

**DIOCESE OF CAIRNS
CATHOLIC DEVELOPMENT FUND
FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2017**

**CATHOLIC DEVELOPMENT FUND
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**DIOCESE OF CAIRNS
CATHOLIC DEVELOPMENT FUND**

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED
31 DECEMBER 2017**

	Note	2017 \$	2016 \$
FINANCE INCOME			
Interest Received			
Loans & Investments		3,261,997	3,447,921
LESS FINANCE EXPENSES			
Interest Paid			
Depositors		892,570	1,168,431
NET FINANCE INCOME		2,369,428	2,279,490
OTHER INCOME			
Gain on Sale of Financial Instruments			
Sundry Income		58,943	47,025
TOTAL INCOME		2,428,370	2,326,515
LESS OPERATING EXPENSES		317,727	348,216
OPERATING SURPLUS		2,110,643	1,978,299
NET OPERATING SURPLUS	2	2,110,643	1,978,299
Contribution to the Roman Catholic Trust Corporation for the Diocese of Cairns	3	1,875,000	1,944,000
NET SURPLUS TRANSFERRED TO RESERVES		235,643	34,299
Reserve Funds at the Beginning of the Year		9,990,444	9,956,145
TOTAL AVAILABLE FOR APPROPRIATION		10,226,088	9,990,444
RESERVE FUNDS AT THE END OF THE PERIOD		10,226,088	9,990,444

**DIOCESE OF CAIRNS
CATHOLIC DEVELOPMENT FUND**

**BALANCE SHEET
AS AT
31 DECEMBER 2017**

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash	4	43,874,085	43,931,200
Receivables	5	5,894,907	4,906,229
Other Assets	7	4,347	5,348
TOTAL CURRENT ASSETS		<u>49,773,339</u>	<u>48,842,778</u>
NON - CURRENT ASSETS			
Receivables	5	31,770,239	29,947,650
Property, plant and equipment	6	11,372	15,581
TOTAL NON – CURRENT ASSETS		<u>31,781,610</u>	<u>29,963,231</u>
TOTAL ASSETS		<u>81,554,949</u>	<u>78,806,009</u>
CURRENT LIABILITIES			
Creditors and Borrowings	8	315,064	156,492
Employee benefits	9	30,172	45,512
TOTAL CURRENT LIABILITIES		<u>345,237</u>	<u>202,004</u>
NON - CURRENT LIABILITIES			
Creditors and Borrowings	8	<u>70,983,625</u>	<u>68,613,560</u>
TOTAL NON – CURRENT LIABILITIES		<u>70,983,625</u>	<u>68,613,560</u>
TOTAL LIABILITIES		<u>71,328,862</u>	<u>68,815,564</u>
NET ASSETS		<u>10,226,087</u>	<u>9,990,445</u>
RESERVE FUNDS			
Retained Surplus		<u>10,226,087</u>	<u>9,990,445</u>
TOTAL RESERVE FUNDS		<u>10,226,087</u>	<u>9,990,445</u>

