Uniting Church NSW Trust Association Fund

ABN 75 525 912 809

Special purpose financial statements for the reporting period ended 30 June 2016

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Contents

These financial statements cover Uniting Church NSW Trust Association Fund as an individual entity.

The Trustee of Uniting Church NSW Trust Association Fund is The Uniting Church (NSW) Trust Association Limited (ABN 89 725 654 978). The Trustee's registered office is Level 9, 222 Pitt Street, Sydney, NSW, 2000.

Statement of comprehensive income

	Notes	30 June 2016 $'000	30 June 2015 $'000
		For the reporting period ended	
Investment income			
Interest income		**33**	19
Dividend/distribution income	3	**2,990**	2,351
Net (losses)/gains on financial instruments held at fair value through profit or loss		**(4,964)**	855
Total investment income		**(1,941)**	3,225
Expenses			
Management fees		**768**	580
Transaction costs		**72**	72
Other expenses		**20**	25
Total expenses		**860**	677
(Loss)/profit before finance costs attributable to unitholders		**(2,801)**	2,548
Finance costs attributable to unitholders			
Distributions to unitholders	6	**2,092**	1,584
(Decrease)/increase in net assets attributable to unitholders	5	**(4,893)**	964
Profit for the reporting period attributable to unitholders		**-**	-
Other comprehensive income for the reporting period		**-**	-
Total comprehensive income for the reporting period attributable to unitholders		**-**	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	As at 30 June 2016 $'000	30 June 2015 $'000
Assets			
Cash and cash equivalents		**2,430**	2,113
Loans and receivables	8	**1,286**	617
Financial assets held at fair value through profit or loss	7	**80,826**	61,070
Total assets		**84,542**	63,800
Liabilities			
Distributions payable	6	**240**	188
Payables	9	**134**	180
Financial liabilities held at fair value through profit or loss	10	**19**	30
Total liabilities (excluding net assets attributable to unitholders)		**393**	398
Net assets attributable to unitholders - liability	5	**84,149**	63,402

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	For the reporting period ended	
	30 June 2016 $'000	30 June 2015 $'000
Total equity at the beginning of the reporting period	-	-
Profit for the reporting period attributable to unitholders	-	-
Other comprehensive income for the reporting period attributable to unitholders	-	-
Total comprehensive income for the reporting period attributable to unitholders	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the reporting period	-	-

In accordance with AASB 132 *Financial Instruments: Presentation*, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the reporting period.

Changes in net assets attributable to unitholders are disclosed in note 5.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	For the reporting period ended 30 June 2016 $'000	30 June 2015 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**15,145**	32,450
Purchase of financial instruments held at fair value through profit or loss		**(40,467)**	(55,089)
Dividends received		**2,720**	2,057
Trust distributions received		**107**	70
Interest received		**33**	19
Management fees paid		**(781)**	(622)
Transaction costs on financial instruments held at fair value through profit or loss		**(77)**	(77)
RITC received		**38**	42
Net cash inflow/(outflow) from operating activities	11(a)	**(23,282)**	(21,150)
Cash flows from financing activities			
Proceeds from applications by unitholders		**25,373**	25,330
Payments for redemptions by unitholders		**-**	(1,448)
Distributions paid		**(1,774)**	(1,330)
Net cash inflow/(outflow) from financing activities		**23,599**	22,552
Net increase/(decrease) in cash and cash equivalents		**317**	1,402
Cash and cash equivalents at the beginning of the reporting period		**2,113**	711
Cash and cash equivalents at the end of the reporting period	11(b)	**2,430**	2,113

The above statement of cash flows should be read in conjunction with the accompanying notes.

Contents

1 General information

These special purpose financial statements cover Uniting Church NSW Trust Association Fund ("the Trust") as an individual entity. The Trust was constituted on 18 July 2000.

The Trustee of the Trust is The Uniting Church (NSW) Trust Association Limited ("the Trustee") (ABN 89 725 654 978). The Trustee's registered office is Level 9, 222 Pitt Street, Sydney NSW 2000.

The Trust invests in equities and equity derivatives in accordance with the provisions of the Trust Deed.

The Trustee is incorporated and domiciled in Australia.

The financial statements are presented in Australian dollars, which is the Trust's functional currency.

The financial statements are for the period from 1 July 2015 to 30 June 2016 ("the reporting period").

The financial statements were authorised for issue by the Trustee on the date the Trustee's declaration was signed. The Trustee has the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

In the opinion of the directors of the Trustee, the Trust is not publicly accountable nor a reporting entity. Accordingly, these special purpose financial statements have been prepared to satisfy the Trustee's reporting requirements under the Trust Deed.

The Trust is a for-profit entity, however, all unitholders are Australian resident organisations affiliated or connected with the Uniting Church have a tax exempt status.

