CCI Asset Management Catholic Values Unit Trust

ABN 67 716 279 065

Annual financial statements for the reporting period ended 30 June 2017

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Contents

These financial statements cover CCI Asset Management Catholic Values Unit Trust as an individual entity.

The Responsible Entity of CCI Asset Management Catholic Values Unit Trust is CCI Asset Management Limited (ABN 65 006 685 856). The Responsible Entity's registered office is Level 8, 485 La Trobe Street, Melbourne, VIC 3000.

Directors' report

The directors of CCI Asset Management Limited, the Responsible Entity of CCI Asset Management Catholic Values Unit Trust, present their report together with the financial statements of CCI Asset Management Catholic Values Unit Trust ("the Scheme") for the year ended 30 June 2017 ("the reporting period").

Responsible Entity

The Responsible Entity of CCI Asset Management Catholic Values Unit Trust is CCI Asset Management Limited (ABN 65 006 685 856). The Responsible Entity's registered office is Level 8, 485 La Trobe Street, Melbourne, VIC 3000.

Principal activities

The overall investment strategy of the Scheme is balanced between Australian and international shares, Australian Fixed Interest Property and Cash to provide both capital growth and income returns.

The Scheme did not have any employees during the reporting period.

There were no significant changes in the nature of the Scheme's activities during the reporting period.

Directors

The following persons held office as directors of CCI Asset Management Limited during the reporting period or since the end of the reporting period and up to the date of this report:

R Haddock
J Dawson
J Tongs
J Fitzpatrick
R Scenna (Alternate Director for R Haddock)

Review and results of operations

The Scheme continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The performance of the Scheme, as represented by the results of its operations, was as follows:

	For the reporting period ended	
	30 June 2017 $'000	30 June 2016 $'000
Profit/(loss) before finance costs attributable to unitholders ($'000)	10,961	(896)
Distribution paid and payable ($'000)	8,273	3,572
Distribution (cents per unit - CPU)	8.02	3.72

Directors' report (continued)

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Scheme that occurred during the reporting period.

Events occurring after the reporting period

Except as disclosed in note 14 in the financial statements, no other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

(i) the operations of the Scheme in future reporting periods, or
(ii) the results of those operations in future reporting periods, or
(iii) the state of affairs of the Scheme in future reporting periods.

Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of CCI Asset Management Limited or the auditors of the Scheme. So long as the officers of CCI Asset Management Limited act in accordance with the Scheme's Constitution and the Law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the reporting period are disclosed in note 12 of the financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the reporting period.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the reporting period are disclosed in note 12 of the financial statements.

Interests in the Scheme

The movement in units on issue in the Scheme during the reporting period are disclosed in note 6 of the financial statements.

The value of the Scheme assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 (formerly Class Order 98/0100 (as amended)) issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated.

This report is made in accordance with a resolution of the directors.

R Haddock

Director

5 September 2017

Statement of comprehensive income

	Notes	For the reporting period ended 30 June 2017 $'000	30 June 2016 $'000
Investment income			
Interest income		**1,466**	1,354
Dividend income		**1,958**	1,570
Trust distribution income	3	**4,849**	2,064
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	**2,573**	(5,805)
Other income		**776**	585
Total investment income		**11,622**	(232)
Expenses			
Management fees	12	**529**	476
Transaction costs		**132**	188
Total expenses		**661**	664
Profit/(loss) before finance costs attributable to unitholders		**10,961**	(896)
Finance costs attributable to unitholders			
Distributions to unitholders	7	**8,273**	3,572
Increase/(decrease) in net assets attributable to unitholders	6	**2,688**	(4,468)
Profit/(loss) for the reporting period attributable to unitholders		**-**	-
Other comprehensive income for the reporting period attributable to unitholders		**-**	-
Total comprehensive income for the reporting period attributable to unitholders		**-**	-

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

Statement of financial position

	Notes	As at 30 June 2017 $'000	30 June 2016 $'000
Assets			
Cash and cash equivalents		**27,255**	18,413
Receivables	9	**5,710**	2,726
Financial assets held at fair value through profit or loss	8	**97,013**	90,508
Total assets		**129,978**	111,647
Liabilities			
Distributions payable	7	**6,461**	2,265
Payables	10	**3,774**	1,095
Total liabilities (excluding net assets attributable to unitholders)		**10,235**	3,360
Net assets attributable to unitholders - liability	6	**119,743**	108,287

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

Statement of changes in equity

	For the reporting period ended	
	30 June 2017 $'000	30 June 2016 $'000
Total equity at the beginning of the reporting period	-	-
Profit/(loss) for the reporting period attributable to unitholders	-	-
Other comprehensive income for the reporting period attributable to unitholders	-	-
Total comprehensive income for the reporting period attributable to unitholders	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the reporting period	-	-

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

Changes in net assets attributable to unitholders are disclosed in note 6.

