UCA Cash Management Fund Limited
ABN 41 075 948 444
Annual report for the year ended 30 June 2019

UCA Cash Management Fund Limited
ABN 41 075 948 444

A company limited by guarantee, domiciled in the State of Victoria in Australia.

The company is incorporated in Australia.

The registered office is:	130 Little Collins Street Melbourne Victoria 3000 Australia
Auditor:	Deloitte Touche Tohmatsu 550 Bourke Street Melbourne Victoria 3000 Australia
Custodian & Administrator:	Northern Trust Corporation Level 47, 80 Collins Street Melbourne Victoria 3000 Australia

Directors' Report

The directors' present their report on the financial statements of the UCA Cash Management Fund Limited (the ″Company″) for the year ended 30 June 2019 (the ″reporting period″). The comparative period covers the six month period 1 January 2018 to 30 June 2018. The Company has no share capital since it is incorporated as a company limited by guarantee.

Directors
The following directors held office at the date of this report and have held office throughout the year (except where indicated) and up to the date of this report.

K Allchin	Non-executive Director - *Retired 31 December 2018*
J Bell	Non-executive Director
M Browning	Executive Director & Chief Executive Officer
D Cousins	Non-executive Director - Chairperson
	Chairperson - People & Nomination Committee
L Mann	Non-executive Director - Chairperson, Investment Committee
T McCredden	Non-executive Director
Z Pavri	Non-executive Director - *Appointed 31 January 2019*
F Pearse	Non-executive Director
D Ralston	Non-executive Director - *Appointed 1 June 2019*
D Watson	Non-executive Director
	Chairperson - Audit, Risk & Compliance Committee
K Williams	Non-executive Director - *Appointed 1 June 2019*
G Wilson	Non-executive Director - *Retired 1 July 2018*

General Information
U Ethical Enhanced Cash Portfolio is the investment portfolio which operates within the legal entity UCA Cash Management Fund Limited. Investment in the Company is available to Uniting Church congregations, organisations and agencies and other not-for-profit organisations with a religious, educational or charitable purpose that are registered as Tax Concession Charities. The Company seeks to operate at a low cost and to provide both competitive returns to investors and an annual grant to The Uniting Church in Australia, Synod of Victoria and Tasmania. All investments are made within the ethical investment guidelines of Uniting Ethical Investors Limited (U Ethical).

The Company is exempt from the fundraising, managed investment and licensing provisions of the *Corporations Act 2001* under Class Order 02/184 as extended by the Australian Securities and Investments Commission (ASIC) Instrument 2016/813. The Company has been accordingly registered by the Australian Securities and Investments Commission. The Company is also exempt from the *Banking Act 1959* by virtue of APRA Banking Exemption No 1 of 2006.

Principal activities
The Company's principal and continuing activities during the period consisted of:

(a) Providing an investment medium for congregations, programs, presbyteries and agencies of The Uniting Church in Australia; and

(b) Providing an investment medium for other non-profit organisations with a religious, charitable or educational purpose.

There were no significant changes in the nature of the Company's activities during the year.

Company Constitution/Investment Strategy
The Company is structured to provide a higher interest yield than traditional cash management trusts.

The Company may hold short term money market securities, discount securities, securities that are issued and guaranteed by the Commonwealth or any state or territory government, corporate debt and cash at bank. The Company may also hold longer dated securities including debentures, corporate bonds, preference shares, convertible preference shares, commercial mortgages and community impact loans.

Investor funds are intended to be accepted into the Company for a reasonable period of time. The Company is not designed for use as an 'overnight' money market operation.

Results
Net operating profit of the Company for the year ended 30 June 2019 was $22,306,000 (2018: $8,497,000) prior to distributing $19,050,000 (2018: $9,039,000) to investors.

Review of Operations
Funds under management increased by 5% during the year to $753,956,000 at 30 June 2019 (2018: $718,065,000). Interest was distributed to investors at the rate of 2.60% per annum at 30 June 2019 and 2.60% per annum at 30 June 2018.

The total management fee and expense recovery charged during the reporting period was $5,283,000 (2018: $2,507,000) which is calculated at 0.70% per annum (2018: 0.70%) of the net funds under management at the end of each month.

Significant changes in state of affairs
In the Directors' opinion, there were no significant changes in the state of affairs of the Company that occurred during the year not otherwise disclosed in this report or the financial statements.

Matters subsequent to the end of the year
No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future years.

Likely developments and expected results
Further information on likely developments in the operations of the Company and the expected results of operations of the Company has not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental Regulation
The Company is not subject to any particular or significant environmental regulation under a Commonwealth, State or Territory law.

Information on Directors

Ms Katherine Allchin GAICD, BBus – Marketing - Retired 31 December 2018
Non-executive Director. She has more than 25 years' experience in the financial services industry, and extensive knowledge in both the retail and institutional funds management space. Her career also includes the building of a number of successful financial services businesses from start-up organisations.