The special purpose financial statements have been prepared in accordance with the applicable requirements specified by all Australian Accounting Standards except the selected disclosure provisions of the following Australian Accounting Standards (to the extent relevant to the Trust):

- AASB 7 *Financial Instruments: Disclosures*;
- AASB 13 *Fair Value Measurement*;
- AASB 124 *Related Party Disclosures*;
- AASB 12 *Disclosure of Interests in Other Entities;* and
- AASB 127 *Separate Financial Statements.*

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders where the amount expected to be recovered or settled within twelve months after the end of the reporting period cannot be reliably determined.

Compliance with Australian Accounting Standards

The financial statements of the Trust comply with Australian Accounting Standards as issued by the Australian Accounting Standards Boards, with the exception of the above stated Accounting Standards.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

New/Amended standards adopted by the Trust

The Trust has applied the following major accounting standard amendment (to the extent relevant to the Trust and subject to the above exclusions of the accounting standards) for the first time for the reporting period:

AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality:* AASB 2015-3 completed the withdrawal of references to AASB 1031 *Materiality* in all Australian Accounting Standards and Interpretations, allowing AASB 1031 to be effectively withdrawn. The adoption of AASB 2015-3 did not have any impact on the Trust for the current period or any prior periods and will not impact any future periods.

There were no other new or amended standards and interpretations that became effective for the first time for the reporting period that were relevant to the Trust.

(b) Financial instruments

(i) Classification

- *Financial assets and liabilities held at fair value through profit or loss*

  The Trust's investments are categorised as held at fair value through profit or loss. They comprise:

  - *Financial instruments held for trading*

    These may include derivative financial instruments including futures, forward contracts, options and interest rate swaps. All derivatives in a net receivable or payable position are shown gross and reported as either derivative financial assets or derivative financial liabilities. The Trust does not designate any derivatives as hedges in a hedging relationship.

  - *Financial instruments designated at fair value through profit or loss upon initial recognition*

    These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These may include investments in exchange traded equity instruments.

    Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Trustee to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

    The information on the fair value basis is provided internally to the Trust's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

- *Loans and receivables/payables*

  Loans and receivables/payables are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market. This category includes short-term receivables/payables.

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- the Trust has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the reporting period the asset is derecognised as realised gains or losses on financial instruments.

(iii) Measurement

- *Financial assets and liabilities held at fair value through profit or loss*

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- *Fair value in an active market*

  The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

  A financial instrument is regarded as quoted in active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

  The Trust's financial instruments that are valued based on active markets generally include listed instruments, ranging from listed equity and/or debt securities to listed derivatives.

- *Fair value in an inactive or unquoted market*

  The fair value of financial assets and liabilities not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

  Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is the market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

  For other pricing models, inputs are based on market data at the end of the reporting period.

  There may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Trust recognises the difference in the statement of comprehensive income to reflect a change in factors, including time, that market participants would consider in setting a price.

  The fair value of derivatives that are not exchange-traded is estimated at the amount that the Trust would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the most appropriate option valuation model.

  Investments in unlisted unit trusts are measured at fair value, which is generally determined to be redemption value per unit as reported by the managers of such trusts.

  The Trust's financial instruments that are valued based on inactive or unquoted markets generally include unlisted instruments ranging from investments in unlisted unit trusts, unlisted equity and/or debt securities to over the counter derivatives.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

- *Loans and receivables/payables*

  Loans and receivables/payables are measured initially at fair value plus transaction costs.

  Subsequently, loans are carried at amortised cost using the effective interest method, less impairment losses, if any. Short-term receivables/payables are carried at their initial fair values. Such assets/liabilities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when, and only when, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the reporting date if unitholders exercised their right to put the units back to the Trust. Changes in the value of this financial liability are recognised in the statement of comprehensive income as they arise.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

(e) Investment income

Interest income and interest expenses are recognised in the statement of comprehensive income for all financial instruments on an accrual basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

Dividend income is recognised on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income.

(f) Expenses

All expenses, including Trustee's fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis. The Trust has a fixed management expense ratio of 1.20% plus GST. Expenses are recognised net of the amount of associated GST where it is recoverable from the taxation authority.

2 Summary of significant accounting policies (continued)

(g) Income tax

Under current legislation, the Trust is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the unitholders. The Trust fully distributes its distributable income, calculated in accordance with the Trust Deed and applicable taxation legislation, to the unitholders who are presently entitled to the income under the Trust Deed of the Trust.

Financial instruments held at fair value through profit or loss may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax.

Under current tax legislation, realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains in future years. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefit of franking credits and foreign tax credits are passed on to unitholders, providing certain conditions are met.

The Trust may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statement of comprehensive income.