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

Statement of cash flows

	Notes	For the reporting period ended 30 June 2017 $'000	30 June 2016 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**30,487**	25,283
Purchase of financial instruments held at fair value through profit or loss		**(31,502)**	(38,105)
Dividends received		**1,917**	1,543
Interest received		**1,432**	1,379
Trust distributions received		**1,859**	3,121
Other income received		**789**	598
Transaction costs paid		**(145)**	(198)
Payment of other expenses		**(686)**	(247)
Net cash inflow/(outflow) from operating activities	13(a)	**4,151**	(6,626)
Cash flows from financing activities			
Proceeds from applications by unitholders		**6,395**	6,845
Payments for redemptions by unitholders		**(115)**	(1,952)
Distributions paid		**(1,589)**	(3,508)
Net cash inflow from financing activities		**4,691**	1,385
Net increase/(decrease) in cash and cash equivalents		**8,842**	(5,241)
Cash and cash equivalents at the beginning of the reporting period		**18,413**	23,654
Cash and cash equivalents at the end of the reporting period	13(b)	**27,255**	18,413

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

Contents

1 General information

These financial statements cover CCI Asset Management Catholic Values Unit Trust ("the Scheme") as an individual entity. The Scheme was constituted on 1 February 2002. The Scheme invests in equities, unlisted unit trusts and money market securities in accordance with the provisions of the Scheme's Constitution.

The Responsible Entity of the Scheme is CCI Asset Management Limited ("the Responsible Entity"). The Responsible Entity's registered office is Level 8, 485 La Trobe Street, Melbourne, VIC 3000.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are presented in the Australian currency.

The financial statements are for the period from 1 July 2016 to 30 June 2017 ("the reporting period").

The directors of the Responsible Entity have the power to amend and reissue the financial statements. The financial statements were authorised for issue by the directors on 5 September 2017.

The entity is also registered as a charity in accordance with the Australian Charities and Not-for-profits Commission Act 2012.

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Scheme's Constitution in Australia.

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

The Scheme is a not-for-profit entity for the purposes of preparing the financial statements.

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

Compliance with Australian Accounting Standards and International Financial Reporting Standards

The financial statements of the Scheme comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

New/Amended standards adopted by the Scheme

AASB 2015-1 *Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* amends to clarify minor points in various accounting standards, including AASB 5, AASB 7, AASB 119 and AASB 134. The adoption of AASB 2015-1 did not have any significant impact on the Scheme for the current period.

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

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

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

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

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

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

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

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

  - *Loans and receivables/payables*

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

(ii) Recognition/derecognition

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

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

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

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

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

(iii) Measurement

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

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

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

- *Fair value in an active market*

  The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets and financial liabilities are priced at mid prices which are within the bid/ask spread.

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

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

- *Loans and receivables/payables*

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

  Subsequently, loans are carried at amortised cost using the effective interest method, less impairment losses, if any. Short-term receivables/payables are carried at their initial fair values.

(iv) Offsetting financial instruments

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

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Scheme at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Scheme. Because the Scheme's redemption unit price is based on different valuation principles to that applied in financial reporting, a valuation difference exists, which has been treated as a separate component of net assets attributable to unitholders. Changes in the value of this financial liability are recognised in the statement of comprehensive income as they arise.

(d) Cash and cash equivalents

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

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

(e) Investment income

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

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

2 Summary of significant accounting policies (continued)

(f) Expenses

All expenses, including management fees and reimbursable expenses, are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current tax legislation, the Scheme is not subject to income tax as it is an exempt entity.

(h) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(i) Increase/(decrease) in net assets attributable to unitholders

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

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

(ii) 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 reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Scheme does not isolate that portion of unrealised gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is 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.

