

ADEF

ARCHDIOCESAN DEVELOPMENT FUND

SERVING, SUPPORTING AND
EMPOWERING MISSION



ARCHDIOCESAN
DEVELOPMENT
FUND

ANNUAL REPORT 2018

362
LOANS

\$1.3 BILLION
FUNDS UNDER MANAGEMENT
AS AT 31 DECEMBER 2018

\$15 MILLION
DEDICATED TO
PASTORAL PRIORITIES

2018 at a glance

\$219.8
MILLION
LOANED TO CUSTOMERS
56% GROWTH IN
12 MONTHS

\$23.3
MILLION OPERATING
SURPLUS

\$56 MILLION
REVENUE

21 EMPLOYEES

98 PARISHES
SUPPORTED

2,418,904 TRANSACTIONS
TO ENABLE ADF CUSTOMERS TO DELIVER ON THEIR MISSION IN THE COMMUNITY



MESSAGE

from the General Manager

2018 was an exciting year for the ADF. We were able to do more than ever to bring the mission of the Catholic Church alive in our community. We make possible projects that bring a better education within reach of young people, provide the highest quality of care for older people and create safe and secure homes for those experiencing housing difficulty. We continued to support parishes to deal with the unique set of pressures and circumstances that they face.


Through exceptional service and a commitment to the highest standards of professionalism, we have continued to meet the financial and transactional needs of our customers in line with our founder Archbishop Patrick O'Donnell's promise to safeguard all investments. This commitment to our customers along with a sustained focus on building operational capability has positioned the ADF to help the helpers.

The 2018 results demonstrate the prudent strength of the fund, delivering an operating surplus of \$23.3 million. This is an exceptional result, achieved largely through stronger returns generated from the cash portfolio and the fixed interest portfolio managed by QIC. We are proud to have distributed \$15 million to the Archdiocese, in support of many of its key mission and pastoral priorities in our communities.

Our continued commitment to building strong and long lasting relationships as trusted partners within the church saw a record \$219.8 million loaned to Catholic organisations and agencies. This is a 56% increase over the prior year. Two new Brisbane Catholic Education schools in Coomera and Bli Bli, a 100-bed aged care facility in Ipswich and 500 social and affordable dwellings in New South Wales are key initiatives we supported in 2018. We are grateful for the opportunity to contribute to these vital projects as well as many others, which provide tangible benefits for our community.

During the year we commenced a project to further understand our customers and their respective operating environments, challenges and pressures. Initial feedback confirms that, irrespective of size, geography or industry sector, personalised and authentic service is what matters above all else. This demonstrates our commitment to deliver tailored and innovative solutions aligned with the unique and diverse needs of our customers. We will continue to engage our customers in the coming year, as we evolve our service capability and product offering to add greater value for our customers.

I commend the excellent effort by the ADF team and extend my sincere thanks to the Board and key service providers, Thynne + Macartney and the Commonwealth Bank of Australia. We are indebted to the ongoing support of our loyal customers and many stakeholder groups who entrust us to provide certainty and security as stewards of Catholic Church funds. I look forward to working with you in 2019 to deliver meaningful growth within the Archdiocese and through the mission of the Catholic Church.



