



Uniting Church in Australia
Western Australia

UNITING CHURCH INVESTMENT FUND

UCIF is an activity of the Uniting Church In Australia Property Trust (WA)
ABN 66 428 151 531

*48th Annual Report
31 December 2018*

Mission

The mission of the Uniting Church Investment Fund is:

- to enlarge and extend the wider work of the Uniting Church in Western Australia
- to encourage and foster a greater appreciation and understanding of the value of Christian stewardship within both the Church and the community.

The UCIF strives to achieve its mission objectives while providing a competitive and ethical investment service to Uniting Church people, congregations, agencies, instrumentalities and the Synod of Western Australia.

UCIF investors have the satisfaction of knowing their investment is a commitment to Christian stewardship. By investing with the UCIF they are supporting the work of the wider Church in areas such as:

- social justice
- community outreach
- youth leadership development
- resourcing congregational mission

Ethical Investment

The UCIF is committed to ethical investment. The UCIF strictly adheres to the ethical investment principles and procedures of the Uniting Church in Australia NSW and ACT Synod.

The UCIF subscribes to the Responsible Investment Association Australasia which provides ethical screening research. UCIF investments are constantly monitored and revised in accordance with updated ethical research data.

Great Returns for our Church

Since the inception of the UCIF in 1971 as part of our inaugural member Church the Methodist Investment Fund, we have been able to provide \$41,858,000 in grants to the Church in Western Australia. In addition, the fund has met its own operating cost and therefore not been a liability to the Synod budget. The fund has assisted many congregations providing loans and assistance. Due to increased regulation of the retail investor market from 2018, we now only offer services to congregations, agencies, schools, staff and church entities.

UCIF Advisory Committee

The activity of UCIF is overseen by the Investment and Corporate Finance Committee (ICFC). The ICFC is directly responsible to the Resources Commission and ultimately the Uniting Church Synod Standing Committee.

The ICFC is comprised of professional people with a strong commitment to Christian values, who give generously of their time and energy to advance the Church's mission. Membership is completely voluntary. The Committee has representation from the fields of law, accounting, financial investment, property and banking.

Greg Howlett, Chair (Architecture)
Mitch Artus (Legal)
Rev Brian Carey (Ethicist)
David Gray (Management and Financial Skills)
Robert Locke General Manager (Resources)
David Beards (Management and IT)

All appointees to the ICFC are required to promote the vision and ethos of the Uniting Church and demonstrate a desire to uphold the standards of active oversight of the operations of the Fund. All Committee members are chosen for their ability to offer wise counsel to management.

The Committee meets a minimum of four times each year, often more regularly. The Committee ensures the UCIF is prudently managed with the aim of achieving the maximum return possible to investors, while providing funds to extend the missional work of the Uniting Church.

Sponsorship

UCIF is committed to and has been actively involved in supporting the Uniting Church's community service programs in Western Australia.

Financial Report

The financial information on the following pages has been extracted from the statutory accounts of the Uniting Church Investment Fund. Full copies of the accounts are available on request.

Audit Report

The statutory accounts were audited by RSM Australia Partners, Chartered Accountants.

Investment and Corporate Finance Committee (ICFC) of the Resources Commission

The ICFC has determined that this special purpose financial report is prepared in accordance with the appropriate accounting policies.

The financial statements and notes fairly represent the entity's financial position as at 31 December 2018 and its performance for the year ended on that date in accordance with the accounting policies described in the financial report.

In the opinion of the Resources Commission, there are reasonable grounds to believe the entity 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 Advisory Committee and for and on behalf of the Commission by:

Greg Howlett
Chairperson

Robert Locke
General Manager (Resources)

As at 31 December 2018 the investment base was \$72,201,513 across 322 depositors. We paid to our investors \$1,265,169 in interest. New loans to ministers, agencies and congregations totalled \$62,300.

