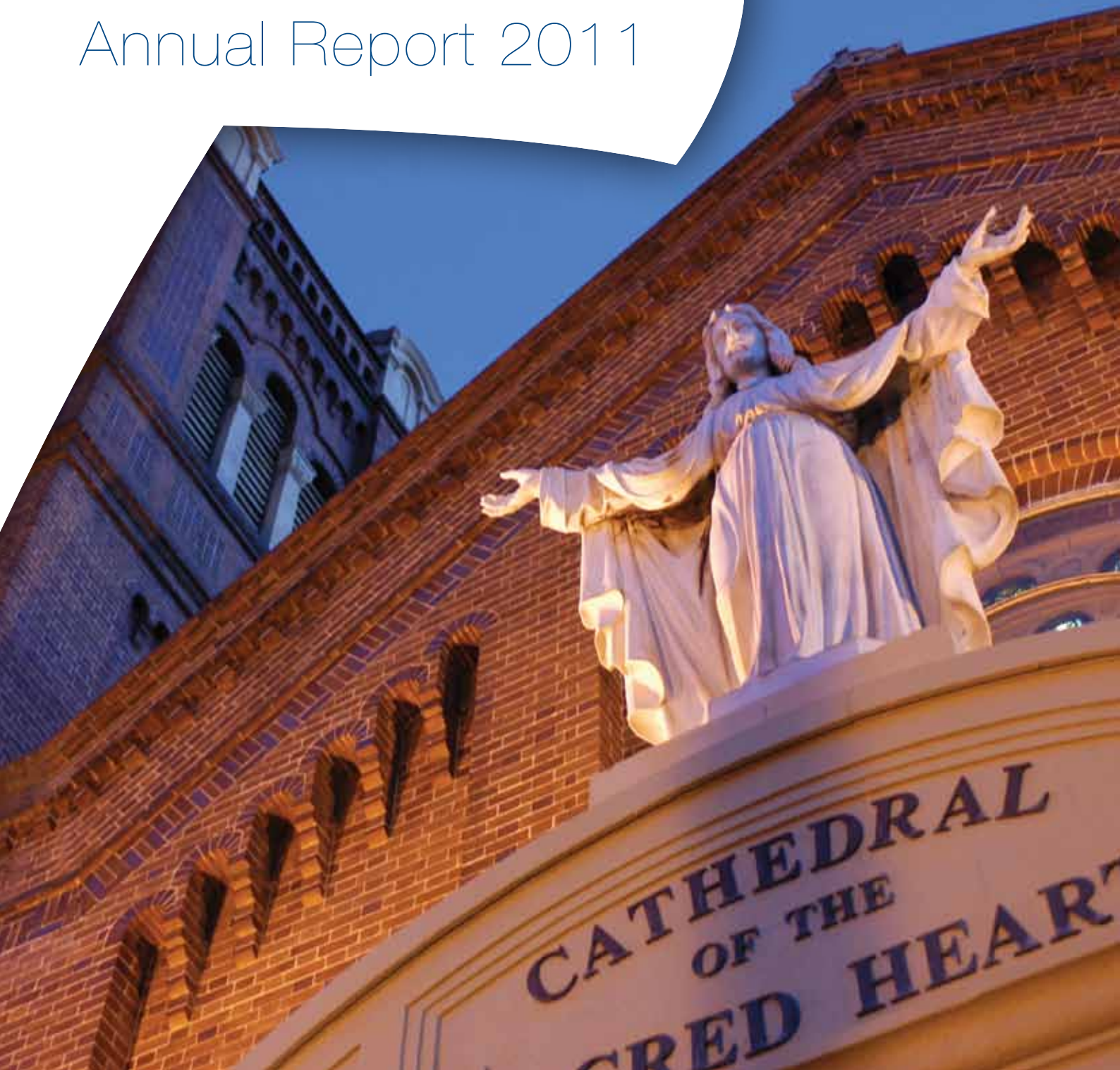




Catholic Development Fund  
Diocese of Maitland - Newcastle

# Annual Report 2011





*The official opening of Rosary Park Catholic School, (l-r) Fr William Goldman, Director of Schools Ray Collins, Federal Member for Hunter the Hon. Joel Fitzgibbon, Principal Will Callinan and Bishop Bill Wright.*

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### 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. The CDF is designed for investors who wish to promote the charitable purposes of the CDF.