Ms Jane Bell B Ec, LLB, LLM, FAICD
Non-executive Director. She is a banking and finance lawyer with 30 years' experience in senior roles in leading law firms, financial services and corporate treasury operations gained living in Australia, UK, Canada and USA. Since 2002, she has held a number of directorship positions, and is currently a non-executive Director of Biomedical Research Victoria, Monash Health, Jessie McPherson Private Hospital, Chair of the Advisory Group of the Melbourne Genomics Health Alliance, and Trustee of the RSYLTC Foundation.

Mr Mathew Browning BSc F Fin
Executive Director, Chief Executive Officer. He is the former General Manager of The Myer Family Company (MFCo). He has over 25 years' experience in financial services, property and professional services, in roles across Australia, Asia and the UK.

Dr David Cousins AM PhD
Non-executive Director. He is an economist and Adjunct Professor with the Centre for Regulatory Studies, Faculty of Law, Monash University. He currently has a statutory role with the NSW Emergency Services Levy Insurance Monitor and is Deputy Chair of the Australian Government Migrant Worker Task Force. Previous positions have included Director of Consumer Affairs Victoria, Commissioner of the Australian Competition and Consumer Commission, and Chairman and Member of the Prices Surveillance Authority. He has worked in private consulting as a Director of KPMG Consulting. He is an active member of The Uniting Church in Australia.

Mr Lindsay Mann BA, FIAA, GAICD
Non-executive Director. He is a Fellow of the Actuaries Institute and brings 40 years financial services experience to the role. He has held a number of senior executive positions in funds management, wealth management and life insurance across Asia, Australia and New Zealand. Since retiring as Regional Head, Asia, of First State Investments in 2010, he has been a Non-executive Director for a number of investment companies and funds in Asia and Australia. He is currently a director of ASX listed companies WAM Capital Limited and WAM Leaders Limited and is a member of the Audit and Risk Committees of both of those companies. He is a member of Glen Waverley congregation of The Uniting Church in Australia.

Mr Terry McCredden B Com (Honours)
Non-executive Director. He has undertaken management courses at Wharton Business School USA and London Business School. He is a former CEO of UniSuper and Telstra Super. He is Chairman of Infradebt, an infrastructure debt manager, Chair of Northern Community Case Work Limited and is an independent director on the MLC Super board. He serves on the Finance and Investment Committee of the University of Divinity and is Chair of the Leadership group of Northern Community Church of Christ, his local church.

Ms Zarmeen Pavri BCom, ACA - Appointed 31 January 2019
Non-executive Director. She has over 24 years' experience in the funds management, impact investing and international development sectors and is the Managing Director of Sustainable Contracting Services, an impact and sustainable investing advisory consultancy. She serves on advisory boards of several impact enterprises including Bio Capital Life Sciences Fund and Sunmoyo (Renewable Energy - Africa). Previously, she was on the Audit, Risk and Compliance committee for the Women in Banking and Finance Association. She is an Australian chartered accountant with a Bachelor of Commerce (sub-major Law) degree from Western Sydney University.

Ms Fiona Pearse BEc, MBA, FCPA, FAICD
Non-executive Director. She has extensive commercial, financial and tax expertise gained from a broad career spanning almost two decades at ASX-listed, global companies BHP Billiton and BlueScope Steel. She has served in a number of non-executive positions, including as non-executive director of City West Water, a $2 billion water utility, and as an Advisory Board member to a fintech in Stone & Chalk, developing leading-edge governance, risk and compliance software for the financial services sector. She is currently a non-executive director of Smart Parking Limited, a global parking technology innovator, Scotch College, one of Australia's leading boys' schools and World Vision Australia, the largest charity in Australia. She holds a Senior Executive MBA; she is a Fellow of CPA Australia and is a Fellow of the Australian Institute of Company Directors.

Dr Deborah Ralston PhD, MEc, FAICD, FCPA - Appointed 1 June 2019
Non-executive Director. She has over twenty-five years' experience as a non-executive director in the commercial and public sectors with particular interests in financial services regulation, superannuation, innovation and digital technologies. She is currently, panel member of the Retirement Income Review Board, member of the Advisory Board of YBF Fintech Hub, the Payment Systems Board of Reserve Bank of Australia and non-executive director of SuperEd and former Chair of the SMSF Association. She is also a Professional Fellow at Monash Business School, Monash University and a Fellow of CPA Australia and the Australian Institute of Company Directors.

Mr David Watson B Com FCA GAICD
Non-executive Director. David has been a Chartered Accountant since 1983. David was a Partner at Deloitte for 20 years, specialising in providing assurance, transaction and advisory services to fast growing mid cap ASX companies and large private companies primarily in the manufacturing, retail and services industries. David retired from Deloitte after 33 years in May 2013 (at which time Deloitte was the auditor of the Company) and was appointed a director on 1 February 2016.

Ms Kerrie Williams BSc, MBA, FFin, GAICD - Appointed 1 June 2019
Non-executive Director. She has over 30 years' experience in the financial services and retail sectors focused on business strategy and operational leadership, most recently as Director of Strategy and People for Frontier Advisors. During this time she has been a professional adviser to institutional investors on investments, risk and governance. She is a Fellow of the Financial Services Institute of Australasia and a Graduate of the Australian Institute of Company Directors.