(k) Receivables

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

2 Summary of significant accounting policies (continued)

(l) Payables

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

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

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

(m) Applications and redemptions

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

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

(n) Goods and Services Tax (GST)

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

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

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

(o) Use of judgements and estimates

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

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

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

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

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

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

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

2 Summary of significant accounting policies (continued)

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not yet been applied in the financial statements. The directors' assessment of the impact of these new standards (to the extent relevant to the Scheme) and interpretations is set out below:

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

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

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

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

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

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

(iv) AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15* (effective from 1 January 2018)

AASB 2016-3 amends AASB 15 *Revenue from Contracts with Customers* to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. It also provides further practical expedients on transition to AASB 15. No significant impact is expected upon adoption of the amendments. The Scheme does not intend to early adopt AASB 2016-3. The Scheme will apply AASB 2016-3 in its financial statements for the reporting period commencing from 1 July 2018.

(q) Rounding of amounts

The Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191(formerly Class Order 98/0100 (as amended)), issued by the Australian Securities and Investments Commission ("ASIC"), relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that ASIC Instrument to the nearest thousand dollars, unless otherwise indicated.

3 Trust distribution income

	For the reporting period ended	
	30 June 2017 $'000	30 June 2016 $'000
Unlisted managed investment schemes	4,849	2,064
	4,849	2,064

4 Net gains/(losses) on financial instruments held at fair value through profit or loss

	For the reporting period ended	
	30 June 2017 $'000	30 June 2016 $'000
Net unrealised gain/(losses) on financial instruments designated at fair value through profit or loss	1,559	(4,024)
Net realised gain/(loss) on financial instruments designated at fair value through profit or loss	1,014	(1,781)
Total net gain/(loss) on financial instruments held at fair value through profit or loss	2,573	(5,805)

5 Auditor's remuneration

All fees payable by the Scheme are incorporated within the total management fee charged by the Responsible Entity. A breakdown of Auditor's remuneration for the year are as follows:

	30 June 2017 $	30 June 2016 $
Fees Relating to the Audit of Financial Statements	8,364	8,240
Other services (Fee for review of distributions)	3,660	3,605
Total	12,024	11,845

6 Net assets attributable to unitholders

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

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

	For the reporting period ended			
	30 June 2017 No. '000	30 June 2016 No. '000	**30 June 2017 $'000**	30 June 2016 $'000
Opening balance	**96,795**	88,154	**108,287**	102,786
Applications	**5,389**	5,974	**6,395**	6,845
Redemptions	**(100)**	(1,701)	**(115)**	(1,952)
Units issued upon reinvestment of distributions	**2,177**	4,368	**2,488**	5,076
(Decrease) in net assets attributable to unitholders	**-**	-	**2,688**	(4,468)
Closing balance	**104,261**	96,795	**119,743**	108,287

7 Distributions to unitholders

The distributions for the reporting period were as follows:

	For the reporting period ended			
	30 June 2017 $'000	**30 June 2017 CPU**	30 June 2016 $'000	30 June 2016 CPU
Distributions paid (31 December)	**1,812**	**1.82**	1,307	1.38
Distributions payable (30 June)	**6,461**	**6.20**	2,265	2.34
	8,273	**8.02**	3,572	3.72

8 Financial assets held at fair value through profit or loss

	As at	
	30 June 2017 $'000	30 June 2016 $'000
Designated at fair value through profit or loss		
Listed equities	**35,918**	37,156
Listed unit trusts	**2,193**	5,466
Listed property trusts	**973**	97
Preference shares - redeemable	**540**	210
Unlisted managed investment schemes	**31,965**	28,641
Fixed interest bonds	**15,695**	13,481
Floating rate notes	**8,595**	4,502
Convertible notes	**1,134**	955
Total financial assets held at fair value through profit or loss	**97,013**	90,508

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 11.

9 Receivables

	As at 30 June 2017 $'000	As at 30 June 2016 $'000
Accrued income	**4,939**	1,933
Due from brokers	**-**	213
Sundry debtors	**769**	575
GST receivable	**2**	5
	5,710	2,726

10 Payables

	As at 30 June 2017 $'000	As at 30 June 2016 $'000
Trade payables	**3,500**	854
Accrued expenses	**274**	241
	3,774	1,095

11 Financial risk management

(a) Objectives, strategies, policies and processes

The Scheme's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk, concentrations of risk and liquidity risk.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by an Investment Manager ("the Investment Manager") under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ratings analysis for credit risk and maturity analysis for liquidity risk.

As part of its risk management strategy, the Scheme may use derivatives and other investments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks, and exposures arising from forecast transactions.

(b) 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. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look-through basis for investments held in the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach.

