Annual Report
Funeral Fund

For the year ended 31 December 2016

UCA Cash Management Fund Limited
ABN 41 075 948 444

Funeral Fund (the Fund)

The head office:
130 Little Collins Street
Melbourne, Victoria, Australia 3000

Managed and administered by:
UCA Funds Management Limited
ABN 46 102 469 821
AFS licence 294147

130 Little Collins Street
Melbourne, Victoria, Australia 3000

Custodian:
Northern Trust Corporation
Melbourne, Victoria, Australia 3000

Auditor:
Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne, Victoria, Australia 3000
Independent Auditor’s Report to the Investors of the
UCA Cash Management Fund Limited Funeral Fund


Opinion

We have audited the financial report of UCA Cash Management Fund Limited Funeral Fund (the "Entity") which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and declaration by the directors as set out on pages 4 to 13.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Entity’s financial position as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity’s annual report for the year ended 31 December 2016, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and the directors for the Financial Report

Management of the Entity is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and International Financial Reporting Standards and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited
The directors are responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control.

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

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Mark Stretton
Partner
Chartered Accountants
Melbourne, 4 April 2017
Statement in relation to the Funeral Fund

In the opinion of the directors of UCA Cash Management Fund Limited:

a) the financial statements and notes set out on pages 5 to 13:

i) comply with Australian Accounting Standards and other mandatory professional reporting requirements;

ii) give a true and fair view of the Fund’s financial position as at 31 December 2016 and its performance for the financial year ended on that date; and

iii) comply with International Financial Reporting Standards.

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

This declaration is made in accordance with a resolution of the directors of UCA Cash Management Fund Limited.

Metherington  April 2017   M Walsh
Director           Director
### Statement of profit and loss and other comprehensive income
for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016 $</th>
<th>2015 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received from related party</td>
<td>7g)</td>
<td>135,120</td>
</tr>
<tr>
<td><strong>Total investment income</strong></td>
<td></td>
<td>135,120</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management fee paid to related party</td>
<td>7e)</td>
<td>14,154</td>
</tr>
<tr>
<td>Recoverable fee paid to related party</td>
<td>7f)</td>
<td>2,376</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td>16,530</td>
</tr>
<tr>
<td><strong>Profit attributable to investors</strong></td>
<td></td>
<td>118,590</td>
</tr>
<tr>
<td><strong>Financing costs attributable to investors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions to investors</td>
<td>5</td>
<td>118,590</td>
</tr>
<tr>
<td>Increase/(decrease) in net assets attributable to investors</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong></td>
<td></td>
<td>–</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>–</td>
</tr>
</tbody>
</table>

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

### Statement of financial position as at 31 December 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016 $</th>
<th>2015 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in UCA Cash Management Fund Limited</td>
<td>7g)</td>
<td>4,770,461</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>4,770,461</td>
</tr>
<tr>
<td><strong>Liabilities (excluding net assets attributable to investors)</strong></td>
<td></td>
<td>–</td>
</tr>
<tr>
<td><strong>Net assets attributable to investors</strong></td>
<td></td>
<td>4,770,461</td>
</tr>
<tr>
<td><strong>Liabilities attributable to investors</strong></td>
<td></td>
<td>(4,770,461)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>–</td>
</tr>
</tbody>
</table>

The above statement of financial position should be read in conjunction with the accompanying notes.
### Statement of Cash Flows for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received from UCA Cash Management Fund Limited</td>
<td>135,120</td>
<td>155,003</td>
</tr>
<tr>
<td>Investment in UCA Cash Management Fund Limited</td>
<td>(367,508)</td>
<td>(455,829)</td>
</tr>
<tr>
<td>Proceeds from the disposal of investment in UCA Cash Management Fund Limited</td>
<td>374,722</td>
<td>305,463</td>
</tr>
<tr>
<td>Recoverable fee</td>
<td>(2,376)</td>
<td>(2,351)</td>
</tr>
<tr>
<td>Management Fee</td>
<td>(14,154)</td>
<td>(11,950)</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from operating activities</strong></td>
<td>125,804</td>
<td>(9,664)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributions paid to investors</td>
<td>(1,865)</td>
<td>(1,790)</td>
</tr>
<tr>
<td>Funeral benefits paid</td>
<td>(395,632)</td>
<td>(320,070)</td>
</tr>
<tr>
<td>Applications received from investors</td>
<td>271,693</td>
<td>331,524</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from financing activities</strong></td>
<td>(125,804)</td>
<td>9,664</td>
</tr>
</tbody>
</table>

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

### Statement of changes in equity for the year ended 31 December 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity at the beginning of the year</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net profit</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income for the year</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total equity at the end of the year</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Under Australian Accounting Standards, ‘Net assets attributable to investors’ is classified as a financial liability rather than equity. As a result there was no equity at the start or end of the year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.
Notes to the Financial Statements for the year ended 31 December 2016

Note 1: General Information

This general purpose financial report includes the financial statements and notes of the Funeral Fund (the Fund) as an individual entity for the year ended 31 December 2016.

