CCI Asset Management Limited Annual Financial Report for Year Ended 30 June 2020

Corporate Information

CCI Asset Management Limited
ABN 65 006 685 856

Registered Office and
Principal Place of Business
Level 8, 485 La Trobe Street
Melbourne Vic 3000

Directors
Joan Fitzpatrick (Chairman)
Richard Haddock
Fr Philip Marshall
Matthew Doquile

Chief Executive Officer
Roberto Scenna

Company Secretary
Dominic P Chila

Solicitors
Gadens Lawyers
Level 25 Bourke Place
600 Bourke Street
Melbourne Vic 3000

Bankers
National Australia Bank Limited
Melbourne Office Business Banking Centre
Level 2, 330 Collins Street
Melbourne Vic 3004

Auditors
Ernst & Young
8 Exhibition Street
Melbourne Vic 3000
Australia

Directors' Report

The Directors of CCI Asset Management Limited (the company) have pleasure in presenting their report on the financial statements of the company for the financial year ended 30 June 2020.

DIVIDENDS

Directors resolved that no dividend be paid in respect of the year ended 30 June 2020 (2019: $ Nil).

CORPORATE INFORMATION

CCI Asset Management Limited is a company limited by shares that is incorporated and domiciled in Australia. Its ultimate parent entity is Catholic Church Insurance Limited.

Principal activities

The principal activity of the company during the year was to act as trustee and manager of the CCI Asset Management Trusts and Individually Mandated Accounts, which are available for investment by organisations of the Catholic Church in Australia.

Employees

Catholic Church Insurance Limited (the parent entity) provides the employees to administer the company. The associated labour costs are expensed to CCI Asset Management Limited on commercial terms and conditions.

REVIEW AND RESULTS OF OPERATIONS

The World Health Organisation (“WHO”) declared COVID-19 as a pandemic on 11 March 2020. At the date of this report, there has not been significant impact on the management service of the Company. The pandemic would not change the financial position at 30 June 2020. The impact going forward is unclear in terms of business disruption and the economic environment. The Company has a program of measures in place to manage and respond to the risk as the situation evolves.

	2020	2019
	$	$
Profit/(Loss) for the year	387,364	302,975

The company received $2,619,652 (2019: $2,283,150) in income during the period whilst incurring $2,232,288 (2019: $1,980,175) in expenses from ordinary activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As part of the Company’s value proposition, we offer a profit sharing program where a proportion of surpluses generated by the Company is intended to be returned to clients as distributions. This is our third year of the program and we are pleased to advise that the Board has approved an amount of $387,300 (2019: $78,000) to be distributed back to our clients.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the company are not subject to any particular or significant environmental regulation under the law of the Commonwealth or of a State or Territory. There have been no significant breaches of any other environmental requirements applicable to the company.

DIRECTORS' SHAREHOLDINGS

No Directors hold any shares in the company.

INDEMNIFICATION OF DIRECTORS

During the financial year, the company paid a premium in respect of a contract insuring the Directors of the company, the Company Secretary, and all executive officers of the company and of any related body corporate against a liability incurred as a Director, Company Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as an officer or auditor.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). However, this indemnity does not apply to any losses which are finally determined to have resulted from Ernst & Young negligence.

No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts).

AUDITOR'S INDEPENDENCE DECLARATION

The Directors have received a declaration from the auditors of CCI Asset Management Limited as attached after the Directors' report.

Signed in accordance with a resolution of the Directors.

J Fitzpatrick
Director

Melbourne, 8 September 2020

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
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Auditor's Independence Declaration to the Directors of CCI Asset Management Limited

In relation to our audit of the financial report of Catholic Church Insurance Asset Management Limited for the financial year ended 30 June 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

T M Dring
Partner
Melbourne
8 September 2020

CCI Asset Management Limited
Statement of Comprehensive Income
For the financial year ended 30 June 2020

	Note	2020 $	2019 $
Revenue and other income	6(a)	2,619,652	2,283,150
Expenses	6(b)	(2,232,288)	(1,980,175)
Profit from continuing operations		**387,364**	**302,975**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CCI Asset Management Limited
Statement of Financial Position
As at 30 June 2020