*(l-r) Diocesan Public Speaking Competition - Assistant Director of Catholic Schools, Craig Wattam, CDF Client Services Manager, Anne Campbell, with Brent Lilley from All Saints College, St Peter's Campus Maitland.*

# 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 and savings products. Over the past four years the CDF has made a 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

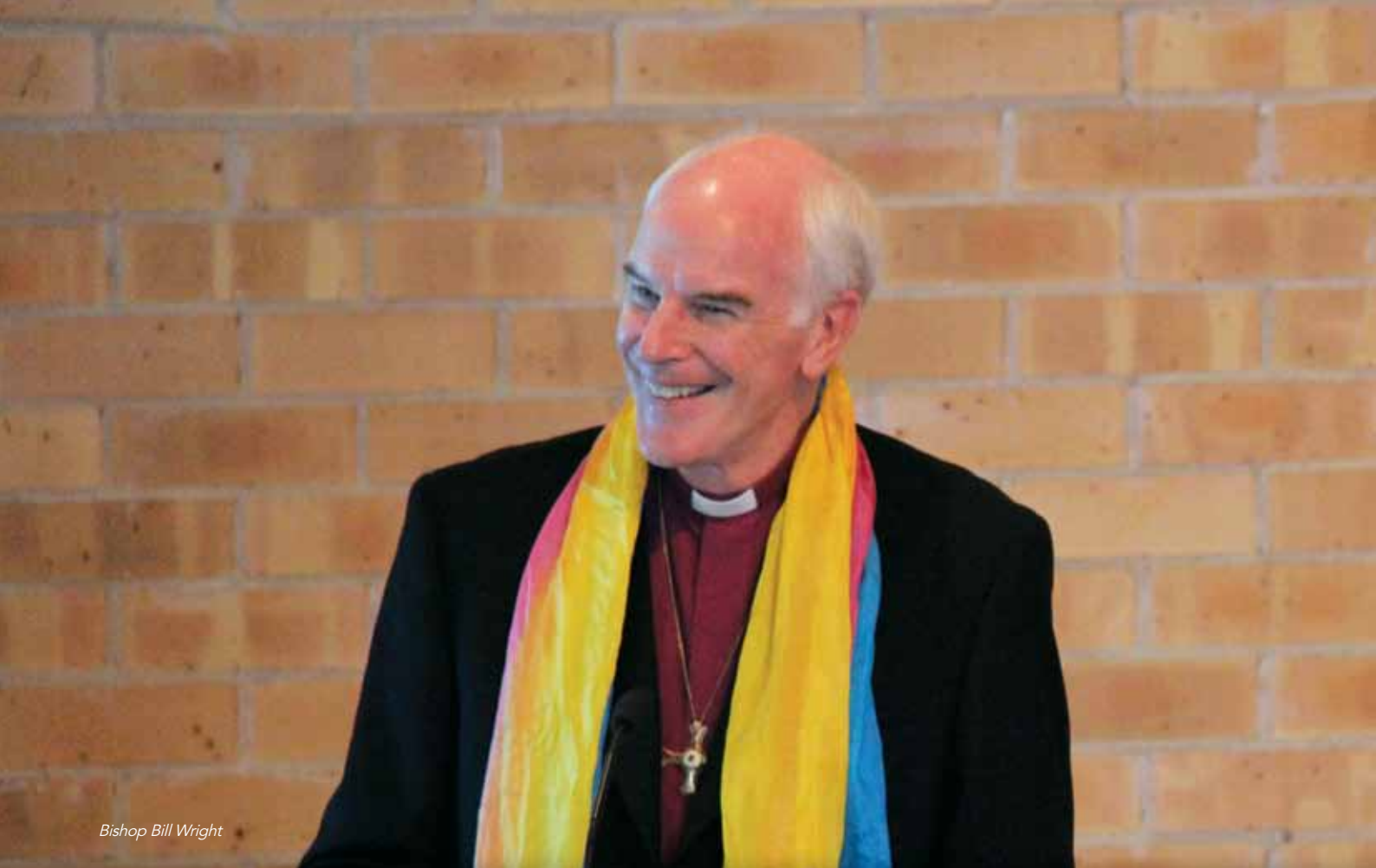
Deposit accounts for Clergy, Parishes, Catholic Schools, Religious Congregations, Church Agencies, members of the community and other Catholic entities.

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.





Bishop Bill Wright

# A Message from the Bishop



I was Bishop of the Diocese for only two weeks of the period covered by this report. My predecessor, Bishop Michael Malone, had to endure the shocks and challenges of the Global Financial Crisis that began in 2007 and the struggles that ensued. It is important to note, then, that the extremely good results obtained by the CDF in the year 2010-11 were achieved under Bishop Malone's administration, and that he left the Diocese as a whole in far better financial circumstances at the time of his retirement than it had seen for many years. I am certainly grateful to him for that, and so should be anyone who has a concern for the good of the Diocese, its people and its mission.

Bishop Michael's legacy, as well as the continued efforts provided by clergy, have established the foundations which underwrite the continued support that the Catholic Development Fund receives from parishioners.

Further, the investments that Catholic Agencies, other Catholic Entities and individual depositors hold with the CDF allow the CDF to continue its good work throughout the Diocese, directly through loans for the building of churches, schools and other church related activities or indirectly through its annual distribution to the Diocese.