Ms Gayle Wilson MBus Marketing, Grad Dip Marketing, Dip T - Retired 1 July 2018
Non-executive Director. Formerly a director of Merrill Lynch and Citigroup, the CEO of Berndale Securities Ltd, and the first female CEO of a corporate member of the ASX. Within the not-for-profit sector, she was also a former member of the Finance and Investment Committee of the Brotherhood of St Laurence.

Directors' shareholdings
No director holds shares in the Company.

Meetings of Directors

	Meeting of Directors		Audit, Risk & Compliance Committee		Investment Committee		People & Nominations Committee	
	A	B	A	B	A	B	A	B
K Allchin	2	1	2	2	*	*	*	*
J Bell	5	4	4	3	3	1	7	6
M Browning	5	5	*	*	*	*	8	8
D Cousins	5	5	*	*	4	3	8	8
L Mann	5	4	*	*	4	3	*	*
T McCredden	5	5	*	*	4	3	*	*
Z Pavri	3	3	1	1	2	2	*	*
F Pearse	5	4	4	4	*	*	5	4
D Ralston	1	1	*	*	*	*	*	*
D Watson	5	4	4	4	*	*	*	*
K Williams	1	1	*	*	*	*	*	*
G Wilson	*	*	*	*	*	*	*	*

A = Number of meetings held during the time the director held office or was a member of the committee during the year
B = Number of meetings attended
* = Not a member of the relevant committee during the year.

Information on Company Secretary

Ms Leeanne Lukaitis B Bus, ASA

Company Secretary. Ms Lukaitis also fills the role of Director Finance.

Indemnification and insurance of officers and auditors
Under clause 4.11.2 of the Regulations of The Uniting Church in Australia, a member of a Church Council or other body responsible for the management and administration of property shall be indemnified against liability for any matter or thing done or liability incurred in the performance of functions as a member thereof except in the case of fraud, criminal act, gross negligence or wilful misconduct.

As at the date of this report, Uniting Ethical Investors Limited has paid a premium in respect of a contract insuring the Directors and Officers of the company (as named above) and of any other related body corporate against any liability incurred as such a Director or Officer to the extent permitted by the *Corporations Act 2001*. Due to the confidentiality undertakings of the policy, no further details in respect of the premium or the policy can be disclosed.

The Company has not otherwise, during or since the end of the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Rounding of amounts
The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the rounding off of amounts in the directors' reports and financial statements. Amounts have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration

Auditor's Independence Declaration as required by section 307C of the *Corporations Act 2001* is set out on page 7.

This Directors' Report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporation Act 2001*.

D Cousins
Director

M Browning
Director

Melbourne
27 November 2019

Deloitte.

Deloitte Touche Tohmatsu
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27 November 2019

The Board of Directors
Uniting Ethical Investors Limited
130 Little Collins Street
MELBOURNE VIC 3000

Dear Board Members,

Independence Declaration - UCA Cash Management Fund Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Uniting Ethical Investors Limited, the Responsible Entity of UCA Cash Management Fund Limited.

As lead audit partner for the audit of the financial statements of UCA Cash Management Fund Limited for year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M Stretton

Mark Stretton
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Investors of UCA Cash Management Fund Limited

Opinion

We have audited the financial report of UCA Cash Management Fund Limited (the "Entity") which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration**.**

In our opinion, the accompanying financial report of the Entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control

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as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M Stretton

Mark Stretton
Partner
Chartered Accountants

Melbourne, 27 November 2019

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes of UCA Cash Management Fund Limited set out on pages 11 to 29:

(i) comply with Australian Accounting Standards, the *Corporations Act 2001*, and other mandatory professional reporting requirements;

(ii) present fairly the Company's financial position as at 30 June 2019 and its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and

(iii) comply with International Financial Reporting Standards.

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

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001.*

D Cousins
Director

M Browning
Director

Melbourne
27 November 2019

Statement of Profit and Loss and Other Comprehensive Income

	Notes	2019 $'000	For the reporting period 1 January 2018 to 30 June 2018 $'000
Investment income			
Interest income	3(a)	25,323	11,788
Net gain/(loss) on financial assets at fair value through profit or loss	3(b)	2,472	(681)
Total investment income/(loss)		27,795	11,107
Expenses			
Management fee	6(a)	5,283	2,507
Other operating expenses		206	103
Total expenses		5,489	2,610
Net operating profit/(loss) for the year		22,306	8,497
Financing costs attributable to investors			
Interest paid/payable to investors	4	(19,050)	(9,039)
Net profit/(loss) for the year		3,256	(542)
Other comprehensive income for the year			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,256	(542)

The above Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

	Notes	As at 30 June 2019 $'000	30 June 2018 $'000
Assets			
Cash and cash equivalents	9(a)	55,013	73,054
Term deposits		325,000	356,000
Accrued income		5,676	4,755
Financial assets at fair value through profit and loss			
Debt securities		141,929	47,288
Hybrid securities		80,567	76,213
Mortgage backed securities		620	780
Loans receivable			
Secured mortgages		132,769	146,159
Community impact loans		12,382	13,816
Total assets		753,956	718,065
Liabilities			
Amounts payable to investors:			
External investors		488,790	496,750
Related parties	6(b)	238,094	195,324
Accrued management fee expense		484	462
Interest payable to investors		6,625	8,822
Total liabilities		733,993	701,358
Net assets		19,963	16,707
Equity			
Contributed equity		-	-
Accumulated Reserve	5	19,963	16,707
Total equity		19,963	16,707