	Note	2020	2019
		$	$
Assets			
Cash and cash equivalents	7	1,085,464	453,315
Receivables	8	782,611	741,592
TOTAL ASSETS		1,868,075	1,194,907
Liabilities			
Trade and other payables	9	580,644	294,840
TOTAL LIABILITIES		580,644	294,840
NET ASSETS		1,287,431	900,067
Shareholders' Equity			
Contributed equity	10	1,004,099	1,004,099
Retained (Losses)/ Profit	11	283,332	(104,032)
TOTAL SHAREHOLDERS' EQUITY		1,287,431	900,067

The above Statement of Financial Position should be read in conjunction with the accompanying notes, and specifically note 10 and 11, with regards to the Shareholders' Equity position.

CCI Asset Management Limited
Statement of Changes in Equity
For the financial year ended 30 June 2020

	Contributed Equity $	Retained Earnings $	Total $
At 1 July 2018	1,004,099	(407,007)	597,092
Net profit for the period	-	302,975	302,975
Total at 30 June 2019	1,004,099	(104,032)	900,067
At 1 July 2019	1,004,099	(104,032)	900,067
Net profit for the period	-	387,364	387,364
Total at 30 June 2020	1,004,099	283,332	1,287,431

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

CCI Asset Management Limited
Statement of Cash Flows
For the financial year ended 30 June 2020

	Note	2020	2019
		$	$
Operating activities			
Management fees received		2,429,889	1,674,219
Bank interest received		12,266	9,558
Other Income		10,284	-
Professional fees paid		(490,231)	(488,346)
Other operating expenses paid		(1,330,058)	(976,374)
Net cash flow from operating activities	12(b)	**632,148**	**219,057**
Net increase in cash and cash equivalents		632,148	219,057
Cash and cash equivalents at the beginning of the financial year		453,315	234,258
Cash and cash equivalents at the end of the financial year	12(a)	**1,085,464**	**453,315**

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

Notes to the Financial Statements

for the financial year ended 30 June 2020

1. Corporate Information

CCI Asset Management Limited is a company limited by shares that is incorporated and domiciled in Australia. The entity is also registered as a charity in accordance with the Australian Charities and Not-for-profits Commission Act 2012.

The nature of the operations and principal activities of the company are described in the director's report.

2. Summary of significant accounting policies

a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and section 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*. The financial report has been prepared on an accruals basis and is based on historical costs.

The financial statements have been prepared on a going concern basis.

The financial report is presented in Australian dollars.

b) Statement of compliance

The financial report complies with Australian Accounting Standards and the Australian equivalent of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard board.

The accounting policies have been consistently applied, unless otherwise stated.

c) Australia Accounting Standard new and amended effective during the year

Australian Accounting Standards which have been issued or amended during the annual reporting period ending 30 June 2020 and have been applied in preparing the company's financial statements, where applicable. The nature of the impact of the application of these standards is disclosed.

Reference	Title	Summary	Application date of standard	Impact on CCIAM financial report	Application date for CCIAM
AASB 15, and relevant amending standards	Revenue from Contracts with Customers	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards(AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 Leases (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2019	The method of revenue recognition used prior to the implementation of AASB 15 was in line with the requirements of the new standard hence there was no material impact on the accounting treatment.'	1 July 2019
AASB 16	Leases	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	1 January 2019	Not Applicable as no leases held by the Company	1 July 2019

d) Australian Accounting Standards issued but not yet effective

Australian Accounting Standards which have recently been issued or amended but are not yet effective for the annual reporting period ending 30 June 2020 have not been applied in preparing the company's financial statements. The nature of the impact of the application of these standards is disclosed only. The company will apply these standards for the annual reporting periods beginning on or after the operative dates as set out on the following page.