Andrew Musial
General Manager
Archdiocesan Development Fund

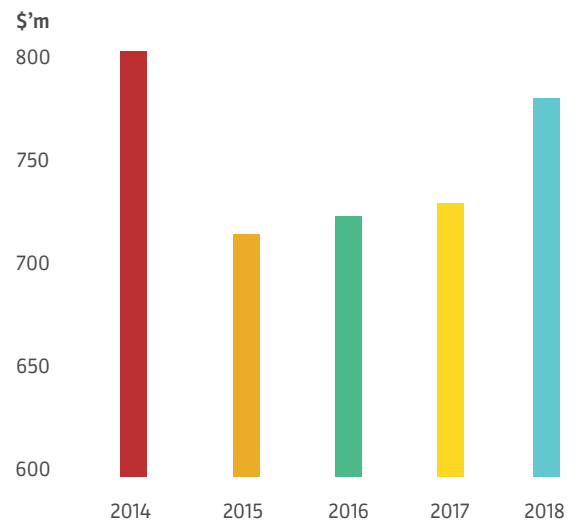


STATEMENT OF INCOME AND EXPENDITURE

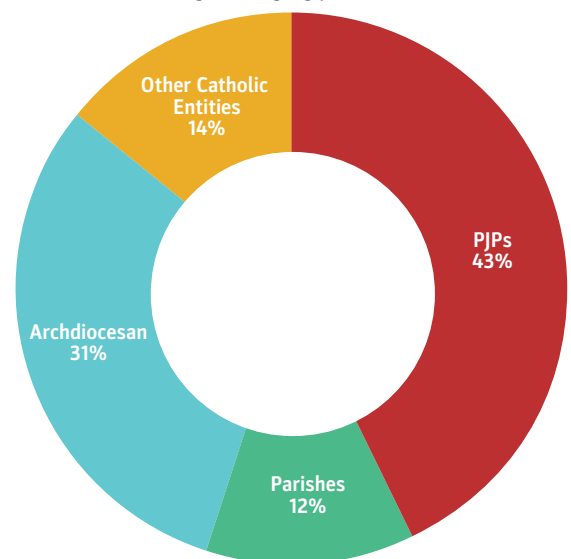
For the Year Ended 31 December 2018

INCOME	2018 \$'000	2017 \$'000
Interest revenue	56,114	53,897
Interest expense	(29,796)	(29,733)
Net interest revenue	26,318	24,164
Non-interest revenue	1,540	1,581
Other expenses	(4,532)	(4,359)
Operating surplus before contribution	23,326	21,386
Contribution to Brisbane Archdiocese	(15,000)	(15,000)
Operating surplus	8,326	6,386
Other comprehensive income/(expense)	(2)	2,367
Total equity at the beginning of the year	96,531	87,778
Reclassification on adoption of AASB 9 (2018)	(5,071)	0
Restated Balance at the beginning of the year	91,460	87,778
Total equity at the end of the year	99,784	96,531

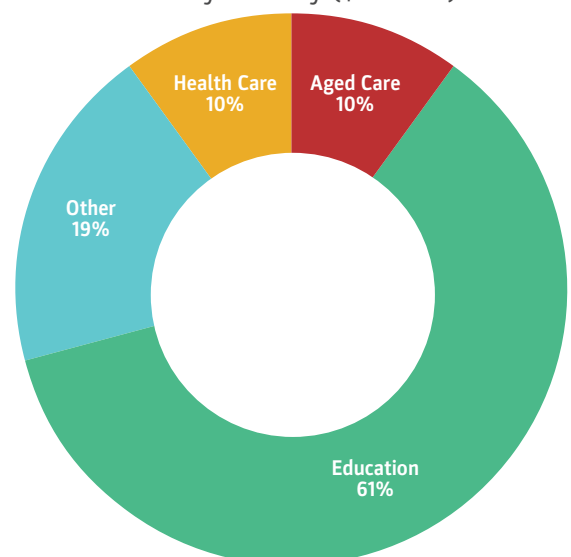
Loans receivable



Loans by entity type (\$783.4m)



Loans by ministry (\$783.4m)



KEY FINANCIAL INDICATORS - LOANS

Year end balances of
\$783.4M
compared to
\$729.4M
in 2017

Increase of
7.4%
compared to increase of
0.5%
in 2017

Repayments of
\$167.6M
compared to
\$136.5M
in 2017

Loans advanced
\$219.6M
compared to
\$140.3M
in 2017

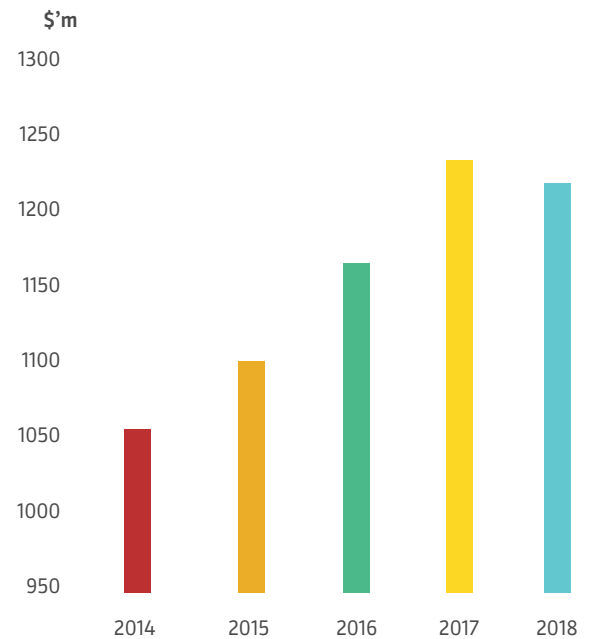
Loans approved
\$379M compared to **\$273M**
in 2017