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Statement of Cash Flows

	Notes	2019 $'000	For the reporting period 1 January 2018 to 30 June 2018 $'000
Cash flows from operating activities			
Proceeds from the sale of financial assets		96,765	47,835
Payments for the purchase of financial assets		(147,304)	(111,012)
Interest income received		24,401	10,577
Management fees paid		(5,262)	(2,524)
Other operating expenses paid		(206)	(103)
Net cash inflow/(outflow) from operating activities	9(b)	(31,606)	(55,227)
Cash flows from financing activities			
Investor applications received		809,269	261,304
Investor redemptions paid		(785,478)	(273,040)
Interest paid to investors		(10,226)	(3,193)
Net cash inflow/(outflow) from financing activities		13,565	(14,929)
Net change in cash and cash equivalents		(18,041)	(70,156)
Cash and cash equivalents at beginning of the year		73,054	143,210
Cash and cash equivalents at end of the year	9(a)	55,013	73,054

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Statement of Changes in Equity

	Share Capital $'000	Accumulated Reserve $'000	Total $'000
Balance at 31 December 2017	**-**	17,249	17,249
Net profit/(loss) for the year	-	(542)	(542)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(542)	(542)
Balance at 30 June 2018	-	16,707	16,707
Net profit/(loss) for the year	-	3,256	3,256
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,256	3,256
Balance at 30 June 2019	-	19,963	19,963

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Note 1: General Information

(a) General information

This general purpose financial report covers the legal entity of UCA Cash Management Fund Limited (the "Company"). The registered office is 130 Little Collins Street, Melbourne, Victoria 3000.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors have the power to amend and reissue the financial report.

The Company does not guarantee an income stream or return on capital.

(b) Investors

Related investors include Uniting Ethical Investors Limited, UCA Growth Fund Limited, U Ethical Australian Equities Trust, U Ethical Enhanced Cash Trust, U Ethical Funeral Fund and the Ministers Home Endowment Fund, which are managed by Uniting Ethical Investors Limited. External investors represent Uniting Church bodies and other not-for-profit organisations. Investor funds are generally available within 24 hours and are therefore classified as financial liabilities.

(c) Company commencement

The Company commenced operating in July 1985 to provide a low cost financial product to tax concession charities and not-for-profit organisations. On 11 October 1996 UCA Cash Management Fund Limited was created as the legal entity to manage the U Ethical Enhanced Cash Portfolio.

Note 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 periods presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with International Financial Reporting Standards (IFRS)
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the Company, comprising the financial statements and notes hereto complies with International Financial Reporting Standards (IFRS).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets held at fair value with changes in fair value recognised through the Statement of Profit or Loss and Other Comprehensive Income.

(b) Investment income

Interest income is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, management of the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

(c) Financial assets

Classification
Certain financial instruments are designated at fair value through profit or loss. These include financial assets that are not held for trading purposes and which may be sold. Financial assets 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 Company's documented investment strategy.

Measurement
Financial assets 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. Transaction costs on financial assets 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.

The fair value of financial assets traded in active markets is based on their quoted market prices at the balance sheet date without any deduction for future selling costs. Financial assets are priced at bid prices. In the absence of quoted values financial assets are valued by other financial institutions using appropriate redemption yields.

(d) Loans receivable

Receivables comprise loans and secured mortgages advanced to congregations and other Church organisations. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are valued at the amount provided less any principal repayments adjusted for the amortised cost using the effective interest rate and impairment losses.

Interest income is accrued at the balance sheet date from the date of last payment, using the effective interest method.

(e) Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial instruments, the Company recognises lifetime ECL (expected credit loss) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call at banks and other short-term highly liquid investments.

(g) Foreign currency translation

Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates its functional currency. This is the Australian dollar, which reflects the currency of the economy in which the Company operates. The Australian dollar is also the Company's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Company does not isolate the portion of gains or losses on securities that are measured at fair value through profit or loss and which are due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(h) Interest paid to investors

The Company pays interest to investors at the rate determined by the Board. Interest is recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income. Interest is payable to investors on 30 June and 31 December.

(i) Income tax

UCA Cash Management Fund Limited is exempt from Income Tax under Section 50-5 of the *Income Tax Assessment Act 1997.*

(j) Goods and services tax (GST)

Where applicable, GST incurred by the Company, that is not recoverable from the Australian Taxation Office, has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST in their value.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as a receivable or payable in the Statement of Financial Position. Cash flows relating to GST are included in the Statement of Cash Flows on a gross basis.

(k) New accounting standards and interpretations

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year. These include:

AASB 9 *Financial Instruments* ("AASB 9")

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The directors have assessed the impact of AASB 9 on the Company's financial statements and determined:

- Fair value remains the most relevant information in asset performance evaluation for debt securities. The classification of debt instruments at fair value through the profit and loss continues and will not result in a reclassification to amortised cost or fair value through other comprehensive income.
- All other financial assets and liabilities continue to be held at fair value through the profit or loss. The derecognition rules have not been changed from the previous requirements, and the Company does not apply hedge accounting. The adoption of AASB 9 does not have a significant impact on the recognition and measurement of the Company's financial instruments.