Reference	Title	Summary	Application date of standard	Impact on CCIAM financial report	Application date for CCI
Conceptual Framework and AASB 2019-1	Conceptual Framework for Financial reporting	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: ► Chapter 1 – The objective of financial reporting ► Chapter 2 – Qualitative characteristics of useful financial information ► Chapter 3 – Financial statements and the reporting entity ► Chapter 4 – The elements of financial statements ► Chapter 5 – Recognition and derecognition ► Chapter 6 – Measurement ► Chapter 7 – Presentation and disclosure ► Chapter 8 – Concepts of capital and capital maintenance AASB 2019-1 has also been issued, which sets out the amendments to other pronouncements for references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the Framework for the Preparation and Presentation of Financial Statements (July 2004), and not the definitions in the revised Conceptual Framework. AASB 2019-1 expands the scope of AASB 2019, which currently only applies to for-profit entities, to include other entities.	01 January 2020	No expected impact	01 July 2020
AASB 2018-7	Definition of Material	This Standard amends AASB 101 Presentation of Financial Statements and AAS 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	01 January 2020	Wherever applicable the financial statements are prepared as per the definition of Material hence no expected impact on implementation	01 July 2020

AASB 2019-3	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	The Standard amends AASB 7, AASB 9 and AASB 139 to modify some specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by the interest rate benchmark reform. In addition, the amendments require entities to provide additional information about their hedging relationships that are directly affected by these uncertainties	01 January 2020	Not Applicable	01 July 2020
AASB 2019-5	Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	This Standard makes amendments to AASB 1054 by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors on the potential effect of an IFRS Standard that has not yet been issued by the AASB. This will ensure that for-profit publicly accountable entities complying with Australian Accounting Standards can assert compliance with IFRS Standards.	01 January 2020	No expected impact	01 July 2020

e) Income tax

The company is exempt from the requirements of the Income Tax Assessment Act.

f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand with banks or financial institutions that are readily convertible to known amounts of cash.

g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Management fees
Fees for managing the funds' investments and Individually Managed Accounts on behalf of clients are recognised as they accrue.

Interest income
Interest income is recognised as it accrues.

Covid Cash Boost
As part of the Government scheme to provide cashflow assistance to not for profit organisations, cash boost received is reported as other income.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

i) Financial instruments

i) Trade and other receivables

Trade debtors are recognised and measured at amortised cost using the effective interest rate (EIR) method, less impairment. An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

ii) Trade and other Payables

Payables are carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. It also includes a provision for profit distributions back to clients.

j) Catholic entity distribution

A provision is made at balance date for the payment of a catholic entity distribution to investors in the CCIAM trusts and IMA's where certain criteria have been met. The amount allocated each year is approved by the Board of Directors.

3 Critical accounting estimates and judgements

There have been no critical accounting estimates or judgements made in preparing the financial statements.

4 Risk management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the company's objectives and activities are aligned with the risks and opportunities identified by the Board.

Some of the potential risks to the company are:

- Operational risk
- Interest rate risk
- Credit risk and
- Market risk.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified. These include the following:

- The maintenance and use of management information systems, which provide up to date, reliable data on the risks to which the business is exposed at any point in time
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets
- Monitoring and overseeing the company's financial position
- Ensuring that compliance and risk management systems are in place
- Determining that satisfactory arrangements are in place for auditing the company
- Complying with statutory duties and obligations
- Ensuring that the company and its officers act legally, ethically and responsibly in all matters

a) Operational risk

Operational risk is the risk of loss arising from inadequate systems and controls, human error or management failure.

The Company's exposure to operational risk is mitigated by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, positions and documentation, maintaining key backup procedures, and undertaking regular contingency planning.

The impact of COVID-19 going forward is unclear in terms of the business disruption and the economic environment. The Company's revenue is dependent on the investments managed for the clients and the high volatility in the financial market may have an impact on the revenue.

Financial risks (credit and interest risks) are considered in note 5.

5 Financial risk

The operating activities of the company expose it to market, credit and liquidity risks.

a) Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk
The following table details the company's exposure to interest rate risk at 30 June:

2020	Average Interest Rate	Less than 1 Year	1 – 5 Years	More than 5 Years	Non – Interest Bearing	Total
		$	$	$	$	$
Financial Assets						
Cash and cash equivalents	0.00%	175,086	-	-	100	175,186
Term Deposits	1.65%	910,278	-	-	-	910,278
Receivables		-	-	-	782,611	782,611
		1,085,364	-	-	782,711	1,868,075
Financial Liabilities	0%					
Payables – Intercompany transactions		-	-	-	153,344	153,344
Payables – Distributions		-	-	-	387,300	387,300
Other Payables		-	-	-	40,000	40,000
		-	-	-	580,644	580,644

