

**DIOCESE OF CAIRNS  
CATHOLIC DEVELOPMENT FUND  
FINANCIAL REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2018**

**CATHOLIC DEVELOPMENT FUND  
FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**DIOCESE OF CAIRNS  
CATHOLIC DEVELOPMENT FUND**

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED  
31 DECEMBER 2018**

|   | Note | 2018<br>\$        | 2017<br>\$        |
|---|------|-------------------|-------------------|
| <b>FINANCE INCOME</b>   |      |                   |                   |
| Interest Received   |      |                   |                   |
| Loans & Investments   |      | 3,414,018         | 3,261,997         |
| <b>LESS FINANCE EXPENSES</b>  |      |                   |                   |
| Interest Paid   |      |                   |                   |
| Depositors  |      | 852,752           | 892,570           |
| NET FINANCE INCOME  |      | <u>2,561,266</u>  | <u>2,369,428</u>  |
| <b>OTHER INCOME</b>   |      |                   |                   |
| Gain on Sale of Financial Instruments   |      |                   |                   |
| Sundry Income   |      | 61,774            | 58,943            |
| TOTAL INCOME  |      | <u>2,623,040</u>  | <u>2,428,370</u>  |
| <b>LESS OPERATING EXPENSES</b>  |      | 266,640           | 317,727           |
| <b>OPERATING SURPLUS</b>  |      | <u>2,356,400</u>  | <u>2,110,643</u>  |
| <b>NET OPERATING SURPLUS</b>  | 2    | <u>2,356,400</u>  | <u>2,110,643</u>  |
| Contribution to the Roman Catholic Trust<br>Corporation for the Diocese of Cairns | 3    | 2,192,000         | 1,875,000         |
| <b>NET SURPLUS TRANSFERRED TO RESERVES</b>  |      | <u>164,400</u>    | <u>235,643</u>    |
| Reserve Funds at the Beginning of the Year  |      | 10,226,087        | 9,990,444         |
| <b>TOTAL AVAILABLE FOR APPROPRIATION</b>  |      | <u>10,390,488</u> | <u>10,226,087</u> |
| <b>RESERVE FUNDS AT THE END OF THE PERIOD</b>                                     |      | <u>10,390,488</u> | <u>10,226,087</u> |

**DIOCESE OF CAIRNS  
CATHOLIC DEVELOPMENT FUND**

**STATEMENT OF FINANCIAL POSITION  
AS AT  
31 DECEMBER 2018**

|  | Note | 2018<br>\$        | 2017<br>\$        |
|--|------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                  |      |                   |                   |
| Cash                                   | 4    | 38,217,339        | 43,874,085        |
| Receivables                            | 5    | 5,110,444         | 5,894,907         |
| Other Assets                           | 7    | 4,206             | 4,347             |
| <b>TOTAL CURRENT ASSETS</b>            |      | <u>43,331,989</u> | <u>49,773,340</u> |
| <b>NON - CURRENT ASSETS</b>            |      |                   |                   |
| Receivables                            | 5    | 37,009,910        | 31,770,239        |
| Property, plant and equipment          | 6    | 9,402             | 11,372            |
| <b>TOTAL NON – CURRENT ASSETS</b>      |      | <u>37,019,312</u> | <u>31,781,610</u> |
| <b>TOTAL ASSETS</b>                    |      | <u>80,351,300</u> | <u>81,554,950</u> |
| <b>CURRENT LIABILITIES</b>             |      |                   |                   |
| Creditors and Borrowings               | 8    | 34,744,998        | 36,225,430        |
| Employee benefits                      | 9    | 30,539            | 30,172            |
| <b>TOTAL CURRENT LIABILITIES</b>       |      | <u>34,775,537</u> | <u>36,255,602</u> |
| <b>NON - CURRENT LIABILITIES</b>       |      |                   |                   |
| Creditors and Borrowings               | 8    | <u>35,185,275</u> | <u>35,073,260</u> |
| <b>TOTAL NON – CURRENT LIABILITIES</b> |      | <u>35,185,275</u> | <u>35,073,260</u> |
| <b>TOTAL LIABILITIES</b>               |      | <u>69,960,812</u> | <u>71,328,862</u> |
| <b>NET ASSETS</b>                      |      | <u>10,390,488</u> | <u>10,226,088</u> |
| <b>RESERVE FUNDS</b>                   |      |                   |                   |
| Retained Surplus                       |      | <u>10,390,488</u> | <u>10,226,088</u> |
| <b>TOTAL RESERVE FUNDS</b>             |      | <u>10,390,488</u> | <u>10,226,088</u> |

**DIOCESE OF CAIRNS  
CATHOLIC DEVELOPMENT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. STATEMENT OF ACCOUNTING POLICIES**

This special purpose financial report has been prepared for distribution to the Bishop of the Roman Catholic Diocese of Cairns to fulfil financial reporting requirements under Canon Law. The accounting policies used in the preparation of this report are, in the opinion of management, appropriate to meet the needs of the Bishop.