UCA Cash Management Fund Limited ABN 41 075 948 444 is wholly owned by UCA Funds Management Limited ABN 46 102 469 821. UCA Cash Management Fund Limited is the issuer for the Funeral Fund.

UCA Funds Management Limited is a company limited by guarantee that operates an ethical funds management business. It is wholly owned by The Uniting Church in Australia Property Trust (Victoria) ABN 39 703 442 583 and The Uniting Church in Australia Property Trust (Tas.) ABN 88 774 033 774, and holds AFS licence 294147.

UCA Funds Management Limited acts as manager and administrator of the Fund, and is responsible for the day-to-day management of the Fund (including investment decision making).

On the 8 February 2016, the issuer of the Fund changed from The Uniting Church in Australia Property Trust (Victoria) to UCA Cash Management Fund Limited and the manager of the Fund changed from UCA Cash Management Fund Limited to UCA Funds Management Limited.

The objectives of the Fund are to provide a means of saving to provide for funeral expenses, to protect their capital and to provide competitive returns.

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

Investors

Under Department of Human Services rules, individuals were entitled to invest a maximum of $12,000 prior to 30 June 2015, between 1 July 2015 to 30 June 2016 $12,250 and after 1 July 2016 $12,500 in a funeral fund, subject to certain conditions, with the amount being exempt from Centrelink and the Department of Veterans’ Affairs income and assets tests. The threshold is adjusted each July in line with movements in the cost of living.

The Fund is available to Uniting Church members, adherents and any other individuals who wish to save for funeral expenses and to promote the work of the Church by investing in the Fund.

Investors’ funds mature on the date of death. The amount due to be distributed to investors is calculated daily and allocated to the members’ accounts half-yearly.

Note 2: Summary of significant accounting policies

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

a) Basis of Preparation

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

Compliance with International Financial Reporting Standards (IFRS)

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets held at fair value with changes in fair value recognised through the statement of comprehensive income.

b) Investment Income

Interest income is calculated using the effective interest rate basis. The effective interest method is a method of calculating the amortised cost
of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

c) Financial Assets held at fair value through profit or loss

Classification
The Fund's investments are classified as financial instruments designated at fair value through profit or loss. These include financial assets that are not held for trading purposes and which may be sold. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund’s documented investment strategy.

Measurement
Financial assets held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs on financial assets at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income. The following represents the basis of valuation for financial reporting purposes:

Investment in UCA Cash Management Fund Limited
The Fund’s investment in UCA Cash Management Fund Limited is generally available within 24 hours.

Recognition/derecognition
The Fund recognises financial assets on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets from this date. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all risks and rewards of ownership.

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

Payments and receipts relating to the deposit of funds into UCA Cash Management Fund Limited are classified as cash flows from operating activities, as movements in the fair value in these securities represent the Fund’s main income generating activity.

e) Functional and presentation currency
Items included in the Fund’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 Fund operates. The Australian dollar is also the Fund’s presentation currency.

f) Distributions
The Fund fully allocates its distributable income to investors’ accounts by reinvesting these amounts into the Fund. The distributions are recognised as a finance cost in the statement of comprehensive income. Distributions are allocated to investors on 30 June and 31 December each year. Accumulated distributions are paid to investors upon full redemption from the Fund.

g) Income Tax
The Fund is exempt from Income Tax under Section 50-5 of the Income Tax Assessment Act 1997.

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

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as a receivable or payable in the balance sheet. Cash flows relating to GST are included in the cash flow statement on a gross basis.

i) Recoverable fee
UCA Funds Management Limited is responsible for the administration of the Fund and pays all
operational and regulatory expenses incurred by the Fund. The Terms and Conditions of the Fund allows for reasonable expenses incurred for the administration of the Fund to be deducted prior to the distribution of income to investors.

j) New accounting standards and interpretations
The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operation and that are effective for the current reporting period. The adoption of these Standards has not had a material impact on the Fund.

New Accounting Standards that have been issued but are not yet effective have not been adopted during the reporting period.
A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year end. The reported results and position of the Fund will not change on adoption of these pronouncements as they do not result in any changes to the Fund’s existing policies. The Fund does not intend to adopt any of these pronouncements before their effective dates. These include;

AASB 15 ‘Revenue from Contracts with Customers’ (December 2014) and AASB 2014-5 ‘Amendments to Australian Accounting Standards arising from AASB 15’ Effective from 1 January 2017

AASB 9 ‘Financial Instruments’ (December 2010), AASB 2010-7 ‘Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)’, AASB 2012-6 ‘Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure’, AASB 2013-9 ‘Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments’ Effective from 1 January 2017

AASB 2016-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107’

l) Use of estimates
There have not been any critical accounting judgements or estimations made in the preparation of the financial statements for the year ended.

m) Critical accounting judgments and key sources of estimation uncertainty
There have not been any critical accounting judgments or estimations made in the preparation of the financial statements for the year ended.