There are no expected credit losses included in receivables as at 30 June 2019 (30 June 2018: Nil)

AASB 15 *Revenue from Contracts with Customers* ("AASB 15")

The Company has applied AASB 15 for the first time in the current period. AASB 15 requires an entity to recognise revenue in a manner that represents the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled. The requirements under AASB 15 that are applicable to the Company and the impact of its application is disclosed below:

Recognition and measurement of revenue

The directors have reviewed and assessed the Company's recognition and measurement of revenue from 1 July 2018 based on the facts and circumstances that existed from this date and have concluded that the application of AASB 15 has had no material impact on the recognition or measurement of the revenue for the Company as the Company's primary source of revenue is interest income and fair value gains from investments, where all of these are not within the scope of AASB 15.

(l) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The directors have not early adopted or fully assessed the impact of these new or amended standards and interpretations. The new standards and interpretations are set out below:

AASB 16 *Leases* ("AASB 16")

The AASB has issued a new standard for the recognition of leases, and replaces AASB 117 Leases. The new standard applies to reporting periods beginning on or after 1 January 2019.

The new standard introduces a new model requiring lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets.

As the Company does not have any leases, the directors do not expect the adoption of AASB 16 to have a material impact on the financial statements.

(m) Critical accounting judgements and key sources of estimation uncertainty

There have not been any critical accounting judgements or estimations made in the year.

For the majority of the Company's financial instruments, current observable prices are readily available. When current observable prices are not readily available, the fair value of such instruments are determined by using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel independent of the area that created them.

Where models are relied upon, they use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of the Company's financial instruments.

Note 3: Investment Income

(a) Interest income

	2019 $'000	For the reporting period 1 January 2018 to 30 June 2018 $'000
Cash and cash equivalents	1,224	1,319
Term deposits	10,296	4,248
Financial assets at fair value through profit and loss	6,296	2,617
Loans receivable	7,507	3,604
Total	25,323	11,788

(b) Net gain/(loss) on financial assets at fair value through profit or loss

	2019 $'000	For the reporting period 1 January 2018 to 30 June 2018 $'000
Net realised gain/(loss)	143	127
Net unrealised gain/(loss)	2,329	(808)
Net realised and unrealised gain/(loss)	2,472	(681)

Note 4: Interest Paid to Investors

	2019 $'000	For the reporting period 1 January 2018 to 30 June 2018 $'000
Interest paid	12,425	217
Interest payable	6,625	8,822
Total	19,050	9,039

Note 5: Accumulated Reserve Reconciliation

This amount represents interest income and unrealised changes in fair value of financial assets not yet allocated to investors. The amount held meets the objective of holding a portion of the Company's assets, before adjustments, in unallocated assets to investors, which could be used to compensate for any fall in market value of securities or any loss arising from impaired loans. The Company may hold the financial assets giving rise to the unrealised losses arising from fair value to maturity. In this event the unrealised losses will reverse and not crystallise.

Note 6: Related Parties

(a) Management Fee

The management fee is paid to Uniting Ethical Investors Limited and comprises a share of the cost of operating Uniting Ethical Investors Limited and a contribution to The Uniting Church in Australia, Synod of Victoria and Tasmania. The management fee is not to exceed 1% per annum of the net value of the funds under management. Uniting Ethical Investors Limited's operating cost component of the management fee is based on the actual cost of operations. The management fee expense is recorded on an accruals basis.

(b) Investments in UCA Cash Management Fund Limited

Uniting Ethical Investors Limited, UCA Growth Fund Limited, U Ethical Australian Equities Trust, U Ethical Enhanced Cash Trust, U Ethical Funeral Fund and the Ministers Home Endowment Fund invest their cash holdings in UCA Cash Management Fund Limited.

The sole member of UCA Cash Management Fund Limited is Uniting Ethical Investors Limited.

Fund Invested	As at 30 June 2019 $'000	As at 30 June 2018 $'000
Uniting Ethical Investors Limited	1,164	2,078
UCA Growth Fund Limited	91,822	52,297
U Ethical Australian Equities Trust	3,962	2,576
U Ethical Enhanced Cash Trust	130,802	127,690
U Ethical Funeral Fund	4,589	4,679
Ministers Home Endowment Fund	5,755	6,004
Total	238,094	195,324

(c) Interest paid/payable

	2019 $'000	For the reporting period 1 January 2018 to 30 June 2018 $'000
Interest paid/payable to related entities:		
Uniting Ethical Investors Limited	84	15
UCA Growth Fund Limited	1,978	548
U Ethical Australian Equities Trust	96	30
U Ethical Enhanced Cash Trust	3,319	1,656
U Ethical Funeral Fund	120	60
Ministers Home Endowment Fund	155	77
Total	5,752	2,386

(d) Key Management Personnel Compensation

The Company has no employees. All directors are employed by Uniting Ethical Investors Limited in the current reporting year.