2019	Average Interest Rate	Less than 1 Year	1 – 5 Years	More than 5 Years	Non – Interest Bearing	Total
		$	$	$	$	$
Financial Assets						
Cash and cash equivalents	1.09%	49,084	-	-	100	49,184
Term Deposits	2.43%	404,131	-	-	-	404,131
Receivables		-	-	-	741,592	741,592
		453,215	-	-	741,692	1,194,907
Financial Liabilities	0%					
Payables – Intercompany transactions		-	-	-	216,840	216,840
Payables – Distributions		-	-	-	78,000	78,000
		-	-	-	294,840	294,840

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation.

(i) Credit exposure

The financial assets and liabilities are stated in the balance sheet at the amount that best represents the maximum credit risk exposure at balance date.

The following tables provide information regarding the aggregate credit risk exposure of the company at the balance date in respect of the major classes of financial assets. There is no significant concentration of credit risk, as the company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company. The analysis classifies the assets according to Standard & Poor's counterparty credit ratings. AAA is the highest possible rating. Rated assets falling outside the range of AAA to BBB are classified as speculative grade.

2020	AAA $	AA $	A $	BBB $	Not Rated $	Total $
Cash and cash equivalents	-	175,086	-	-	100	175,186
Term Deposits	-	-	-	910,278	-	910,278
Receivables	-	-	-	-	782,611	782,611

2019	AAA $	AA $	A $	BBB $	Not Rated $	Total $
Cash and cash equivalents	-	49,084	-	-	100	49,184
Term Deposits	-	-	-	404,131	-	404,131
Receivables	-	-	-	-	741,592	741,592

The above tables should be read in conjunction with notes 7 and 8.

The carrying amounts of all the company's financial assets and financial liabilities at the balance sheet date approximate their fair values.

c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting its obligations with financial liabilities.

The high volatility in the financial market during the Covid-19 pandemic had no impact on the liquidity and the operating requirements of the Company.

The following tables summarises the maturity profile of financial liabilities of the company based on the remaining undiscounted contractual obligations.

2020	On demand $	Less than 3 months $	3 Months to 1 year $	1 to 5 years $	Greater than 5 years $	Total $
Intercompany account	153,344	-	-	-	-	153,344
Distributions Payable	387,300	-	-	-	-	387,300
Others	40,000	-	-	-	-	40,000

2019	On demand $	Less than 3 months $	3 Months to 1 year $	1 to 5 years $	Greater than 5 years $	Total $
Intercompany account	216,840	-	-	-	-	216,840
Distributions Payable	78,000	-	-	-	-	78,000
Others	-	-	-	-	-	-

The above tables should be read in conjunction with note 9.

			2020	2019
			$	$
Note -	**6**	**Operating profit/(loss)**		
		Operating profit has been determined after:		
	(a)	Revenue and other income:		
		Management fee	2,597,102	2,273,592
		Interest income	12,266	9,558
		Other Income	10,284	-
			2,619,652	2,283,150
	(b)	Expenses:		
		External fund manager fees	126,195	447,599
		Professional fees	490,231	488,346
		Catholic entity distributions	387,300	78,000
		Other general and administration expenses	1,228,562	966,230
		Expenses from ordinary activities	2,232,288	1,980,175

Note -	**7**	**Cash and cash equivalents**		
		Cash on hand	100	100
		Term Deposits	910,278	404,131
		Cash at bank	175,086	49,084
			1,085,464	453,315

The company does not have a bank overdraft facility.

Note -	**8**	**Receivables**		
		Accrued management fees	782,611	741,592
			782,611	741,592

Accrued management fees are non-interest bearing
and are recognised as they accrue. They are settled on a 30-day term.

Note -	**9**	**Trade and other payables**		
		Intercompany account with parent entity	153,344	216,840
		Catholic entity distributions	387,300	78,000
		Other payables	40,000	-
			580,644	294,840

The balance of the intercompany account with the parent entity includes administrative costs incurred by the parent entity on behalf of the company and represents the amount owing at balance date. This is a non-interest bearing liability and is normally settled on monthly terms.
Other payables $ 40,000 is the amount due to ATO, due to the company receiving the incorrect Covid Cash Flow Boost. It is expected this will be repaid in August 2020.