Note 3: Fund Operation
The Fund is managed and administered by UCA Funds Management Limited.

Note 4: Net assets attributable to investors
Movements in investors’ funds during the year were:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>4,777,675</td>
<td>4,627,309</td>
</tr>
<tr>
<td>Applications</td>
<td>271,693</td>
<td>331,524</td>
</tr>
<tr>
<td>Distributions</td>
<td>116,725</td>
<td>138,912</td>
</tr>
<tr>
<td>Reinvested</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funeral benefits paid</td>
<td>(395,632)</td>
<td>(320,070)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>4,770,461</td>
<td>4,777,675</td>
</tr>
</tbody>
</table>

Note 5: Distributions allocated to investors
Distributions were allocated as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution for the six months ended 30 June</td>
<td>61,067</td>
<td>72,820</td>
</tr>
<tr>
<td>Distribution for the six months ended 31 December</td>
<td>57,523</td>
<td>67,882</td>
</tr>
<tr>
<td>Total distributions allocated to investors</td>
<td>118,590</td>
<td>140,702</td>
</tr>
</tbody>
</table>

There were no distributions payable at 31 December 2016 (2015: nil).
Note 6: Financial risk management

The Fund is exposed to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. As the total assets of the Fund are invested in UCA Cash Management Fund Limited, these risks (including measuring and monitoring of the risks) are managed by UCA Cash Management Fund Limited. In addition the assets of the Funeral Fund is invested in UCA Cash Management Fund Limited.

a) Market Risk

Market price risk is the risk that the value of the Fund’s investment in UCA Cash Management Fund Limited will fluctuate as a result of changes in market values.

i) Interest rate risk

The Fund’s interest-bearing assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Fund’s assets are a mixture of fixed and floating rate interest bearing investments. The risk of fluctuations in interest rates is limited to the income payable to investors. The table in note 6 (e) summarises the impact of increases/decreases in official interest rates on the Portfolio’s net assets attributable to unitholders at 31 December 2016. The analysis is based on the assumption that official interest rates increased/decreased by 75 basis points (2015: 75 basis points) with all other variables held constant, and that the Fund’s cash and fixed interest securities and loans moved according to the historical correlation with official interest rates.

The interest rate risk disclosures have been prepared on the basis of the Fund’s direct investments and not on a look-through basis for investments held indirectly through other funds. Consequently, the disclosure of interest rate risk in the note may not represent the true interest rate risk profile of the Fund (on a look through basis).

b) 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. The Fund’s exposure to credit risk is limited to its investment in UCA Cash Management Fund Limited.

c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its liabilities (redemptions from the Fund) as they fall due. Redemptions are payable on the death of an investor and the funds required to meet such redemptions are from UCA Cash Management Fund Limited. This risk is mitigated by all investments in UCA Cash Management Fund Limited being available within 24 hours.

d) Fair values

The carrying amounts of the Fund’s assets and liabilities at the balance sheet date approximated their fair values.

e) Sensitivity analysis

The following table summarises the sensitivity of the Fund’s financial assets and financial liabilities to interest rate risk. Sensitivity has been determined on the assumption that all other variables remain constant.

The Fund’s exposure to interest rate risk and the weighted average effective interest rate is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td>$4,770,461</td>
<td>$4,777,675</td>
</tr>
<tr>
<td>Weighted average effective interest rate</td>
<td>2.83%</td>
<td>3.31%</td>
</tr>
</tbody>
</table>

All of the Fund’s assets are available within 24 hours.

ii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices.
### (f) Fair value measurement

<table>
<thead>
<tr>
<th>Financial assets at fair value through profit and loss</th>
<th>Amount at 31 December 2016</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in UCA Cash Management Fund Limited</td>
<td>4,770,461</td>
<td>–</td>
<td>4,770,461</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>4,770,461</td>
<td>–</td>
<td>4,770,461</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial assets at fair value through profit and loss</th>
<th>Amount at 31 December 2015</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in UCA Cash Management Fund Limited</td>
<td>4,777,675</td>
<td>–</td>
<td>4,777,675</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>4,777,675</td>
<td>–</td>
<td>4,777,675</td>
<td>–</td>
</tr>
</tbody>
</table>

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

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Financial instruments that trade in markets that are not considered active but values are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified with Level 2. These include the Investment in UCA Cash Management Fund Limited which is a financial instrument that trades in markets that are not considered active but the underlying asset values are based on quoted market prices.

