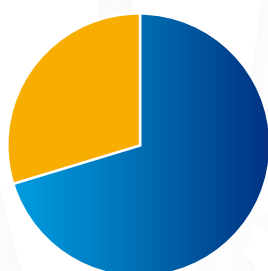
Balance Sheet as at 30 June 2013

	2013 \$'000	2012 \$'000
ASSETS		
Cash and cash equivalents	6,442	10,369
Held to Maturity investments	216,407	196,199
Loans and advances	50,497	46,722
Receivables	4	32
Property, plant and other equipment	-	-
Total Assets	273,350	253,322
LIABILITIES		
Deposits	255,266	238,982
Payables	1,251	1,173
Provisions	36	24
Total Liabilities	256,553	240,179
Net Assets	16,797	13,143
EQUITY		
Retained Profits	16,797	13,311
Revaluation reserve	-	(168)
Total Equity	16,797	13,143

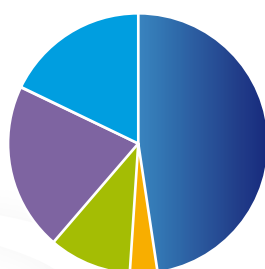
Key Financial Indicators – Balance Sheet

- Loan funds advanced: \$18.3m (2012: \$10.0m).
- Loans approved: \$11.1m (2012:\$8.8m)
- Year End depositor's balances of \$255.3m (2012: \$239.0m), an increase of \$16.3m (6.8%)
- Year End investments balance of \$216.4m (2012: \$196.2m), an increase of \$20.2m (10.3%)

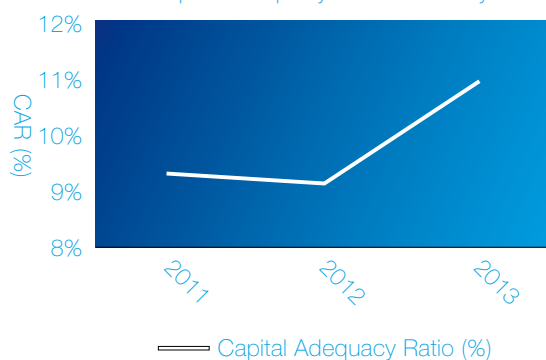
2013 Loans by Ministry (\$50.5M)



2013 Deposits by Ministry (\$255.3M)



CDF Capital Adequacy Ratio - Last 3 years





Catholic Development Fund Directory

Fund Staff

Fund Manager	Sean Scanlon <i>B.Com CA Dip Law Grad Dip Legal Practice</i>
Customer Service	Anne Campbell (<i>Office Manager</i>) Kathryn Weekes Cath McDonell Frances Johnson Sue Cummings
Financial Controller	Graham Heath <i>B.Com CPA</i>
Accountant:	Nikki Ridgeway <i>B.Com</i>

Advisory Board Members

Chairman	Ray O'Brien (<i>joined 10th August 2009</i>)
Members	Greg Cantor (<i>joined 17th February 2010</i>) Adam Greentree (<i>joined 29th April 2009; resigned 21st February 2013</i>) Jennifer Leslie (<i>joined 17th Feb 2010</i>) Michael O'Connor (<i>joined 14th October 2010</i>) Sean Scanlon— <i>ex officio</i> (<i>joined 10th August 2009</i>)

Other Key Groups

External Auditors	PricewaterhouseCoopers
Internal Auditors	PKF Lawler Partners Pty Limited
Solicitors	Makinson and d'Apice

Catholic Development Fund Contacts

CDF Agent Details

Adamstown

(02) 4957 1817
Wilsons Chemist 256 Bruncker Road

Cessnock

(02) 4990 2673
Ryan Accounting Shop 1 & 2 Empire Centre Edward St

Charlestown

(02) 4943 4872
Charlestown Pharmacy 178 Pacific Highway

Dungog

(02) 4992 2107
Country Affair 174 Dowling Street

Forster

(02) 6554 7777
Bromhead Legal 20 Wallis Street

Maitland

(02) 4933 2211
Ken Lane Pty Ltd Mensland 397 High Street

Merriwa

(02) 6548 2031
The Merriwa Newsagency 155 Bettington St

Muswellbrook

(02) 6543 3860
TFS Group Pty Ltd 26 Sowerby Street

Nelson Bay

(02) 4981 1044
O'Meara Property 12 Stockton Street

Raymond Terrace

(02) 4987 2492
Rachel Mulley's Pharmacy 26 William Street

Scone

(02) 6540 1200
Maccallum Inglis Pty Ltd 198 Kelly Street

Singleton

(02) 6572 4000
Peter Dunn Real Estate 220 John Street

Taree

(02) 6552 1084
Parish Office 77 Albert Street

Toronto

(02) 4959 5711
Lake Macquarie Home Loan Centre 13 The Boulevard

Wallsend

(02) 4955 9874
Wilsons Chemist 136 Nelson Street

Wingham

(02) 6553 4368
Mckeough's Betta Electrical 71 Isabella Street

CDF Contact Details

Catholic Development Fund
Diocese of Maitland-Newcastle

P 1800 810 330

P (02) 4979 1160

F (02) 4979 1169

841 Hunter Street Newcastle West NSW 2302
PO Box 765 Newcastle NSW 2300

W www.cdfmn.com.au

E cdf@mn.catholic.org.au







841 Hunter Street Newcastle West NSW 2302

Phone 02 4979 1160 **Fax** 02 4979 1169

Visit us online www.cdfmn.com.au

Email cdf@mn.catholic.org.au