11 Financial risk management (continued)

This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Scheme's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2017, the overall market exposures were as follows:

	As at 30 June 2017 $'000	As at 30 June 2016 $'000
Financial assets held at fair value through profit or loss	97,013	90,508
	97,013	90,508

(i) Price risk

Price risk is the risk that the fair value or future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Scheme's investment portfolio. The investments are classified on the statement of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Scheme's overall market positions are monitored on a regular basis by the Scheme's Investment Manager. This information and the compliance with the Scheme's Product Disclosure Statement are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

At 30 June 2017, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2017		As at 30 June 2016	
	Increased by 5% $'000	Decreased by 5% $'000	Increased by 5% $'000	Decreased by 5% $'000
Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	3,579	(3,579)	3,578	(3,578)

The analysis is performed on the same basis for 2017 and 2016.

(ii) Foreign exchange risk

There was no significant direct foreign exchange risk in this Scheme as at 30 June 2017 (2016: Nil).

11 Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme's interest-bearing financial assets and financial liabilities 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 Scheme has established limits on investments in interest-bearing assets, which are monitored on a daily basis. The interest rate risk is measured using sensitivity analysis.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's overall interest sensitivity on a regular basis. This information and the compliance with the Scheme policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

The Scheme has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain entities in which the Scheme invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis may not fully indicate the total effect on the Scheme's net assets attributable to unitholders of future movements in interest rates.

The table below summarises the Scheme's exposure to interest rate risks. It includes the Scheme's assets and liabilities at fair values, categorised by the maturity dates:

30 June 2017	Floating interest rate	3 months or less	4 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Cash and cash equivalents	12,707	14,548	-	-	-	-	27,255
Receivables	-	-	-	-	-	5,710	5,710
Financial assets held at fair value through profit or loss							
Designated as at fair value through profit or loss							
Listed equities	-	-	-	-	-	35,918	35,918
Listed unit trusts	-	-	-	-	-	2,193	2,193
Listed property trusts	-	-	-	-	-	973	973
Preference shares - redeemable	-	-	-	-	-	540	540
Unlisted managed investment schemes	-	-	-	-	-	31,965	31,965
Fixed interest bonds	-	1,607	1,640	8,077	4,371	-	15,695
Floating rate notes	8,595	-	-	-	-	-	8,595
Convertible notes	-	-	-	-	1,134	-	1,134
Total assets	21,302	16,155	1,640	8,077	5,505	77,299	129,978
Liabilities							
Distributions payable	-	-	-	-	-	6,461	6,461
Payables	-	-	-	-	-	3,774	3,774
Total liabilities	-	-	-	-	-	10,235	10,235
Net assets attributable to unitholders	21,302	16,155	1,640	8,077	5,505	67,064	119,743

11 Financial risk management (continued)

30 June 2016	Floating interest rate $'000	3 months or less $'000	4 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Assets							
Cash and cash equivalents	5,279	13,134	-	-	-	-	18,413
Receivables	-	-	-	-	-	2,726	2,726
Financial assets held at fair value through profit or loss							
Designated as at fair value through profit or loss							
Listed equities	-	-	-	-	-	37,156	37,156
Listed unit trusts	-	-	-	-	-	5,466	5,466
Listed property trusts		-	-	-	-	97	97
Preference shares - redeemable	-	-	-	-	-	210	210
Unlisted managed investment schemes	-	-	-	-	-	28,641	28,641
Fixed interest bonds	-	-	-	11,725	1,756	-	13,481
Floating rate notes	4,502	-	-	-	-	-	4,502
Convertible notes	-	-	-	-	955	-	955
Total assets	9,781	13,134	-	11,725	2,711	74,296	111,647
Liabilities							
Distributions payable	-	-	-	-	-	2,265	2,265
Payables	-	-	-	-	-	1,095	1,095
Total liabilities	-	-	-	-	-	3,360	3,360
Net assets attributable to unitholders	9,781	13,134	-	11,725	2,711	70,936	108,287

At 30 June 2017, should interest rates have (decreased)/increased by the basis points indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2017		As at 30 June 2016	
	Increased by 25 basis points	**Decreased by 25 basis points**	Increased by 25 basis points	Decreased by 25 basis points
Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	**(142,411)**	**142,447**	(122,512)	122,528

11 Financial risk management (continued)

(c) Credit risk

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

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Scheme, other than derivatives, the Scheme exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the end of the reporting period.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase of the securities has been received by the broker. The trade will fail if either party fails to meet its obligations.