Level 3 fair value measurements are those derived from valuation techniques that included inputs for the assets or liability that are not based on observable market data (unobservable inputs).
Note 7: Related parties

a) Manager of the Fund
The Funeral Fund is managed by UCA Funds Management Limited.

b) Key management personnel
Directors
The names of the persons who were the directors of UCA Cash Management Fund Limited at any time during the year and up to the date of this report were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>R J Carter</td>
<td>Non-Executive Director – Retired 22 June 2016</td>
<td></td>
</tr>
<tr>
<td>K Allchin</td>
<td>Non-Executive Director – Appointed 13 September 2016</td>
<td></td>
</tr>
<tr>
<td>J C Bell</td>
<td>Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>D Cousins</td>
<td>Non-Executive Director – Appointed 1 February 2016</td>
<td></td>
</tr>
<tr>
<td>J Etherington</td>
<td>Non-Executive Director – Chairperson, Board of Directors</td>
<td>Chairperson – Remuneration &amp; Nomination Committee</td>
</tr>
<tr>
<td>D F Hawkey</td>
<td>Non-Executive Director – Retired 14 September 2016</td>
<td></td>
</tr>
<tr>
<td>L R Mann</td>
<td>Non-Executive Director – Chairperson, Due Diligence Committee</td>
<td></td>
</tr>
<tr>
<td>D McCredden</td>
<td>Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>M Walsh</td>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>D A Watson</td>
<td>Non-Executive Director – Appointed 1 February 2016</td>
<td>Chairperson – Audit, Risk &amp; Compliance Committee</td>
</tr>
<tr>
<td>G E Wilson</td>
<td>Non-Executive Director – Chairperson, Investment Committee</td>
<td></td>
</tr>
</tbody>
</table>

c) Key management personnel compensation
The Fund has no employees. All key management personnel are employed by The Uniting Church in Australia, Synod of Victoria and Tasmania.

d) Other transactions within the Fund
Apart from those details disclosed in this note, no key management personnel have entered into any material contract with the Fund since the end of the previous financial year and there were no material contracts involving directors’ interests existing at year end.

e) Management fees
The Funeral Fund pays UCA Funds Management Limited a Management Fee of up to 0.50% p.a. of the net assets of the Fund as disclosed in The Funeral Fund Offer Document that is granted by UCA Funds Management Limited to The Uniting Church in Australia, Synod of Victoria and Tasmania. Grants are paid on 30 June and 31 December. The grant is based on the net amount of interest received and the distribution to investors. The amount granted for this reporting period was $14,154 (2015: $11,950).

f) Recoverable fee
A recoverable fee is charged to the Fund by UCA Funds Management Limited at the end of each month. The fee is capped at 0.05% p.a. of the net assets of the Fund as disclosed in The Funeral Fund Offer Document. The recoverable fee charged was $2,376 (2015: $2,351).

g) Investment in UCA Cash Management Fund Limited
The Funeral Fund invests its cash holdings in UCA Cash Management Fund Limited.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in UCA Cash Management Fund Limited</td>
<td>4,770,461</td>
<td>4,777,675</td>
</tr>
<tr>
<td>Interest received</td>
<td>135,120</td>
<td>155,003</td>
</tr>
</tbody>
</table>

Maturity analysis: The amount invested with UCA Cash Management Fund Limited is generally available within 24 hours.
Note 10: Events occurring after balance sheet date

No significant events have occurred since balance date which would impact on the financial position of the Fund disclosed in the balance sheet at 31 December 2016, or the results and cash flows of the Fund for the year ended on that date.

Note 11: Contingent assets and liabilities and commitments

There were no outstanding contingent assets and liabilities or commitments as at 31 December 2016 or at 31 December 2015.

Note 8: Auditors’ remuneration

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit of financial report</td>
<td>6,000</td>
<td>6,106</td>
</tr>
<tr>
<td><strong>Non-audit services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,000</td>
<td>6,106</td>
</tr>
</tbody>
</table>

The auditor for the year was Deloitte Touche Tohmatsu. The audit fees were paid by UCA Funds Management Limited, on behalf of the Funeral Fund.

Note 9: Note to cash flow statement

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit attributable to investors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>118,590</td>
<td>140,702</td>
</tr>
<tr>
<td><strong>Changes in operating assets and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease/(Increase) in UCA Cash Management Fund Limited</td>
<td>7,214</td>
<td>(150,366)</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>125,804</td>
<td>(9,664)</td>
</tr>
</tbody>
</table>

b) Significant non-cash items

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution reinvested</td>
<td>116,725</td>
<td>138,912</td>
</tr>
</tbody>
</table>

During the year distributions paid to investors were $118,590 (2015: $140,702) of which $116,725 (2015: $138,912) was satisfied through the distribution reinvestment plan and $1,865 (2015: $1,790) was paid to deceased accounts.