



**A message from the Fund Chairman**

I commend to you our loyal supporters this abridged version of the Catholic Development Fund's (CDF) annual report for the financial year to June 2011. I hope you find this yearly update interesting and a way to catch up with how your CDF is helping the Diocese carry out its mission objectives to bring the Gospel of Jesus to the community. I would like to thank all those who deposit with the Fund as your deposits greatly assist the Diocese and helps it achieve so much. I would also like to thank the Board and the Manager of the CDF for their work in directing the CDF throughout the year.

Mr Bill d'Apice  
Chairman

**2010/2011 Fund performance and business level highlights**

I would like to take this opportunity to update you in regard to the financial performance of the Fund for the 2010/2011 financial year.

The performance of the Fund for the financial year to 30 June 2011 has been very pleasing. Loan and deposit levels have increased year on year, and the net operating surplus increased by 0.6% on 2009/2010. The Fund was therefore able to make a distribution of \$4.86M to Bishop Walker to fund the important pastoral, educational and charitable activities for the year.

It was also encouraging to see an increase in deposit levels of 14% over the previous financial year, and an increase in loan levels by 2.5% over the previous financial year. The total assets of the Fund therefore were \$147.1M (2009/10: \$129.5M).

Particularly encouraging has been the increase in balances in the Term Deposits for Catholics product, where deposits have increased to \$8.8M to the end of the financial year. This very pleasing growth is largely attributed to the promotional campaign begun in November 2010. This campaign involved conducting talks at weekend Masses in parishes, letting people know about the work of the CDF and the way it contributes to the mission of the Diocese. We are now 12 months into this campaign and talks

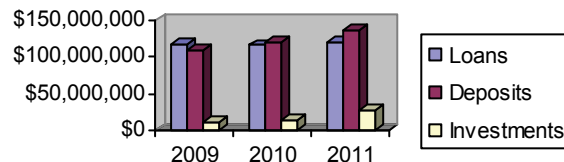
have been held in over half of the parishes in the Diocese. A fantastic response of nearly 150 people enquiring about the Term Deposits offered by the CDF. About 70 have opened accounts.

One way to encourage our parishes to get behind promotion of the term deposits is to offer an incentive payment to the parish. This incentive payment is calculated at 0.5% pa on the amount of the deposits invested sourced from the parish. Nearly \$19,000 was distributed from the income of the Fund to parishes in the Diocese during 2010/2011 thanks to deposits from parishioners. This financial contribution will give many parishes a much needed income boost. A further distribution from the CDF of at least \$32,000 will be paid to parishes in January 2012.

**2010/2011 Fund performance and business level highlights**

Depositors with the CDF not only include members of our parishes, but the diocesan schools and parishes and other agencies in the Diocese. These customers of the Fund receive the same good interest rates that members of parishes receive for term deposits. In addition to investing with the CDF these clients also have their cheque and savings accounts with the CDF. The CDF absorbs all costs relating to the operation of the accounts, such as cheque book printing, online access, depositing fees, saving the schools and parishes thousands of dollars.

**Comparison of Loans, Deposits and Investments over 3 years**



### Loans from the CDF

Of course, every deposit helps the CDF to provide loans to fund various projects, including the building of new churches and improvements, new classrooms, halls, and other school buildings.

Major projects funded by the CDF and completed during the year include the rebuilding of the Prouille Catholic Primary School at Wahroonga (pictured right).

“Prouille” (meaning “cradle of the Dominicans”) is one of the oldest schools in the Diocese established under the care of the Dominican Sisters over 60 years ago. Stewardship of the school was transferred from the Sisters to the Diocese in 1989 when the first lay principal was appointed.

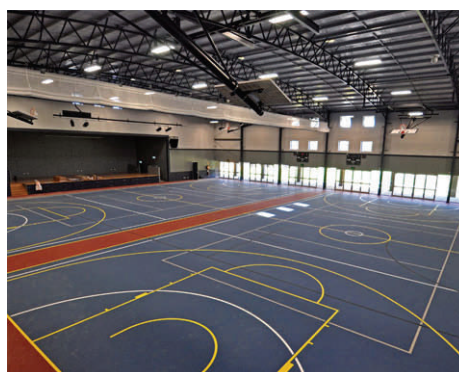
Through a combination of funding from the government (\$2.3M) and a loan from the CDF (\$8.2M), the old buildings were demolished after the new buildings were erected. The community of 265 children now enjoy 14 new classrooms, a new library and a staff and administration block. Other construction at the school includes a multi-purpose hall, canteen, kitchen and student amenities.



Another major project completed during the year which the CDF provided loan funds was for the shared project between Our Lady of the Rosary Primary School and St Leo's Catholic College in northern Sydney. Through a combination of the federal government's economic stimulus package and financing by the Catholic Development Fund and Diocesan School Building Fund a multi-purpose hall was constructed.

The hall has a capacity to seat 2100 people, and is ideal for a range of school and community events including school concerts. The hall features two full size basketball courts, one smaller court, a stage area and mezzanine level for further seating (see picture on right) The CDF loan funding for this project was \$3,430,000. The Hall was completed in September and has had many uses for the two schools and the parish that share it, including hosting teacher development days for schools of the North Shore, school award and presentation nights and art and craft exhibitions.