(e) Directors

The names of the persons who were the directors of the Company at any time during the year and up to the date of this report were:

K Allchin	Non-executive Director - *Retired 31 December 2018*
J Bell	Non-executive Director
M Browning	Executive Director & Chief Executive Officer
D Cousins	Non-executive Director - Chairperson
	Chairperson - People & Nomination Committee
L Mann	Non-executive Director - Chairperson, Investment Committee
T McCredden	Non-executive Director
Z Pavri	Non-executive Director - *Appointed 31 January 2019*
F Pearse	Non-executive Director
D Ralston	Non-executive Director - *Appointed 1 June 2019*
D Watson	Non-executive Director
	Chairperson - Audit, Risk & Compliance Committee
K Williams	Non-executive Director - *Appointed 1 June 2019*
G Wilson	Non-executive Director - *Retired 1 July 2018*

Directors' remuneration is paid by Uniting Ethical Investors Limited, which in turn provides management services to UCA Cash Management Fund Limited, UCA Growth Fund Limited, U Ethical Australian Equities Trust, U Ethical Enhanced Cash Trust, U Ethical Funeral Fund and Ministers Home Endowment Fund.

The remuneration of the executive director and non-executive directors of Uniting Ethical Investors Limited is set out in the following table:

	2019	For the reporting period 1 January 2018 to 30 June 2018
	$	$
Income paid or payable to executive and non-executive directors of the Company paid by Uniting Ethical Investors Limited		
Short-term employee benefits	436,505	276,805
Other long-term benefits	-	2,049
Total	436,505	278,854

Short term employee benefits include director fees, executive salary, superannuation, accrued annual leave and sick leave entitlements.

Other long-term benefits include accrued long service leave entitlements.

There are no post-employment benefits, termination benefits or share-based payments applicable.

(f) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the year. During the year, no director held an account in the Company (2018: Nil).

Note 7: Financial Risk Management

The Company's principal financial instruments comprise cash and cash equivalents, financial assets at fair value through profit or loss and loan receivables.

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk, and liquidity risk. The Company's risk management strategies seek to minimise potential adverse effects of market movements on the Company's financial performance.

Financial risk management is the responsibility of the Chief Investment Officer. This responsibility is discharged having regard to policies approved by the Board of Directors. Compliance with Board policies is monitored by the Board's Investment Committee and reported to the Board of Directors quarterly.

The objectives of the Company are to provide an income stream to investors and to provide competitive returns.

(a) Market risk

Market risk is the risk that the value of the Company's investments will fluctuate as a result of changes in market values. The Company manages this risk by:

Diversification of investments within specified limits for individual asset classes. Hence the Company invests in a mix of fixed and floating interest rate securities. The strategic asset allocation as outlined in the investment policy is as follows:

	2019 Actual Allocation %	2018 Actual Allocation %
Cash and cash equivalents	7	10
Term deposits	43	50
Debt securities and mortgage backed securities	20	7
Hybrid securities	11	11
Secured mortgages	18	20
Community impact loans	1	2
Total	100%	100%

The universe of securities available for investment is restricted by the ethical investment policy of U Ethical and therefore the Company invests within the ethical guidelines of U Ethical. This may have an impact on market risk.

U Ethical avoids investments in companies whose products, services or practices cause injustice and suffering, infringe human rights or cause unacceptable damage to the natural environment.

The Chief Investment Officer monitors the Company's investments with the aid of a specialised software package as well as other resources which can facilitate the identification of investments that do not meet the investment guidelines. A report is presented to the Board Investment Committee quarterly which monitors compliance of investments with U Ethical's ethical investment guidelines. The Board has also established policies and procedures for voting on significant matters at annual general meetings of companies in which the Company invests. The voting register is available on the U Ethical website.

The Company is not exposed to foreign exchange risk.

(i) Interest rate risk

The Company's interest-bearing assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company's assets are a mixture of fixed and floating rate interest bearing investments. Its liabilities are all at a fixed interest rate. The risk of fluctuations in interest rates is limited to the income payable to investors. The possible mismatch in interest rates (between earning at a floating interest rate and paying a fixed interest rate) is monitored by calculating a weighted average running yield, which is assessed on a monthly basis. To mitigate the possible mismatch, the Company has the ability to change the interest rate paid to investors at any time during the reporting period. The table in note 7 (e) summarises the impact of an increase/decrease in interest rates on the Company's net assets.

Interest rate risk is managed by focusing on the duration of the Company's investments. The policy is to limit interest rate risk by restricting the investments to an average duration of between 0 and 1 year. During the reporting period, in which official interest rates remained unchanged, the duration of the Company's investment has been less than the benchmark duration of 0.75 years. In addition the yield of the Company is measured six monthly. The Board, through its Investment Committee, monitors these measures quarterly.

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The interest rate risk disclosures have been prepared on the basis of the Company's direct investments and not on a look-through basis.