The Development Fund is not a "Reporting Entity" as defined in Statements of Accounting Concepts SAC 1 and accordingly the requirements of Australian Accounting Standards and other professional reporting requirements do not have mandatory applicability to the Fund. The financial report has been prepared in accordance with the following Australian Accounting Standards and other professional reporting requirements.

|          |   |
|----------|---|
| AASB108: | Accounting Policies, Changes in Accounting Estimates and Errors |
| AASB110: | Events after the Balance Sheet Date                             |
| AASB116: | Property, Plant and Equipment                                   |
| AASB119: | Employee Benefits   |

No other Australian Accounting Standards or other professional reporting requirements have been applied.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements:

**(a) Income Tax**

The fund is exempt from income tax under current legislation.

**DIOCESE OF CAIRNS  
CATHOLIC DEVELOPMENT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(b) Property, Plant and Equipment**

Property, plant and equipment are brought to account at cost or at independent directors' valuation, less where applicable any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. All fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use.

**(c) Loans to Parishes & Institutions**

Loans to parishes and institutions represent loans to approved borrowers which are either legally part of the Roman Catholic Trust Corporation for the Diocese of Cairns or to Orders or Congregations or other Incorporated Catholic Bodies.

The following factors are relevant in relation to loans:

- (i) Many of the borrowings are covered by substantial deposits by the same entities and one of the conditions under which the loans are made is that these borrowers will continue to deposit their surplus funds in the Fund.
- (ii) A significant proportion of these deposits by borrowing entities are in the name of Diocesan Entities under the direct control of the Bishop.

**(d) Provisions**

Provisions have been made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date.

**(e) Comparatives**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

**DIOCESE OF CAIRNS  
CATHOLIC DEVELOPMENT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018**

|   | 2018<br>\$        | 2017<br>\$        |
|---|-------------------|-------------------|
| <b>2 NET OPERATING SURPLUS/(DEFICIT)</b>                      |                   |                   |
| Operating profit before income tax has been determined after: |                   |                   |
| Interest Received - Loans & Investment                        | 3,414,018         | 3,261,997         |
| Sundry Income   | 61,774            | 58,943            |
|   | <u>3,475,793</u>  | <u>3,320,940</u>  |
| Charging as Expenses:   |                   |                   |
| Audit Fees  | 12,320            | 10,100            |
| Depreciation of property, plant and equipment                 | 3,086             | 4,144             |
| Interest Paid - Depositors                                    | 852,752           | 892,570           |
| Other Expenditure   | 251,234           | 303,483           |
|   | <u>1,119,392</u>  | <u>1,210,296</u>  |
| Net Operating Surplus   | <u>2,356,400</u>  | <u>2,110,643</u>  |
| <b>3 FUNDS FOR DISBURSEMENT</b>                               |                   |                   |
| Contribution to the Diocese of Cairns                         | 2,192,000         | 1,875,000         |
| Funds for disbursement after income tax                       | <u>2,192,000</u>  | <u>1,875,000</u>  |
| <b>4 CASH &amp; CASH EQUIVALENTS</b>                          |                   |                   |
| Cash on Hand  | 200               | 200               |
| Cash at Bank - CDF  | 26,371            | 88,795            |
| Cash at Bank - National Australia Bank                        | 2,742,866         | 2,077,728         |
| Investments - Archdiocesan Development Fund                   | 26,447,902        | 22,707,362        |
| AMP Bank Term Deposit   | 1,000,000         | -                 |
| Bendigo & Adelaide Bank Term Deposit                          | -                 | 5,000,000         |
| Commonwealth Bank Term Deposit                                | 4,000,000         | 2,000,000         |
| ING Term Deposit  | 2,000,000         | 3,000,000         |
| National Australia Bank Term Deposit                          | 0                 | 1,000,000         |
| St George Bank Term Deposit                                   | -                 | 2,000,000         |
| Westpac Banking Corporation Term Deposit                      | 2,000,000         | 6,000,000         |
|   | <u>38,217,339</u> | <u>43,874,085</u> |
| <b>5 TRADE &amp; OTHER RECEIVABLES</b>                        |                   |                   |
| <b>CURRENT</b>  |                   |                   |
| Interest Receivable   | 357,712           | 392,847           |
| Loans to Parishes & Institutions                              | 4,750,140         | 5,500,408         |
| GST Receivable  | 1,403             | 1,651             |
| Sundry Debtors  | 1,189             | -                 |
|   | <u>5,110,444</u>  | <u>5,894,907</u>  |
| <b>NON - CURRENT</b>  |                   |                   |
| Investments   | 5,000,000         | -                 |
| Loans to Parishes & Institutions                              | 32,009,910        | 31,770,239        |
|   | <u>37,009,910</u> | <u>31,770,239</u> |
| <b>6 PROPERTY, PLANT &amp; EQUIPMENT</b>                      |                   |                   |
| Office Furniture & Equipment - at cost                        | 118,296           | 119,159           |
| Less: Accumulated Depreciation                                | 108,894           | 107,787           |
|   | <u>9,402</u>      | <u>11,372</u>     |