STATEMENT OF FINANCIAL POSITION

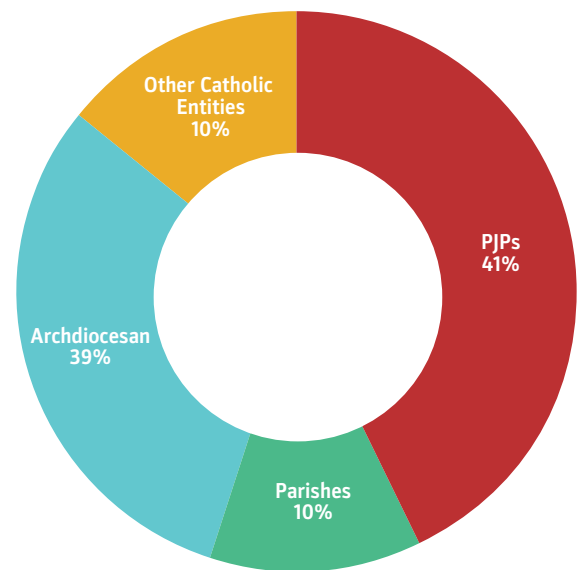
As at 31 December 2018

ASSETS	2018 \$'000	2017 \$'000
Cash and liquid assets	7,402	5,278
Receivables	3,075	2,252
Investments	532,821	606,010
Plant and equipment	1,238	1,220
Loans for Church projects	783,360	729,370
Total Assets	1,327,896	1,344,130
LIABILITIES	2018 \$'000	2017 \$'000
Short term borrowings	-	-
Payables	1,170	1,100
Customers' funds	1,216,636	1,236,196
Provisions	306	303
Archdiocesan Deposit Subordinated	10,000	10,000
Total Liabilities	1,228,112	1,247,599
NET ASSETS	99,784	96,531

ADF customers' funds



Customers' funds by entity type (\$1,216.6m)



KEY FINANCIAL INDICATORS - CUSTOMERS' FUNDS

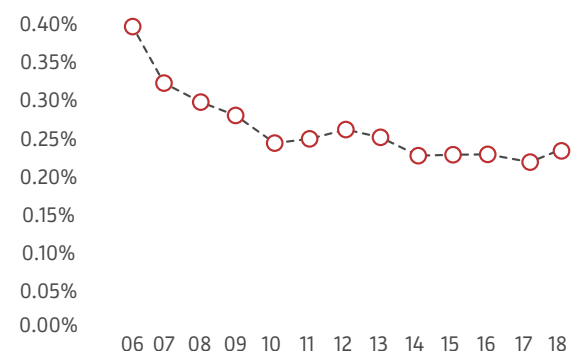
Year end Customers' Funds balances of
\$1,216.6M
compared to
\$1,236.2M
in 2017

Investments at Year End
\$532.8M
compared to
\$606.0M
in 2017

Year End operating surplus of
\$23M

\$15M
contribution to the Archdiocese for pastoral priorities

Administration costs as a percentage of average assets




ADF FUNDING HEALTHCARE

Catholic Healthcare


Catholic Healthcare entered into a long-term lease with the Archdiocese of Brisbane on behalf of Ipswich Parish to construct the new Villa Maria Centre on vacant parish land in Eastern Heights. This state-of-the-art aged care facility caters for 100 residents in a home-like, welcoming environment, which offers full-time registered nursing care. Residents can also enjoy a wide range of outings and activities including art therapy, exercise, entertainment and pastoral care.

