

**UC INVEST SHARE FUND**

**Financial Report**

**12 months to 31<sup>st</sup> December 2011**

## Income Statement

<b>FOR THE YEAR ENDED 31 DECEMBER 2011</b>	<b>Note</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
Revenue	2.	3,606,174	3,179,921
Revaluation of Investments (Realised and Unrealised)	3.	(9,126,279)	(1,775,974)
Expenses	4.	<u>(192,933)</u>	<u>(199,450)</u>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b><u>(5,713,038)</u></b>	<b><u>1,204,497</u></b>
<b>PROFIT ATTRIBUTABLE TO UNIT HOLDERS</b>		<b><u>(5,713,038)</u></b>	<b><u>1,204,497</u></b>

The accompanying notes form part of these financial statements.

## Balance Sheet

AS AT 31 DECEMBER 2011	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6.	375,469	242,430
Trade and Other Receivables	7.	696,293	624,101
Financial Assets	8.	<u>54,348,308</u>	<u>64,103,844</u>
<b>Total Current Assets</b>		<b><u>55,420,070</u></b>	<b><u>64,970,375</u></b>
<b>Non-Current Assets</b>			
<b>Total Non-Current Assets</b>		<b><u>0</u></b>	<b><u>0</u></b>
<b>TOTAL ASSETS</b>		<b><u>55,420,070</u></b>	<b><u>64,970,375</u></b>
<b>LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<b><u>0</u></b>	<b><u>0</u></b>
<b>NET ASSETS</b>		<b><u>55,420,070</u></b>	<b><u>64,970,375</u></b>
<b>EQUITY</b>			
Unit Holders Control		<u>55,420,070</u>	<u>64,970,375</u>
<b>TOTAL EQUITY</b>		<b><u>55,420,070</u></b>	<b><u>64,970,375</u></b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2011

	Unit Holders' Control	Total
	\$	\$
Balance at 1 January 2010	61,218,074	61,218,074
Deposits for Year	10,611,952	10,611,952
Withdrawals for Year	(8,049,306)	(8,049,306)
Application & Redemption Fees	(14,842)	(14,842)
Profit Attributable to Unit Holders	<u>1,204,497</u>	<u>1,204,497</u>
<b>Balance at 31 December 2010</b>	<b><u>64,970,375</u></b>	<b><u>64,970,375</u></b>
Balance at 1 January 2011	64,970,375	64,970,375
Deposits for Year	6,628,149	6,628,149
Withdrawals for Year	(10,454,619)	(10,454,619)
Application & Redemption Fees	(10,797)	(10,797)
Profit Attributable to Unit Holders	<u>(5,713,038)</u>	<u>(5,713,038)</u>
<b>Balance at 31 December 2011</b>	<b><u>55,420,070</u></b>	<b><u>55,420,070</u></b>

The accompanying notes form part of these financial statements.

## Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2011	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		3,533,982	2,979,959
Payments		<u>(192,933)</u>	<u>(199,450)</u>
<b>Net Cash Flows Provided By/(Used In)</b>			
<b>Operating Activities</b>	9.	<b><u>3,341,049</u></b>	<b><u>2,780,509</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales of investments	3.	61,868,882	33,223,544
Purchase of investments	3.	<u>(61,239,625)</u>	<u>(40,134,062)</u>
<b>Net Cash Flows Provided By/(Used In)</b>			
<b>Investing Activities</b>		<b><u>629,257</u></b>	<b><u>(6,910,518)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distributions to Unit Holders		(1,213,317)	(1,152,108)
Deposits by Unit Holders		4,423,628	10,588,795
Withdrawals by Unit Holders		<u>(7,047,578)</u>	<u>(6,888,883)</u>
<b>Net Cash Flows Provided By/(Used In)</b>			
<b>Financing Activities</b>		<b><u>(3,837,267)</u></b>	<b><u>2,547,804</u></b>
Net Increase/(Decrease) in Cash Held		133,039	(1,582,205)
Cash at Beginning of Year		<u>242,430</u>	<u>1,824,635</u>
<b>CASH AT END OF YEAR</b>	6.	<b><u>375,469</u></b>	<b><u>242,430</u></b>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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The financial report of UC Invest Share Fund for the year ended 31 December 2011 was adopted by the UC Invest Board on 27<sup>th</sup> April 2012.