The Scheme holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's credit position on a regular basis. This information and the compliance with the Scheme policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

(i) Credit quality per class of instrument

The credit quality of financial assets is managed by the Scheme using Standard & Poor's rating categories, in accordance with the investment mandate of the Scheme. The Scheme's exposure in each grade is monitored on a daily basis. This review process allows the Responsible Entity to assess the potential loss as a result of risks and take corrective action. The table below shows the credit quality by class of assets:

The table below shows the credit quality by class of assets:

	AAA $'000	**AA+ to AA- $'000**	**A- $'000**	**Others $'000**	**Total $'000**
At 30 June 2017					
Floating rate notes	**-**	**3,954**	**504**	**4,137**	**8,595**
Fixed interest bonds	**12,005**	**3,166**	**524**	**-**	**15,695**

	AAA $'000	AA+ $'000	A- $'000	BBB+ $'000	Total $'000
At 30 June 2016					
Floating rate notes	-	-	2,981	1,521	4,502
Fixed interest bonds	9,726	3,228	527	-	13,481

11 Financial risk management (continued)

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Investment Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments and selected derivatives.

Based on the concentrations of risk that are managed by industry sector and/or counterparty, the following investments can be analysed by the industry sector and/or counterparty as at 30 June 2017 and 30 June 2016:

At 30 June 2017	%
Unlisted Managed Investment Schemes	**28.76**
Financials	**14.38**
Materials	**8.35**
NSW Treasury Corporation	**6.90**
Treasury Corporation of Victoria	**5.47**
Others	**36.14**
Total	**100.00**

At 30 June 2016	%
Unlisted managed investment schemes	27.53
Treasury Corporation of Victoria	6.17
Commonwealth Bank of Australia	4.98
NSW Treasury Corporation	4.57
National Australia Bank Limited	4.57
Others	52.18
Total	100.00

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme may be exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. It therefore primarily holds investments that are traded in active markets and can be readily disposed of.

The Scheme's investments may include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

11 Financial risk management (continued)

The Scheme may invest in investments in unlisted unit trusts that expose the Scheme to the risk that the Scheme or Investment Manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Scheme.

The Scheme's policy is to hold a significant proportion of its investments in liquid assets.

Under the terms of its Constitution, the Scheme has the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Units are redeemed on demand at the unitholders' option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's liquidity position on a regular basis. This information and the compliance with the Scheme policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

The table below analyses the Scheme's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month $'000	**1-3 months $'000**	**3-12 months $'000**	**More than 12 months $'000**
At 30 June 2017				
Distributions payable	**6,461**	**-**	**-**	**-**
Accrued expenses	**3,774**	**-**	**-**	**-**
Net assets attributable to unitholders	**119,743**	**-**	**-**	**-**
Total financial liabilities	**129,978**	**-**	**-**	**-**

	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	More than 12 months $'000
At 30 June 2016				
Distributions payable	2,265	-	-	-
Accrued expenses	1,095	-	-	-
Net assets attributable to unitholders	108,287	-	-	-
Total financial liabilities	111,647	-	-	-

(f) Estimation of fair values of financial assets and liabilities

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

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

11 Financial risk management (continued)

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

Note 2(o) outlines further the nature of management's judgements, estimates and assumptions that might have been used in the determination of the fair values of these financial instruments.

(g) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.

(c) Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

The following table sets out the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

All fair value measurements disclosed are recurring fair value measurements.

At 30 June 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets designated at fair value through profit or loss at inception:				
Listed equities	35,918	-	-	35,918
Listed unit trusts	2,193	-	-	2,193
Listed property trusts	973	-	-	973
Preference shares - redeemable	540	-	-	540
Unlisted managed investments schemes	-	31,965	-	31,965
Fixed interest bonds	-	15,695	-	15,695
Floating rate notes	1,541	7,054	-	8,595
Convertible notes	1,134	-	-	1,134
Total	42,299	54,714	-	97,013

11 Financial risk management (continued)

At 30 June 2016	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets designated at fair value through profit or loss at inception:				
Listed equities	37,147	9	-	37,156
Listed unit trusts	5,466	-	-	5,466
Listed property trusts	97	-	-	97
Preference shares - redeemable	210	-	-	210
Unlisted managed investment schemes	-	28,641	-	28,641
Fixed interest bonds	-	13,481	-	13,481
Floating rate notes	4,005	497	-	4,502
Convertible notes	955	-	-	955
Total	47,880	42,628	-	90,508

The pricing for the majority of the Scheme's investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges, are classified within level 1 and may include active listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. Level 2 investments could also include those that are subject to transfer restrictions (e.g. redemption restrictions). Valuations for these investments may be adjusted to reflect illiquidity and/or non transferability, which are generally based on available market information.