The table below sets out the Company's exposure to interest rate risks:

2019	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial Assets				
Cash and cash equivalents	19,013	36,000	-	55,013
Term deposits	-	325,000	-	325,000
Accrued income	-	-	5,676	5,676
Financial assets at fair value through profit & loss				
Debt securities	135,719	6,210	-	141,929
Hybrid securities	80,567	-	-	80,567
Mortgage backed securities	620	-	-	620
Secured mortgages	12,812	119,956	-	132,768
Community impact loans	9,593	2,790	-	12,383
Total	258,324	489,956	5,676	753,956

2018	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial Assets				
Cash and cash equivalents	63,054	10,000	-	73,054
Term deposits	-	356,000	-	356,000
Accrued income	-	-	4,755	4,755
Financial assets at fair value through profit & loss				
Debt securities	47,288	-	-	47,288
Hybrid securities	76,213	-	-	76,213
Mortgage backed securities	780	-	-	780
Secured mortgages	2,340	143,819	-	146,159
Community impact loans	10,768	3,048	-	13,816
Total	200,443	512,867	4,755	718,065

The weighted average interest earned on investments for the year ended 30 June 2019 was 3.38% (2018: 3.31%).

The table below analyses the Company's financial assets into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

2019			**Maturity analysis**		
	3 months or less $'000	**4 to 12 months $'000**	**1 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**
Financial Assets					
Cash and cash equivalents	55,013	-	-	-	55,013
Term deposits	-	325,000	-	-	325,000
Accrued income	5,676	-	-	-	5,676
Financial assets at fair value through profit & loss					
Debt securities	-	9,989	48,793	83,147	141,929
Hybrid securities	-	-	5,121	75,446	80,567
Mortgage backed securities	-	-	-	620	620
Secured mortgages	22,457	31,830	78,481	-	132,768
Community impact loans	-	1,286	4,568	6,529	12,383
Total	83,146	368,105	136,963	165,742	753,956

2018			**Maturity analysis**		
	3 months or less $'000	**4 to 12 months $'000**	**1 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**
Financial Assets					
Cash and cash equivalents	73,054	-	-	-	73,054
Term deposits	-	356,000	-	-	356,000
Accrued income	4,755	-	-	-	4,755
Financial assets at fair value through profit & loss					
Debt securities	-	-	9,983	37,305	47,288
Hybrid securities	-	-	-	76,213	76,213
Mortgage backed securities	-	-	-	780	780
Secured mortgages	9,161	26,413	110,585	-	146,159
Community impact loans	-	-	3,338	10,478	13,816
Total	86,970	382,413	123,906	124,776	718,065

The table in section note 7(e) summarises the impact of increases/decreases in official interest rates on the Company's net assets at 30 June 2019. The analysis is based on the assumption that official interest rates increased/decreased by 75 basis points (2018: 75 basis points) with all other variables held constant and that the Company's cash and fixed interest securities and loans moved according to the historical correlation with official interest rates.

(ii) Price risk

The Company is not materially exposed to other price risk.

(b) Credit Risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part. Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved, and
- ensuring that transactions are undertaken with a number of counterparties.

The maximum credit risk on financial assets of the Company is the carrying value of these assets on the Statement of Financial Position.

(i) Cash and cash equivalents, and financial assets at fair value through profit or loss

The Company invests in cash and cash equivalents and financial assets at fair value through profit or loss, which have an investment grade as rated by a well-known rating agency. For unrated assets a credit analysis is conducted for each investment and approved by the Director Investments.

Investment by rating category:

Rating	**2019**	**2018**
	%	**%**
AA-	45	49
A+	12	15
A	2	2
A-	3	4
BBB+	38	30
Total	100%	100%

The ratings of each of the financial assets are measured against updates issued by Standard & Poor's and Moody's credit rating agencies.

(ii) Secured mortgages

These loans are secured by a registered first mortgage over commercial property. The Company does not lend against owner-occupied residential property. Loans are limited to 66% of the value of the property as ascertained by a valuation issued by a licensed property valuer or by reference to the land value detailed on the most recent municipal rates notice. Loans are provided for fixed terms not exceeding five years. Borrowers are required to demonstrate their ability to service the loan. This is assessed by analysis of the interest cover, normally provided by the rental income from the secured property. Where appropriate, borrowers provide personal guarantees and rental redirections in favour of the Company.

The Board, through its Investment Committee, also analyses the loan portfolio by sector (commercial, retail or industrial) and by geographic location to ensure adequate diversity of security properties. This is monitored regularly by the Director Investments and reported to the Board annually. The Company is not permitted to make loans to one entity (or related entities) which exceed 5% of the value of the investment portfolio without the approval of the Investment Committee.

During the reporting period and the prior period the Company has not experienced any losses due to impairment. The risk of losses is mitigated by the conservative lending practices outlined above.

As at 30 June 2019 there were no loans that were past due and payable or impaired (30 June 2018: Nil).

For the reasons outlined above the directors believe that the Company's exposure to credit risk in relation to the secured mortgages is very limited.

(iii) Community impact loans to church bodies

Loans are normally provided for terms of up to fifteen years on a principal and interest basis, with a variable (floating) or fixed interest rate. Borrowers are required to demonstrate their ability to service the loan. This is assessed by analysis of the interest cover, normally provided by operating cash flow and, in some cases, assisted by government grants.

Interest payments are monitored regularly; arrears are measured monthly and reported to the Investment Committee quarterly.

During the year and the prior period, the Company has not experienced any losses due to impairment. The risk of losses is mitigated by the conservative lending practices outlined above.