#### **Operations and Principal Activities**

The financial report covers UC Invest Share Fund as an individual entity. UC Invest Share Fund is an activity of The Uniting Church in Australia Property Trust (S.A.), the trustee of the Uniting Church in South Australia which was established by an Act of the South Australian Parliament in 1977. All assets of UC Invest Share Fund are held in the name of The Uniting Church in Australia Property Trust (S.A.).

UC Invest Share Fund is a unitised managed fund which invests in equities listed on the Australian Stock Exchange. It is only available to Uniting Church and Churches of Christ SA congregations and organizations. The fund does not accept investments from individuals or members of the public. It distributes all dividends and imputation credits accrued, to the unit holders of the Fund on a quarterly basis. Unit holders are exposed to the market risk of the Fund, which means their investments fluctuate in line with the underlying performance of the Fund.

#### UC Invest Board Members

David Ferrier (Non-executive Chairperson)

Denis Giles (Non-executive)

Kevin Bengier (Non-executive)

Michael McClaren (Non-executive)

Lee Sauerwald (Non-executive)

Barry Atwell (Executive) – Remunerated by Uniting Church SA.

Peter Battersby (Executive – Alternate for Barry Atwell) – Remunerated by Uniting Church SA.

#### ***Basis of Preparations***

The financial report is a special purpose report prepared for use by the UC Invest Board. The Board has determined that it is not a reporting entity.

The financial report has been prepared on a going concern basis in accordance with the following Australian Accounting Standards and other mandatory professional reporting requirements:

AASB 1031: Materiality

AASB 110: Events After the Balance Sheet Date

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

UC Invest manages the Fund, and employs an investment strategy to seek to maximise the performance of the Fund. In return for managing the Fund, UC Invest receives a management fee.

#### *Reporting Basis and Conventions*

The financial report has been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value.

The following is a summary of the material accounting policies adopted by the entity in the preparations of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. These deposits are convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above and are net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

#### **(b) Revenue**

Revenue is recognised and measured at fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the entity and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

##### **i. Interest**

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## Notes to the Financial Statements

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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##### ii. Dividends and Distributions from Equities

Dividend and distribution income is received in the form of dividends and imputation credits from companies within the UC Invest Share Fund portfolio. Revenue is recognised when the entity's right to receive the payment is established.

##### iii. Application and Redemption Fees

Application and redemption fee income is received when unit holders enter or exit the Fund either fully or partially. Revenue is recognised when the entity makes the corresponding transaction on behalf of the unit holder.

#### (c) Financial instruments

##### i. Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is not classified at fair value through profit and loss.

Transaction costs related to instruments classified at fair value through profit and loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

##### ii. Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.



## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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#### iii. Classification and Subsequent Measurement

##### a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purposes or short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

##### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or are not classified in any of the other categories. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until it is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

##### (d) Trade and other payables

Trade and other payables are recognised when the entity becomes obliged to make future payments.

## **Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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#### **(e) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### **(f) Impairment**

At each reporting date the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

#### **(g) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### **(h) Income Tax**

The entity is exempt from income tax due to its status as a religious organisation.

## Notes to the Financial Statements

**FOR THE YEAR ENDED 31 DECEMBER 2011** **2011** **2010**  
\$ \$

### 2. REVENUE

Dividends and Distributions from Equities	3,499,584	3,130,112
Interest Received	95,793	34,967
Application & Redemption Fees Received	<u>10,797</u>	<u>14,842</u>
	<b><u>3,606,174</u></b>	<b><u>3,179,921</u></b>

### 3. REVALUATION OF INVESTMENTS

Listed Equities held at beginning of year	(64,103,844)	(58,969,300)
Listed Equities Purchased for the year	(61,239,625)	(40,134,062)
Listed Equities Sold for the year	61,868,882	33,223,544
Market Value of Listed Equities at end of year	<u>54,348,308</u>	<u>64,103,844</u>
Capital Appreciation / (Depreciation) for the year	<b><u>(9,126,279)</u></b>	<b><u>(1,775,974)</u></b>