**DIOCESE OF CAIRNS
CATHOLIC DEVELOPMENT FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 2017**

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 2017**

	2017 \$	2016 \$
2 NET OPERATING SURPLUS/(DEFICIT)		
Operating profit before income tax has been determined after:		
Interest Received - Loans & Investment	3,261,997	3,447,921
Sundry Income	58,943	47,025
	<u>3,320,940</u>	<u>3,494,946</u>
Charging as Expenses:		
Audit Fees	10,100	14,354
Depreciation of property, plant and equipment	4,144	4,846
Interest Paid - Depositors	892,570	1,168,431
Other Expenditure	303,483	329,016
	<u>1,210,296</u>	<u>1,516,647</u>
Net Operating Surplus	<u>2,110,643</u>	<u>1,978,299</u>
3 FUNDS FOR DISBURSEMENT		
Contribution to the Diocese of Cairns	1,875,000	1,944,000
Funds for disbursement after income tax	<u>1,875,000</u>	<u>1,944,000</u>
4 CASH & CASH EQUIVALENTS		
Cash on Hand	200	27,747
Cash at Bank - CDF	88,795	45,385
Cash at Bank - National Australia Bank	2,077,728	1,730,279
Investments - Archdiocesan Development Fund	22,707,362	21,127,789
AMP Bank Term Deposit		1,000,000
Bank of Queensland Cairns Term Deposit		5,000,000
Bendigo & Adelaide Bank Term Deposit	5,000,000	5,000,000
Commonwealth Bank Term Deposit	2,000,000	
ING Term Deposit	3,000,000	5,000,000
National Australia Bank Term Deposit	1,000,000	5,000,000
St George Bank Term Deposit	2,000,000	
Westpac Banking Corporation Term Deposit	6,000,000	
	<u>43,874,085</u>	<u>43,931,200</u>
5 TRADE & OTHER RECEIVABLES		
CURRENT		
Interest Receivable	392,847	273,940
Loans to Parishes & Institutions	5,500,408	4,628,570
GST Receivable	1,651	3,579
Sundry Debtors	-	140
	<u>5,894,907</u>	<u>4,906,229</u>
NON - CURRENT		
Loans to Parishes & Institutions	<u>31,770,239</u>	<u>29,947,650</u>
6 PROPERTY, PLANT & EQUIPMENT		
Office Furniture & Equipment - at cost	119,159	129,022
Less: Accumulated Depreciation	107,787	113,441
	<u>11,372</u>	<u>15,581</u>

**DIOCESE OF CAIRNS
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**

	2017	2016
	\$	\$
7 OTHER ASSETS		
Prepayments	4,347	5,348
	<u>4,347</u>	<u>5,348</u>
8 CREDITORS & BORROWINGS		
CURRENT		
Sundry Creditors	315,064	156,492
GST Payable/(Receivable)	-	-
	<u>315,064</u>	<u>156,492</u>
NON - CURRENT		
On Call Savings Accounts	35,910,365	26,761,471
Term Deposits	35,073,260	41,852,089
	<u>70,983,625</u>	<u>68,613,560</u>
9 PROVISIONS		
CURRENT		
Employee entitlements	30,172	45,512
	<u>30,172</u>	<u>45,512</u>

DIOCESE OF CAIRNS CATHOLIC DEVELOPMENT FUND

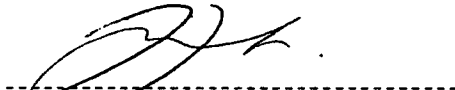
DECLARATION

In opinion of the Chief Executive Officer and Chief Financial Officer of the Diocese of Cairns Catholic Development Fund, we state that:

- (a) the accompanying Balance Sheet is drawn up so as to present fairly the state of affairs of the Diocese of Cairns Catholic Development Fund as at 31 December 2017;
- (b) the accompanying Statement of Income and Expenditure is drawn up so as to present fairly the surplus of the Diocese of Cairns Catholic Church Development Fund for the year ended 31 December 2017;
- (c) the accounts have been prepared in accordance with Australian Accounting Standards consistent with the Fund's application of SAC 1: "Definition of the Reporting Entity Concept;" Accounting Standards have only been applied to the extent disclosed in Note 1 to the financial report; and
- (d) there are reasonable grounds to believe that the Diocese of Cairns Catholic Development Fund will be able to pay its debts and repay its depositors as and when they become due and payable.



Kevin Malone – Chief Financial Officer, Catholic Diocese of Cairns



Jasmin Greer – Chief Financial Officer, Catholic Diocese of Cairns

Date: 29 / 06 / 2018

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 2017, 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 2017 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.

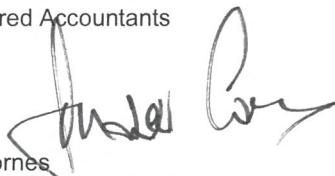
Auditor's responsibilities for the audit of the financial report

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. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A D Cornes
Partner – Audit & Assurance

Cairns, 29th June 2018