As at 30 June 2019 there were no loans that were past due and payable or impaired (30 June 2018: Nil).

For the reasons outlined above the directors believe that the Company's exposure to credit risk in relation to the loans to church bodies is limited.

(c) Liquidity and cash flow risk

Liquidity risk is the risk that the Company will experience difficulty in either realising assets or raising sufficient funds to satisfy commitments to investors. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through:

- Ensuring that there is no significant exposure to illiquid or thinly traded financial instruments, and
- Applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

Liquidity risk is measured and monitored regularly by analysis of securities and loans and the Company's asset allocation. Liquidity risk is reported quarterly to the Board through its Investment Committee.

(d) Fair value measurement

The carrying amounts of the Company's financial assets and financial liabilities at the balance sheet date approximated their fair values as all financial assets and liabilities not fair valued are short-term in nature.

	Amount at 30 June 2019 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets at fair value through profit and loss				
Debt securities	141,929	-	141,929	-
Hybrid securities	80,567	52,277	28,290	-
Mortgage backed securities	620	-	620	-
Total	223,116	52,277	170,839	-

	Amount at 30 June 2018 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets at fair value through profit and loss				
Debt securities	47,288	-	47,288	-
Hybrid securities	76,213	47,923	28,290	-
Mortgage backed securities	780	-	780	-
Total	124,281	47,923	76,358	-

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date, without any deduction for transaction costs.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Financial instruments that trade in markets that are not considered active but values are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified with Level 2. These include the floating rate notes and mortgage backed securities that trade in markets that are not considered active but the underlying asset values are based on quoted market prices.

Level 3 fair value measurements are those derived from valuation techniques that included inputs for the assets or liability that are not based on observable market data (unobservable inputs).

(e) Sensitivity analysis

The following table summarises the impact of increases/decreases in interest rates on the Company's assets attributable to investors at 30 June 2019 and 30 June 2018:

2019	Impact on operating profit/loss and net assets attributable to investors		
	Carrying Amount	Interest Rate Risk	
		-75bps	+75 bps
	$'000	$'000	$'000
Cash and cash equivalents	55,013	(143)	143
Term deposits	325,000	-	-
Accrued income	5,676	-	-
Financial assets at fair value through profit or loss			
Debt securities	141,929	(1,064)	1,064
Hybrid securities	80,567	(604)	604
Mortgage backed securities	620	(5)	5
Secured mortgages	132,768	(996)	996
Community impact loans	12,383	(93)	93
Total increase/(decrease)	753,956	(2,905)	2,905

2018	Impact on operating profit/loss and net assets attributable to investors		
	Carrying Amount	Interest Rate Risk	
		-75bps	+75 bps
	$'000	$'000	$'000
Cash and cash equivalents	73,054	(473)	473
Term deposits	356,000	-	-
Accrued income	4,755	-	-
Financial assets at fair value through profit or loss			
Debt securities	47,288	(355)	355
Hybrid securities	76,213	(572)	572
Mortgage backed securities	780	(6)	6
Secured mortgages	146,159	(1,096)	1,096
Community impact loans	13,816	(104)	104
Total increase/(decrease)	718,065	(2,606)	2,606

Note 8: Auditor's Remuneration

	2019 $	For the reporting period 1 January 2018 to 30 June 2018 $
Audit Services		
Audit of financial report	20,000	20,000
	20,000	20,000

The auditor of the Company is Deloitte Touche Tohmatsu. The audit fees were paid by Uniting Ethical Investors Limited, on behalf of the Company.

Note 9: Note to Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes deposits held at call with a financial institution and amounts which are readily convertible to cash. Cash at the end of the year comprises the following cash and cash equivalents:

	As at	
	30 June 2019 $'000	30 June 2018 $'000
Cash at bank	3,949	9,904
Short term deposit at call	15,064	53,150
Fixed term deposits	36,000	10,000
Total cash & cash equivalents	55,013	73,054

(b) Reconciliation of net profit/(loss) for the period to net cash inflow/(outflow) from operating activities

	2019 $'000	For the reporting period 1 January 2018 to 30 June 2018 $'000
Net profit/(loss) for the year	3,256	(542)
Interest paid/payable to investors	19,050	9,039
Decrease/(increase) in accrued income	(921)	(1,210)
(Decrease)/increase in expenses payable	22	(17)
Decrease/(increase) in term deposits	31,000	(53,000)
Decrease/(increase) in financial assets at fair value through profit or loss	(98,837)	(7,992)
Decrease/(increase) in loans receivable	14,824	(1,505)
Net cash inflow/(outflow) from operating activities	(31,606)	(55,227)

(c) Non-cash financing activities

During the year interest payments to investors totalling $11,021,000 (2018: $5,822,000) were satisfied through the reinvestment plan.

Note 10: Events occurring after balance sheet date

There were no matters or significant events that have occurred since balance sheet date which would impact on the financial position of the Company disclosed in the Statement of Financial Position at 30 June 2019, or the results and cash flows of the Company for the year ended on that date.

Note 11: Contingent assets and liabilities and commitments

There were no outstanding contingent assets and liabilities or commitments as at 30 June 2019 or at 30 June 2018.