Investment decisions by Unit Holders to withdraw or deposit to the Fund influences the need to buy or sell shares from time to time, depending on the monetary value of the transaction, and the amount of cash held by the Fund. The amount appearing as Capital Appreciation / (Depreciation) for the year includes an amount which represents the profit / (loss) on the buying / selling of shares to enable the Fund to process withdrawal and deposit requests; as well as capital fluctuations in the value of shares held or transacted during the year for investment purposes.

Unit Holders that were invested in the Fund for the 2011 year had a total investment return of -8.91%, which compares favourably to the ASX200 Accumulation Index (industry standard Australian share benchmark) return of -10.54% for 2011.

Refer to Appendix A for a listing of individual listed equities capital movements for the year.

### 4. EXPENSES

Management Fees – Related Party	150,295	150,943
Brokerage	41,515	47,835
General Expenses	1,123	0
Interest Paid	<u>0</u>	<u>672</u>
	<b><u>192,933</u></b>	<b><u>199,450</u></b>

### 5. AUDITORS' REMUNERATION

Audit Fees	1,677	1,750
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These fees have been paid by UC Invest.

## Notes to the Financial Statements

**FOR THE YEAR ENDED 31 DECEMBER 2011** **2011**  
\$ **2010**  
\$

### 6. CASH AND CASH EQUIVALENTS

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

Cash at Bank	(82,693)	(43,543)
UC Invest Money Manager Investment	<u>458,162</u>	<u>285,973</u>
	<b><u>375,469</u></b>	<b><u>242,430</u></b>

The Money Manager Investment earns interest at floating rates based on the official Reserve Bank cash rates and is an at call investment.

### 7. TRADE AND OTHER RECEIVABLES

GST Credits	(35)	271
Accrued Dividends	130,213	90,224
Accrued Interest	25,128	13,301
Accrued Imputation Credits	<u>540,987</u>	<u>520,305</u>
	<b><u>696,293</u></b>	<b><u>624,101</u></b>

### 8. FINANCIAL ASSETS

Available for sale	<u>54,348,308</u>	<u>64,103,844</u>
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Available for sale financial assets consist of listed equities. The value of listed equities held has been determined following the fund revaluing holdings to fair value at year end.

### 9. CASH FLOW INFORMATION

#### Reconciliation of Cash Flow from Operations with Profit

<b>Profit from Ordinary Operations</b>	<b>(5,713,038)</b>	<b>1,204,497</b>
Revaluation of Investments	9,126,279	1,775,974
Decrease/(Increase) in Receivables	<u>(72,192)</u>	<u>(199,962)</u>
<b>Cash Flow from Operating Activities</b>	<b><u>3,341,049</u></b>	<b><u>2,780,509</u></b>

## **Notes to the Financial Statements**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The UC Invest Board Members are not aware of any contingencies requiring disclosure in the financial statements.

### **11. SEGMENT REPORTING**

The entity operates predominantly in one business and geographical segment being the investment in equities listed on the Australian Stock Exchange.

### **12. EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no substantial subsequent events since balance date.

### **13. RELATED PARTY TRANSACTIONS**

UC Invest Share Fund is administered by the UC Invest Board on behalf of The Uniting Church in Australia Property Trust (S.A.), the trustee of the Church in South Australia. UC Invest receives management fees each month of 0.02% of the fair value of assets within the UC Invest Share Fund.

### **14. FINANCIAL RISK MANAGEMENT**

#### **(a) Financial Risk Management Policies**

The entity manages its exposure to key financial risks by the application of policies approved by the UC Invest Board.

The entity's exposure to interest rate risk has been substantially negated as previously held substantial balances in the Money Manager Investment have been reduced during the reporting period.

The Money Manager Investment may still fluctuate in balance, however the UC Invest Board has stipulated in its approved policies that the majority of financial assets are to be invested in equities listed on the Australian Stock Exchange.