Typically, prices of units in unlisted managed investment trusts which are either published on the investment manager's website and/or circulated among market participants as executable quotes are categorised as level 2. Level 2 instruments may include investment grade corporate bonds, and over the counter derivatives.

Investments classified within level 3 have significant unobservable inputs as they are infrequently traded. Level 3 instruments could include distressed debt instruments, certain private equity and real estate investments that are not based on market inputs or securities that are in an inactive/illiquid market and are valued using models and internal data. Management will consider the appropriateness of the valuation inputs, methods and techniques used in the valuations. The valuation inputs are generally sourced from independent third party pricing sources without adjustment such as stock exchanges, pricing agencies and/or fund managers.

Level 3 investments may be adjusted to reflect illiquidity and/or restrictions, however, the adjustments are not based on available market information and also include those that have stale price that is, where the pricing for a particular security has remained static for an extended period of time.

There have been no changes to the valuation techniques used for financial instruments classified as levels 2 and 3.

12 Related party transactions

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of CCI Asset Management Limited at any time during the reporting period as follows:

R Haddock
J Dawson
J Tongs
J Fitzpatrick
R Scenna (Alternate Director for R Haddock)

No fees were paid out of the Scheme property to the key management personnel of the Scheme during the reporting period.

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly during the reporting period.

Responsible Entity's/Manager's fees and other transactions

Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Scheme.

Expenses in connection with the administration of the Scheme are reimbursed in accordance with the Scheme's Constitution.

The transactions during the reporting period and amounts payable outstanding at the end of the reporting period between the Scheme and the Responsible Entity were as follows:

	For the reporting period ended	
	30 June 2017 $	30 June 2016 $
Management fees for the reporting period paid by the Scheme to the Responsible Entity	528,520	475,803
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	273,694	236,597

Where the Scheme invests into other schemes managed by the Responsible Entity, the Responsible Entity's fee is calculated after rebating fees charged in the underlying schemes. All the outstanding balances are at arm's length and are on commercial terms and conditions.

12 Related party transactions (continued)

Related party schemes' unitholdings

Parties related to the Scheme (including CCI Asset Management Limited, its related parties and other schemes managed by CCI Asset Management Limited), held units in the Scheme as follows:

30 June 2017 Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment $	Interest held %	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme $
Catholic Church Insurance	27,378,768	28,383,836	34,182,653	27.22	1,005,068	-	507,550

30 June 2016 Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment $'000	Interest held %	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Scheme $'000
Catholic Church Insurance	25,263,030	27,378,768	31,011,930	28.29	2,115,738	-	1,013,682

Catholic Church Insurance Limited is the parent entity of CCI Asset Management Limited.

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

	For the reporting period ended 30 June 2017 $'000	30 June 2016 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Increase/(decrease) in net assets attributable to unitholders	2,688	(4,468)
Proceeds from sale of financial instruments held at fair value through profit or loss (including net realised gains)	30,487	25,283
Purchase of financial instruments held at fair value through profit or loss	(31,502)	(38,105)
Net change in accrued income and sundry debtors	(3,197)	1,284
Net change in accrued expenses	33	3
Net (gain)/loss on financial instruments held at fair value through profit or loss	(2,573)	5,805
Reinvested income	(58)	-
Distributions to unitholders	8,273	3,572
Net cash inflow/(outflow) from operating activities	4,151	(6,626)
(b) Components of cash and cash equivalents		
Cash as at the end of the reporting period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	27,255	18,413
	27,255	18,413
(c) Non-cash financing activities		
During the reporting period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	2,488	5,076
	2,488	5,076

14 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 Scheme disclosed in the statement of financial position as at 30 June 2017 or on the results and cash flows of the Scheme for the reporting period ended on that date.

15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2017 and 30 June 2016.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 5 to 29 are in accordance with the *Scheme's Constitution* including:

(i) complying with Australian Accounting Standards, and other mandatory professional reporting requirements; and

(ii) present fairly the Scheme's financial position as at 30 June 2017 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date.

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

(c) the financial statements are in accordance with the Scheme's Constitution.

Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

R Haddock

Director

5 September 2017