			2020	2019
			$	$
Note -	**10**	**Contributed equity**		
		1,000,100 Ordinary shares of $1 each	1,000,100	1,000,100
		399,900 Ordinary shares paid	3,999	3,999
			1,004,099	1,004,099

The total amount outstanding on paid shares at the end of the year is $395,901 (2019: $395,901)

Terms and conditions of contributed equity

Ordinary shares carry one vote per share and carry the right to dividends. In the event of winding up the company, the shareholder has the right to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

The company is 100% owned by Catholic Church Insurance Limited.

			2020	2019
Note -	**11**	**Retained Profit/(Losses)**		
		Retained losses at the beginning of the financial year	(104,032)	(407,007)
		Net profit attributable to members of the company	387,364	302,975
		Retained Profit/(Losses) at the end of the financial year	283,332	(104,032)

			2020	2019
Note -	**12**	**Statement of cash flows reconciliation**		
		(a) Reconciliation of cash flows		
		Cash balance comprises:		
		- cash on hand	100	100
		- term deposits	910,278	404,131
		- cash at bank	175,086	49,084
			1,085,464	453,315
		(b) Reconciliation of the operating profit to the net cash flows (used in)/from operations		
		Profit/(loss) from continuing operations	387,364	302,975
		Increase in interest on intercompany loan	-	-
		Adjustment for:		
		Debt forgiven from parent entity	-	-
		Changes in assets and liabilities:		
		(Increase) in receivables	(41,019)	(151,774)
		(Decrease)/Increase in payables	285,802	67,856
		Cash used in operating activities	632,148	219,057

Note - 13 Related parties transactions

Directors

The names of persons who were Directors of CCI Asset Management Limited at any time during the financial year are as follows:

Joan Fitzpatrick (Chairman)
Richard Haddock
Matthew Doquile
Fr Philip Marshall

Wholly owned group transactions

Expenses paid for by Catholic Church Insurance Ltd and reimbursed by CCI Asset Management Ltd total $1,718,793 (2019:$1,454,473). Of this $153,344 remains outstanding (2019: $216,840) at year end.

Profit sharing payable to Catholic Church Insurance Ltd $ Nil (2019 $ 7,538)

	2020	2019
	$	$

Note - 14 Director and executive disclosures

Compensation of key management personnel

(a) Executives

Catholic Church Insurance Limited (the parent entity) provides the employees to administer the company.
The associated labour costs and directors' fees are expensed to the company on commercial terms and conditions.

(b) Directors

	2020 $	2019 $
Short-term	51,011	45,487
Post employment	4,846	4,321

The short term category includes salaries and fees. The post employment category includes superannuation.

Note - 15 Auditors' remuneration

Amounts received or due and receivable by Ernst & Young Australia for:

	2020 $	2019 $
- an audit of the financial report of the entity	10,300	12,203
- other services	91,502	74,665
	101,802	86,868

Note: Other services include fee for Audit services and distribution review provided to Trusts managed by CCI Asset Management Limited and GS007 control for CCI Asset Management Limited

Note - 16 Additional financial instruments disclosure

a) Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2 of the financial statements.

b) As at balance date the company had no capital commitments or contingent liabilities (2019: $0)

Note - 17 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 company disclosed in the statement of financial position as at 30 June 2020 or on the results and cash flows of the company for the reporting period ended on that date.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of CCI Asset Management Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

   (ii) complying with Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and the *Australian Charities and Not-for-profits Regulation 2013*;

(b) the financial statements and notes also comply with the Australian equivalents of International Financial Reporting Standards as disclosed in note 2(b); and

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

On behalf of the Board

J Fitzpatrick
Director

Melbourne, 8 September 2020

Building a better working world

Ernst & Young
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Independent Auditor's Report to the members of CCI Asset Management Limited

Opinion

We have audited the financial report of CCI Asset Management Limited ("the Company"), which comprises:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended;
- 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 Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

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 Company in accordance with the ethical requirements of the Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly 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 of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- 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 Company'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 Company 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

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T M Dring
Partner
Melbourne
8 September 2020