Results Summary for the year ended 31 December 2018

| Year Actuals | Total Deposits (\$) | Operating Surplus – Deficit (\$) | Synod Grant (\$) |
|--------------|---------------------|----------------------------------|------------------|
| 2009 | 62,967,000 | 10,229,552 | 1,650,000 |
| 2010 | 62,373,000 | (3,119,323) | 1,675,000 |
| 2011 | 66,791,000 | (7,921,220) | 1,690,000 |
| 2012 | 66,286,000 | 1,455,687 | 1,250,000 |
| 2013 | 65,856,000 | 5,356,156 | 1,690,000 |
| 2014 | 65,667,000 | 1,919,106 | 1,715,000 |
| 2015 | 80,753,000 | (243,014) | 1,800,000 |
| 2016 | 73,215,423 | 4,931,847 | 1,800,000 |
| 2017 | 72,588,130 | (2,993,540) | 6,900,000 |
| 2018 | 72,201,513 | (4,819,975) | 2,000,000 |

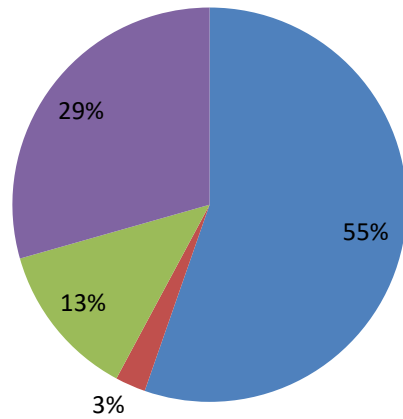
Financial Performance for the year ended 31 December 2018

| 000s | 2018 | 2017 |
|---|-------------|-------------|
| Investment Revenue | 5,841,610 | 5,677,594 |
| Interest Revenue | 653,374 | 798,568 |
| Interest Expense | (1,265,169) | (1,289,675) |
| Loss on Revaluation of financial assets | (6,660,598) | 5,186,487 |
| | (1,430,783) | (6,660,598) |
| Expenses | (3,389,192) | 8,180,027 |
| Operating Surplus/Deficit | (4,819,975) | (2,993,540) |

Balance Sheet for the year ended 31 December 2018

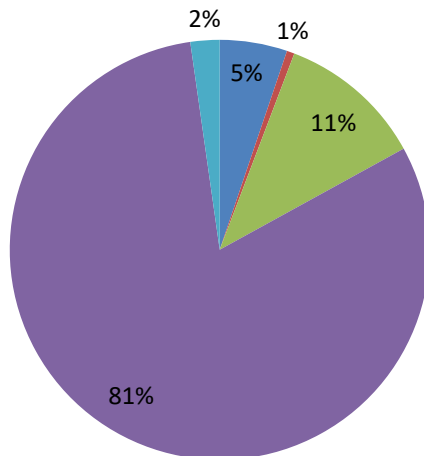
| 000s | 2018 | 2017 |
|----------------------|------------|------------|
| We own | | |
| Cash and Investments | 85,476,241 | 90,582,833 |
| We owe | | |
| Accrued Expenses | - | - |
| Investor's Funds | 72,201,513 | 72,588,130 |
| Provision for Grant | 2,000,000 | 1,900,000 |
| | 74,201,513 | 74,488,130 |
| Our Net Worth | 11,274,728 | 16,094,703 |

Source of Deposits



| | |
|------------------------------|----------------|
| ■ Synod | \$39.9M |
| ■ Personal | \$ 1.8M |
| ■ Agencies/Instrumentalities | \$ 9.2M |
| ■ Congregations | \$21.3M |
| Total | \$72.2M |

Asset Allocation



| | |
|-----------------------------|----------------|
| ■ Liquid Funds | \$ 4.4M |
| ■ Private Loans/Staff | \$ 0.5M |
| ■ Agency/Congregation Loans | \$ 9.5M |
| ■ Managed Investments | \$68.4M |
| ■ Direct Property | \$ 1.9M |
| Total | \$84.7M |