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

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### (b) Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are liquidity risk, market risk and revenue risk.

#### i. Liquidity risk

Due to the liquid nature of the entity's financial assets, the entity's exposure to liquidity risk is limited to the amount of time it takes to receive cash from its equities investments. The funds invested by the entity are revalued on a weekly basis by UC Invest and provide liquidity on the same time frame.

#### ii. Market risk

The investment assets that the entity holds are by character of a fluctuating nature, both in revenue received and the current market value of the underlying assets. The values of these investments fluctuate as economic, market and company specific condition vary.

UC Invest does not mitigate the market risk directly. It employs an investment selection policy which divides up the portfolio in different sections which includes the use of an index system of stock selection as well as the use of brokers selecting stocks.

By its very nature, the use of an index selection model adopts the market risk that the pool of stocks contains.

The use of brokers to select stocks on their individual merits is designed to maximise investment returns. The brokers use substantial research resources available to them to minimise the chances their individual portfolios underperforming the market.

#### iii. Revenue risk

The revenue received (dividends and distributions) from equities investments may fluctuate due to changes in market conditions. The revenue received represents the dividends, distributions and imputation credits recorded by the fund manager during the period. The fund manager does not distribute capital in quarterly distributions to investors, or operate a scheme which evens out the distributions over time, which means the distributions are market driven.

The distributions are the aggregate of dividends and distributions (plus any imputation credits) which are approved by the companies whose equities are invested in by the fund. The value of distributions can be varied by individual companies at any stage, depending on economic conditions and many other factors including cash flow, lending covenants, investor appetite for risk or peer distributions.

## Notes to the Financial Statements

**FOR THE YEAR ENDED 31 DECEMBER 2011** **2011**  
\$ **2010**  
\$

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UC Invest through its stock selection process is selecting stocks for total return. This is a combination of growth and distributions. Its investment policy does not seek to maximise distributions via revenue, but overall return.

### (c) Sensitivity Analysis

#### i. Market risk

The entity has performed a sensitivity analysis relating to its exposure to price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in market value. The Share Funds performance is not totally correlated with the ASX200 index, but is expected to perform similarly.

#### Change in profit

- Decrease in ASX200 index by 25%	(13,587,077)	(16,025,961)
- Increase in ASX200 index by 25%	13,587,077	16,025,961

#### Change in equity

- Decrease in ASX200 index by 25%	(13,587,077)	(16,025,961)
- Increase in ASX200 index by 25%	13,587,077	16,025,961

#### ii. Revenue risk

The entity has performed a sensitivity analysis relating to its exposure to revenue risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in revenue received.

#### Change in profit

- Decrease in dividends and distribution to UC Invest Share Fund by 20%	(699,917)	(626,022)
- Increase in dividends and distribution to UC Invest Share Fund by 20%	699,917	626,022

## Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011	2011 \$	2010 \$
<b>Change in equity</b>		
- Decrease in dividends and distribution to UC Invest Share Fund by 20%	(699,917)	(626,022)
- Increase in dividends and distribution to UC Invest Share Fund by 20%	699,917	626,022

### (d) Derivative Financial Instruments

The entity does not use derivative financial instruments.

### 15. ECONOMIC DEPENDENCY

UC Invest Share Fund does not have any economic dependency on other entities of the Uniting Church SA.

### 16. ENTITY DETAILS

The registered office and principal place of business of the entity is:  
Level 2, 212 Pirie Street,  
Adelaide SA 5000

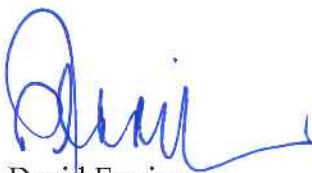


## DECLARATION OF THE BOARD

In the opinion of the Board Members of the UC Invest Board:

- (a) the financial statements and notes set out on pages 1 to 16 of UC Invest Share Fund – Financial Report:
  - (i) complies with accounting standards and other mandatory professional reporting requirements to the extent described in Note 1; and
  - (ii) gives a true and fair view of the Fund's financial position as at 31<sup>st</sup> December 2011 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date; and
- (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: and

This declaration is made in accordance with a resolution of the UC Invest Board.