ADF FUNDING SOCIAL & AFFORDABLE HOUSING

St Vincent de Paul (NSW)



St Vincent de Paul (NSW) partnered with the NSW Government's Social and Affordable Housing Fund (SAHF) to deliver 500 social and affordable dwellings. The project will build 305 new properties and acquire 195 existing properties in areas of need across metropolitan and regional New South Wales. The ADF partnered with the Catholic Development Fund Sydney to provide funding for this project, which will help people who can't afford to rent in the private rental market access affordable homes.



ADF FUNDING EDUCATION

Brisbane Catholic Education

St Joseph's College and Good Samaritan Catholic College are new Prep to Year 12 schools serving the growing number of families looking for quality Catholic education in the Coomera and Bli Bli regions, respectively. On full enrolment, St Joseph's will cater for 1,800 students and Good Samaritan will cater for 1,500 students. St Joseph's architectural design includes two sports centres, high tech science rooms, a full-size football oval and retains 2 hectares of the site as environmental space for education. Good Samaritan features flexible, interconnected spaces for small and large groups, one-on-one learning plus large, modern sporting facilities.

OUR BOARD

Robert Baker B Bus-Acc, FCA, GAICD
Chair, Archdiocesan Development Fund
Director, Flight Centre Travel Group
Chair, Goodman Private Wealth Advisors
Advisory Board member, Catholic Development Fund, Sydney
Chair, Audit & Risk Committee, ACU
Chair, RightCrowd Limited
Board member, Archdiocesan Finance Council

Very Rev Fr Peter Brannelly PP
Parish Priest, Caloundra Parish

Jeremy Howes B Bus, MBA, GCCL, FCA
Financial Administrator, Archdiocese of Brisbane

Tim Kendall B Com, FCA, RCA
Partner Audit, BDO

Rowena McNally LLB, FAICD, FIML, FRI
Chair, National Employment Services Association
Director, International Committee of Catholic Health-Care Institutions (Vatican)
Director, Power and Water Corporation
Director, North West Hospital and Health Service

Rev Msgr Peter Meneely VG
Vicar General, Archdiocese of Brisbane

Vicki Tanzer B Ed, M Ed (Leadership)
Former Deputy Executive Director,
Brisbane Catholic Education

Br John Thompson FMS BA (Hon)
President CRAqld
Director Lavalla Centre

Adam Walk BA, B Bus, MAppFin, PhD, SFFin, FGIA, FAICD
Director, Drew, Walk & Co.
Research Fellow, Griffith Business School



(L-R) Vicki Tanzer, Very Rev Fr Peter Brannelly, Br John Thompson, Robert Baker, Tim Kendall, Rowena McNally and Jeremy Howes. Rev Msgr Peter Meneely and Dr Adam Walk are absent.

CONTACT US

adf.brisbanecatholic.org.au

GPO Box 282, Brisbane Qld 4001

GENERAL ENQUIRIES

07 3324 3777

adf@bne.catholic.net.au

DIRECT DEBIT ENQUIRIES

directdebits@bne.catholic.net.au

CUSTOMER SERVICE ENQUIRIES

customerservice@bne.catholic.net.au



ARCHDIOCESAN
DEVELOPMENT
FUND

CORPORATE INFORMATION

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Thynne + Macartney

BANKERS

Commonwealth Bank of Australia

LEGAL STATUS

The ADF is part of the Catholic Archdiocese of Brisbane, which conducts its civil works through The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane.

Disclosure

The Archdiocesan Development Fund (the Fund) is required by law to make the following disclosure. The Fund is not prudentially supervised by the Australian Prudential Regulation Authority nor has it been examined or approved by the Australian Securities and Investments Commission. An investor in the Fund will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959 (Cth). Investments in the Fund are intended to be a means for investors to support the charitable, religious and educational works of the Archdiocese of Brisbane and for whom the consideration of profit are not of primary relevance in the investment decision. The investments that the Fund offers are not subject to the usual protections for investors under the Corporations Act (Cth) or regulation by Australian Securities and Investments Commission. Investors may be unable to get some or all of their money back when the investor expects or at all and any investment of the Fund are not comparable to investments with banks, finance companies or fund managers. The Fund's identification statement may be viewed at <https://adf.brisbanecatholic.org.au/identification-statement> or by contacting the Fund. The Fund does not hold an Australian Financial Services Licence.

Cover image: Holy Spirit Seminary, Banyo.