(h) Distributions

In accordance with the Trust Deed, the Trust distributes income adjusted for amounts determined by the Trustee, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(i) Change in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(j) Receivables

Receivables may include amounts for dividends, interest and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC) and application monies receivable from unitholders.

(k) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at the end of each reporting period are included in payables.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Trust Deed.

(l) Applications and redemptions

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Trust divided by the number of units on issue.

2 Summary of significant accounting policies (continued)

(m) Goods and Services Tax (GST)

Expenses of various services provided to the Trust by third parties such as Trustee fees, custodial services and investment management fees are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the related expense or cost item.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statement of financial position.

Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(n) Use of judgments and estimates

The preparation of the Trust's financial statements requires it to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust's financial instruments are valued primarily based on the prices provided by independent pricing services.

When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgments and assumptions in establishing fair values.

Where appropriate, the outcomes of the valuation techniques that are used in establishing fair values are validated using prices from observable current market transactions for similar instruments (without modification or repackaging) or based on relevant available observable market data.

The determination of what constitutes 'observable' requires significant judgment by the Trust. The Trust considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

In addition, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates and judgments. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The carrying amounts of all the Trust's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

The Trust's accounting policy on fair value measurement is set out in note 2b (iii). The methods and assumptions used in the determination of the fair value of each class of financial instruments are also set out in note 2b (iii).

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accounts receivable the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not yet been applied in the financial statements. The directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities. It has now also introduced revised rules for hedge accounting and impairment. The Standard is not applicable until 1 January 2018 but is available for early adoption. The Trust does not expect this to have a significant impact on the recognition and measurement of the Trust's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not been changed from the previous requirements, and the Trust does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Trust's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Trust. The Trust does not intend to early adopt AASB 9. The Trust will apply AASB 9 in its financial statements for the reporting period commencing from 1 July 2018.

2 Summary of significant accounting policies (continued)

(o) New accounting standards and interpretations (continued)

(ii) AASB 15 *Revenue from Contracts with Customers* (effective 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. Once applied or effective, AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the notion that revenue is recognised when control of a good or service transfers to a customer. This notion of control replaces the existing notion of risks and rewards. The Trust's main source of income includes interest, dividends/distributions and gains on financial instruments held at fair value through profit or loss. All of these are outside the scope of the Revenue standard. Consequently, the Trust does not expect AASB 15 to have a significant impact on the Trust's financial statements. The Trust does not intend to early adopt AASB 15. The Trust will apply AASB 15 in its financial statements for the reporting period commencing from 1 July 2018.

(iii) AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101* (effective 1 January 2016)

AASB 2015-2 amends AASB 101 *Presentation of Financial Statements* to clarify that entities should not disclose immaterial information and that the presentation in notes to the financial statements can and should be tailored to provide the report users with the clearest story of an entity's financial performance and financial position. No significant impact is expected upon adoption of the amendments. The Trust does not intend to early adopt AASB 2015-2. The Trust will apply AASB 2015-2 in its financial statements for the reporting period commencing from 1 July 2016.

(iv) AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* (effective from 1 January 2017)

AASB 2016-2 amends AASB 107 *Statements of Cash Flows* to require entities to provide disclosure that enable users of financial statements to evaluate cash and non-cash changes in their financing activities. No significant impact is expected upon adoption of the amendments. The Trust does not intend to early adopt AASB 2016-2. The Trust will apply AASB 2016-2 in its financial statements for the reporting period commencing from 1 July 2017.

(p) Rounding of amounts

Amounts stated in the financial statements are rounded to the nearest thousand dollars, unless otherwise indicated.

(q) Deposits held with brokers for margin

Deposits held with brokers for margin comprise cash held as collateral for derivative transactions.

3 Dividend/distribution income

	For the reporting period ended	
	30 June 2016 $'000	30 June 2015 $'000
Dividend	**2,853**	2,259
Non-related managed investment schemes	**137**	92
Total Dividend/distribution income	**2,990**	2,351

4 Auditor's remuneration

During the reporting period the following fees were paid or payable for services provided by the auditor of the Trust:

	For the reporting period ended	
	30 June 2016 $	30 June 2015 $
KPMG		
Audit of financial statements	**10,000**	9,700
Other services	**13,800**	13,800
Total remuneration for audit services	**23,800**	23,500

5 Net assets attributable to unitholders

As stipulated within the Trust Deed, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

Movements in number of units and net assets attributable to unitholders during the reporting period were as follows:

	For the reporting period ended			
	30 June 2016 No. '000	30 June 2015 No. '000	**30 June 2016 $'000**	30 June 2015 $'000
Opening balance	**70,912**	43,500	**63,402**	38,340
Applications	**29,140**	28,722	**25,373**	25,330
Redemptions	**-**	(1,592)	**-**	(1,448)
Units issued upon reinvestment of distributions	**283**	282	**267**	216
Increase in net assets attributable to unitholders	**-**	-	**(4,893)**	964
Closing balance	**100,335**	70,912	**84,149**	63,402