**DIOCESE OF CAIRNS  
CATHOLIC DEVELOPMENT FUND  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018**

|                                     | <b>2018</b>       | <b>2017</b>       |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>\$</b>         | <b>\$</b>         |
| <b>7 OTHER ASSETS</b>               |                   |                   |
| Prepayments                         | 4,206             | 4,347             |
|                                     | <u>4,206</u>      | <u>4,347</u>      |
| <b>8 CREDITORS &amp; BORROWINGS</b> |                   |                   |
| <b>CURRENT</b>                      |                   |                   |
| On Call Savings Accounts            | 34,314,286        | 35,910,365        |
| Sundry Creditors                    | 430,712           | 315,064           |
| GST Payable                         | -                 | -                 |
|                                     | <u>34,744,998</u> | <u>36,225,430</u> |
| <b>NON - CURRENT</b>                |                   |                   |
| Term Deposits                       | 35,185,275        | 35,073,260        |
|                                     | <u>35,185,275</u> | <u>35,073,260</u> |
| <b>9 PROVISIONS</b>                 |                   |                   |
| <b>CURRENT</b>                      |                   |                   |
| Employee entitlements               | 30,539            | 30,172            |
|                                     | <u>30,539</u>     | <u>30,172</u>     |



## DIOCESE OF CAIRNS CATHOLIC DEVELOPMENT FUND

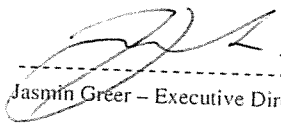
### DECLARATION

In opinion of the Moderator of the Curia and Executive Director – Finance and Employee Services, of the Diocese of Cairns Catholic Development Fund (the “Development Fund”)

- (a) the Development Fund is not a reporting entity;
- (b) the financial report presents fairly the Development Funds financial position as at 31 December 2018 and its performance for the financial year ended on that date, in accordance with the accounting policies described in Note 1 to the financial statements; and
- (c) there are reasonable grounds to believe that the Development Fund will be able to pay its debts as and when they become due and payable.



FR Neil Muir – Moderator of the Curia, Catholic Diocese of Cairns



Jasmin Greer – Executive Director – Finance and Employee Services, Catholic Diocese of Cairns

Date: 11 / 7 / 2019

# Independent auditor's report

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## Independent auditor's report to the members of the Roman Catholic Trust Corporation for the Diocese of Cairns as trustee of the Catholic Development Fund

### Opinion

We have audited the financial report of the Catholic Development Fund (the "Entity"), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Declaration by the Chief Executive Officer and Chief Financial Officer.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 December 2018 and its financial performance for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 1.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### Emphasis of matter – Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling management's financial reporting responsibilities to the Roman Catholic Trust Corporation for the Diocese of Cairns as Trustee. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management for the financial report

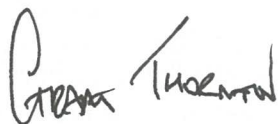
Management of the Entity are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate for the purpose of fulfilling management's financial reporting responsibilities. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

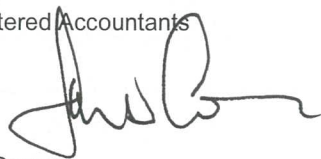
### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



A D Cornes  
Partner – Audit & Assurance

Cairns,

11th July

2019