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

Sincerely in Christ  
+ William Wright  
Bishop of Maitland-Newcastle





Chairman Ray O'Brien



Fund Manager Sean Scanlon

## A Message from the Chairman and Fund Manager

On behalf of the CDF Advisory Board it is with great pleasure that we present the annual report for 2011.

Despite the turbulent financial environment, the last two years have been the most successful that our Fund has experienced. The financial performance of the Fund for the 2010-11 year saw a net operating surplus of \$4.99m of which \$2m was distributed to the Diocese to fund numerous pastoral services and works that Bishop Bill so wholeheartedly supports. Another key improvement was a \$7.7m increase in net cash inflows from operating activities compared with the previous year, owing largely to the improved liquidity of the Fund. In addition, the Fund has for the first time started building its capital reserves which are viewed by participants in the financial services sector as a cornerstone of prudent financial management – particularly in a volatile economic environment.

A significant transaction was completed by the Diocese in March 2011 which involved the sale of its Aged Care business to the Little Company of Mary - a Catholic specialist Aged Care provider. Concluding this transaction transformed the financial position of the Diocese and hence liquidity of the Development Fund.

Throughout 2010 and 2011, a great deal of time and effort was associated with the 'Building the Education Revolution' program throughout the Catholic Schools Office funded by the Commonwealth Government. Our primary schools have benefited from the improved facilities that have been established. The significant demands of these projects required a great deal of focus from the Fund's staff as we interacted with various stakeholders to ensure an optimal outcome for the church and the wider community. These attributes are the foundations of the CDF's proud tradition.

Moreover, the continued success of our Fund can be described by one word – loyalty. The loyalty of our investors, our clergy, our agents and our hardworking and committed CDF staff allows the Fund to assist our Parishes, Schools and the Diocese in the various Ministries of the church. We also would like to express thanks to our fellow Advisory Board Members for giving their valuable time and expertise without monetary reward.

Ray O'Brien  
CHAIRMAN

Sean Scanlon  
FUND MANAGER

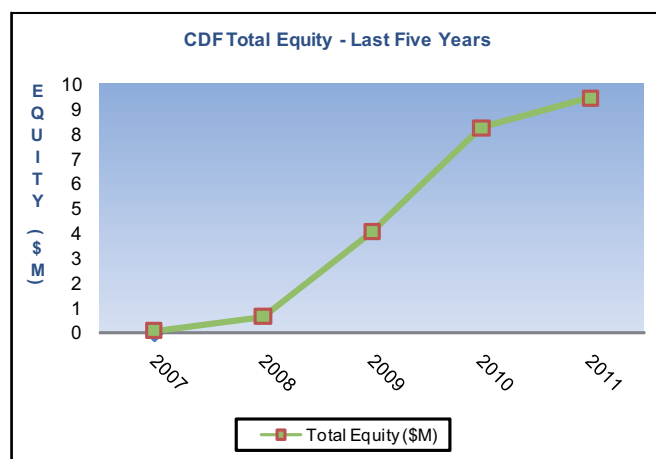
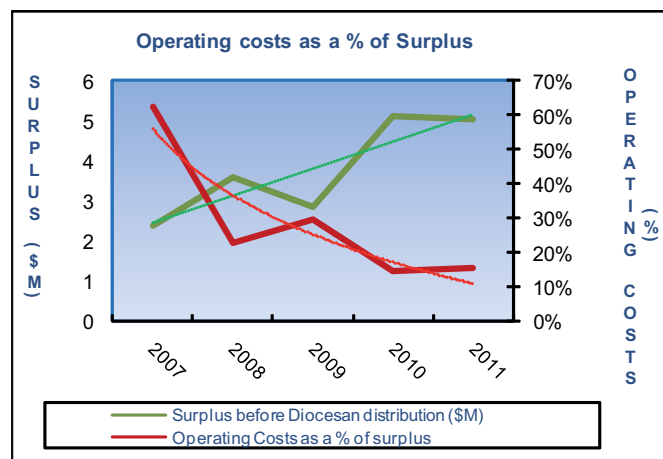
# Concise Financial Reports

## Income Statement for the year ended 30 June 2011

|  | 2011<br>\$'000 | 2010<br>\$'000 |
|--|----------------|----------------|
| Interest income  | 17,531         | 15,700         |
| Interest expense   | (11,771)       | (9,845)        |
| <b>Net interest income</b>                               | <b>5,761</b>   | <b>5,856</b>   |
| Other operating income                                   | 2              | 3              |
| Operating expenses                                       | (778)          | (747)          |
| <b>Surplus for the year before Diocesan distribution</b> | <b>4,985</b>   | <b>5,112</b>   |
| Distribution to Diocese of Maitland-Newcastle            | (2,000)        | (2,300)        |
| <b>Surplus for the year</b>                              | <b>2,985</b>   | <b>2,812</b>   |