*The greatest value is not the buildings themselves but what they help us to do:  
to learn, to teach and to grow;  
to make friends and to have fun;  
to be a community: a catholic school, the church;  
to know Jesus and to be his friend and disciple.*



### Fund Interest Rates

During the 2010/2011 year interest rates on average were higher both for loans and deposits than the previous year; 0.7% higher for loans and 1.2% higher for deposits. Deposit interest paid to church entities including parishes and schools was \$6.99M for the year and to laity investors \$273,000.

### Advisory Board

The CDF has an Advisory Board appointed by Bishop David Walker to prudently manage the CDF. The Board, which consist of 7 members, meets bi-monthly to discuss and determine the direction of the Fund. Business discussed at the Board meetings including Fund performance, deposit and loan

interest rates, risk management, loan applications, general policies and setting the yearly budget. The CDF reports regularly to the Diocese on Fund performance.

Members of the Board in 2010/2011 were :

Mr Bill d'Apice (Chairman)  
Rev Fr Bill Stevens  
Mr Guy Fitzsimmons  
Mr Michael Lucas  
Mr Patrick McCudden  
Mr David Penny  
Mr Joe Bracken



The Manager of the Fund is  
Mr Chris Field.

Pictured from back left: Chris Field, Guy Fitzsimmons, Bishop David Walker, Michael Lucas, Pat McCudden; Front row: David Penny, Bill d'Apice, Fr Bill Stevens. Absent: Joe Bracken.

## **A word from the Manager, Chris Field**

### **New Term Deposit product offering**

We are now pleased to offer the choice of a term deposit product with interest payments monthly as an alternative to interest payments at maturity of your deposit.

If you have \$50,000 or more to invest and would like to invest for a fixed term of 12 months we now offer interest payments monthly to your bank account. This might be suitable for self funded retirees or anyone requiring a regular payment of interest. Interest rates for this, and all our products are available on our web page at [www.cdf.dbb.org.au](http://www.cdf.dbb.org.au) or call (02) 9847 0748.

If you have a self managed or DIY (do-it-yourself) superannuation fund you may wish to consider investing some of your super with the Catholic Development Fund as an “ethical cash investment” option. We are finding a number of people approaching us for this.

Chris Field — Manager

### **Go, tell everyone!**

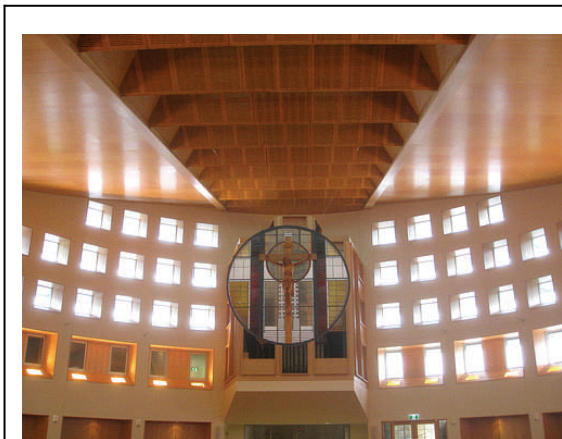
One of the wonderful aspects of the Catholic Development Fund, and the reason people invest with it is that it gives Catholics the opportunity to invest their money in a way that helps promote the mission of the Church in the Diocese of Broken Bay. Deposits help the CDF provide new loans to help build and maintain our Catholic schools and parish facilities and for other Diocesan purposes, some of which have been discussed on page 2. In addition to this, the CDF makes a modest surplus which is provided to the Bishop for pastoral, charitable and educational activities undertaken.

If you are an investor with the CDF, why not tell your family and friends that you invest with the Church where your investment helps provide loans for school buildings, parish facilities and for other worthwhile purposes in the church. Further information including the latest interest rates for Term Deposits are available from the CDF web page [www.cdf.dbb.org.au](http://www.cdf.dbb.org.au). Alternatively, telephone the Manager, Chris Field on (02) 9847 0748 or 0419 232 157.

### Some projects the CDF has provided long-term loans



Above: Our Lady of the Rosary Primary School (Waitara) and St Leo's Secondary College (Wahroonga) multi purpose hall completed in 2011. CDF loan funding of \$3,430,000, and federal government funds of \$1.044M.



Above: Celebrating in November the fourth anniversary of the opening and consecration of the St John the Baptist Church, Woy Woy Peninsula parish, the clergy and parishioners are now well settled into their state of the art church and facilities, which includes a 5 day a week meal centre for over 100 people, meeting rooms and a long awaited modern house for the priests of the parish.

### APRA and ASIC disclosure statement

The Catholic Development Fund Diocese of Broken Bay (CDF) is designed for investors whose primary motivation is to promote the charitable, religious and educational purposes and works of the Trustees of the Roman Catholic Church for the Diocese of Broken Bay (Diocese). Investments and the interest payable on those investments are guaranteed by CDPF Limited, a company established by the Australian Catholic Bishops Conference for this purpose and are underwritten by the Diocese which has indemnified the CDF and CDPF Limited against any liability arising out of a claim by investors in the CDF. Investments with the CDF do not obtain the benefit of the depositor protection provisions of the Banking Act 1959. The CDF and the Diocese are not subject to the provisions of the Corporations Act 2001 nor are they examined, approved or supervised by the Australian Securities and Investments Commission or by the Australian Prudential Regulation Authority.



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