6 Distributions to unitholders

The distributions for the reporting period were as follows:

	For the reporting period ended			
	30 June 2016 $'000	**30 June 2016 CPU**	30 June 2015 $'000	30 June 2015 CPU
Distributions				
30 September	**833**	**1.1743**	475	1.1207
31 December	**817**	**1.1503**	702	1.1772
31 March	**202**	**0.2835**	219	0.3660
30 June (payable)	**240**	**0.2388**	188	0.2648
Total distributions	**2,092**		1,584	

7 Financial assets held at fair value through profit or loss

	As at	
	30 June 2016 $'000	30 June 2015 $'000
Designated at fair value through profit or loss		
Listed equities	**76,810**	59,187
Listed property trusts	**2,702**	1,019
Listed unit trusts	**1,314**	864
Total designated at fair value through profit or loss	**80,826**	61,070
Total financial assets held at fair value through profit or loss	**80,826**	61,070

8 Loans and receivables

	As at	
	30 June 2016 $'000	30 June 2015 $'000
Trade receivables	**598**	67
Accrued income	**665**	509
Other receivables	**23**	41
Total Loans and receivables	**1,286**	617

9 Payables

	As at	
	30 June 2016 $'000	30 June 2015 $'000
Trade payables	**42**	111
Accrued expenses	**92**	69
Total Payables	**134**	180

10 Financial liabilities held at fair value through profit or loss

	As at	
	30 June 2016 $'000	30 June 2015 $'000
Held for trading		
Derivatives	**19**	30
Total held for trading	**19**	30
Total financial liabilities held at fair value through profit or loss	**19**	30

11 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	For the reporting period ended 30 June 2016 $'000	30 June 2015 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
(Decrease)/increase in net assets attributable to unitholders	**(4,893)**	964
Proceeds from sale of financial instruments held at fair value through profit or loss	**15,145**	32,450
Purchase of financial instruments held at fair value through profit or loss	**(40,467)**	(55,089)
Net (gains)/losses on financial instruments held at fair value through profit or loss	**4,964**	(855)
Net change in receivables and other assets	**(138)**	(204)
Net change in payables and other liabilities	**23**	27
Distributions to unitholders	**2,092**	1,584
Dividend/distribution income reinvested	**(8)**	(27)
Net cash inflow/(outflow) from operating activities	**(23,282)**	(21,150)
(b) Components of cash and cash equivalents		
Cash as at the end of the reporting period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	**2,204**	1,909
Futures margin account	**226**	204
Total Cash and cash equivalents	**2,430**	2,113
(c) Non-cash financing and investing activities		
During the reporting period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**267**	216

12 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the statement of financial position as at 30 June 2016 or on the results and cash flows of the Trust for the reporting period ended on that date.

13 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2016 and 30 June 2015.

Trustee's Declaration

As stated in note 2(a) to the financial statements, the Trust is not a reporting entity because in the opinion of the Trustee there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the Trustee's reporting requirements under the Trust Deed.

In the opinion of the Directors of the Trustee:

(a) the financial statements and notes, set out on pages 2 to 17

(i) comply with Australian Accounting Standards as stated in note 2(a), and other mandatory professional reporting requirements; and

(ii) present fairly the Trust's financial position as at 30 June 2016 and of its performance for the reporting period ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of the Trustee.

M Anderson
Director

The Uniting Church (NSW) Trust Association Limited

Sydney
25 November 2016

KPMG

Independent audit report to the Trustee of Uniting Church NSW Trust Association Fund

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Uniting Church NSW Trust Association Fund (the Trust), which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information.

Trustee's responsibility for the financial report

The Uniting Church (NSW) Trust Association Limited as Trustee of the Trust are responsible for the preparation and fair presentation of the special purpose financial report and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the Trust Deed and is appropriate to meet the needs of the unitholders. The Trustee's responsibility also includes such internal controls as the Trustee determine necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Trust's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Trustee, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 2 to the financial statements so as to present a view which is consistent with our understanding of the Trust's financial position, and of its performance and cash flows.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Uniting Church NSW Trust Association Fund as of 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 2 (a) to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist The Uniting Church (NSW) Trust Association Limited as Trustee of the Uniting Church NSW Trust Association Fund to meet the requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Trustee and unitholders of the Uniting Church NSW Trust Association Fund and should not be distributed to or used by parties other than the Trustee or unitholders of Uniting Church NSW Trust Association Fund. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any person other than the Trustee and unitholders of the Uniting Church NSW Trust Association Fund or for any other purpose than that for which it was prepared.

KPMG

Sydney
25 November 2016