## Key Financial Indicators – Income Statement

- Year end surplus of \$4.99m as compared with \$5.11m in 2010
- \$2m contribution to the Diocese
- Operating costs as a % of surplus averaging 15% during 2010 and 2011 compared with an average of 38% across the 2007, 2008 and 2009 financial years



# Concise Financial Reports (cont.)

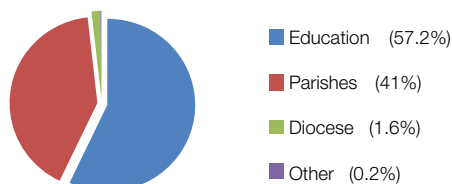
## Balance Sheet as at 30 June 2011

|                                     | 2011<br>\$'000 | 2010<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>ASSETS</b>                       |                |                |
| Cash and cash equivalents           | 15,454         | 5,885          |
| Held to Maturity investments        | 167,866        | 125,130        |
| Loans and advances                  | 45,791         | 105,004        |
| Receivables                         | 4              | 7              |
| Property, plant and other equipment | 0              | 7              |
| <b>Total Assets</b>                 | <b>229,115</b> | <b>236,034</b> |
| <b>LIABILITIES</b>                  |                |                |
| Deposits                            | 218,407        | 227,657        |
| Payables                            | 1,235          | 87             |
| Provisions                          | 21             | 25             |
| <b>Total Liabilities</b>            | <b>219,662</b> | <b>227,769</b> |
| <b>EQUITY</b>                       |                |                |
| Retained Profits                    | 10,142         | 9,267          |
| Revaluation reserve                 | (690)          | (1,003)        |
| <b>Total Equity</b>                 | <b>9,452</b>   | <b>8,265</b>   |

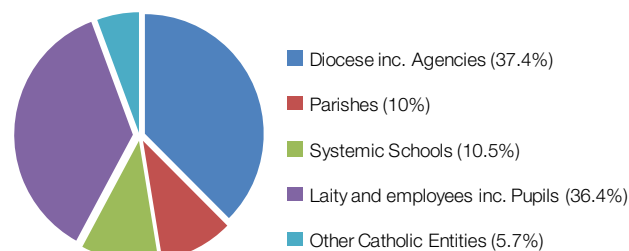
## Key Financial Indicators – Balance Sheet

- Loan funds advanced - \$5.5m compared with \$8.6m in 2010; Loans approved - \$9.1m compared with \$7.1m in 2010
- Year End depositors' balances of \$218.4m as compared with \$227.7m in 2010
- Year End investments balance of \$167.9m as compared with \$125.1m in 2010

**2011 Loans by Ministry (\$45.8M)**



**2011 Deposits by Ministry (\$218.4M)**



# Catholic Development Fund Directory

## Fund Staff

### Fund Manager:

Sean Scanlon B.Com CA  
Dip Law Grad Dip Legal Practice

### Customer Service:

Anne Campbell (Manager)  
Kathryn Weekes  
Cathy McDonell  
Frances Johnson  
Sue Cummings

### Finance Manager:

Martin Goodchild B.Com CA



*(front row l-r) Kathryn Weekes, Anne Campbell, Frances Johnson, Sue Cummings and Cathy McDonell, (back row) Sean Scanlon and Martin Goodchild.*

## Advisory Board Members

### Chairman:

Ray O'Brien

### Members:

Greg Cantor (joined 17th February 2010)  
Adam Greentree (joined 29th April 2009)  
Jennifer Leslie (joined 17th Feb 2010)  
Micheal O'Connor (joined 14th October 2010)  
Sean Scanlon—ex officio (joined 10th August 2009)  
Rev Fr James Saunders—ex officio (joined 9th July 2009)

## Other Key Groups

### Auditors:

PricewaterhouseCoopers

### Solicitors:

Makinson and d'Apice







## CDF Agent Details

Adamstown  
(02) 4957 1817  
Wilsons Chemist  
256 Bruncker Road

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Cessnock  
(02) 4990 2673  
Ryan Accounting  
Edward Street

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Charlestown  
(02) 4943 4872  
Charlestown Pharmacy  
178 Pacific Highway

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Dungog  
(02) 4992 2107  
Country Affair  
174 Dowling Street

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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

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Newcastle - Civic Centre  
(02) 4929 3419  
The Catholic Emporium  
459 Hunter Street

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

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Scone  
(02) 6540 1200  
Maccallum Inglis Pty Ltd

---

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 Boulevarde

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Wallsend  
(02) 4955 9874  
Wilsons Chemist  
136 Nelson Street

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

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Catholic Development Fund  
Diocese of Maitland-Newcastle

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PHONE: (02) 4979 1160  
FAX: (02) 4979 1169

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