David Ferrier  
Chair  
UC Invest Board



Michael McClaren  
Chair  
Audit Committee – UC Invest Board

Adelaide  
27<sup>th</sup> April 2012

## APPENDIX A – REVALUATION OF INVESTMENTS

Stock name	Beginning M/V	Purchases	Sales	End M/V	Revaluation
Australian Worldwide Expl	\$ 80,397.00	\$ -	-\$ 77,493.78	\$ -	-\$ 2,903.22
AGL Energy Limited	\$ 251,249.31	\$ 81,456.45	-\$ 24,507.21	\$ 291,113.95	-\$ 17,084.60
ASX Limited	\$ 239,720.16	\$ 63,421.36	-\$ 19,803.25	\$ 237,453.70	-\$ 45,884.57
Ansell Limited	\$ 163,153.56	\$ 250,660.85	-\$ 311,430.93	\$ 132,604.80	\$ 30,221.32
Alumina Limited	\$ 583,221.60	\$ 35,539.00	-\$ 329,101.73	\$ 122,488.80	-\$ 167,170.07
National Australia Bank	\$ 2,845,706.40	\$ 2,552,886.04	-\$ 2,077,533.92	\$ 3,322,539.52	\$ 1,481.00
Origin Energy	\$ 955,217.76	\$ 858,688.58	-\$ 554,042.77	\$ 1,041,894.02	-\$ 217,969.55
Arcor Limited	\$ 302,508.00	\$ 1,813,273.20	-\$ 1,775,467.76	\$ 390,580.12	\$ 50,266.68
AXA Asia Pacific Holdings	\$ 239,439.26	\$ -	-\$ 106,677.69	\$ -	-\$ 132,761.57
Asciano Group	\$ 411,604.80	\$ 52,803.12	-\$ 252,648.01	\$ 194,917.50	-\$ 16,842.41
Bendigo & Adelaide Bank	\$ 330,956.90	\$ -	-\$ 77,891.52	\$ 189,299.22	-\$ 63,766.16
Oz Minerals Limited	\$ 1,369,464.00	\$ 181,011.80	-\$ 1,016,106.96	\$ 218,248.03	-\$ 316,120.81
Boart Longyear Limited	\$ 196,531.44	\$ 500,000.00	-\$ 419,356.23	\$ 86,319.00	-\$ 190,856.21
Boral Limited	\$ 328,787.76	\$ 10,024.49	-\$ 86,083.74	\$ 173,682.00	-\$ 79,046.51
Bank Of Queensland	\$ 421,470.35	\$ -	-\$ 239,291.77	\$ 108,290.34	-\$ 73,888.24
Computershare Limited	\$ 1,138,885.44	\$ 50,852.27	-\$ 858,001.92	\$ 180,825.75	-\$ 150,910.04
ANZ Bank	\$ 2,598,411.35	\$ 2,193,184.20	-\$ 1,271,180.81	\$ 3,140,905.23	-\$ 379,509.51
Woodside Petroleum Ltd	\$ 1,975,209.60	\$ 1,302,955.91	-\$ 1,127,597.74	\$ 1,430,443.92	-\$ 720,123.85
Fortescue Metals Group	\$ 318,602.64	\$ 1,105,586.03	-\$ 550,254.16	\$ 620,977.56	-\$ 252,956.95
Commonwealth Bank	\$ 3,587,408.20	\$ 3,017,180.56	-\$ 1,785,468.73	\$ 4,770,107.08	-\$ 49,012.95
Billabong International LTD	\$ 158,305.60	\$ -	-\$ 53,532.40	\$ -	-\$ 104,773.20
Connect East Group	\$ 145,005.03	\$ 14,558.40	-\$ 199,092.83	\$ -	\$ 39,529.40
Comm Prop Office Fund	\$ 180,009.57	\$ -	-\$ 47,960.64	\$ 157,884.48	\$ 25,835.55
Westfarmers Limited	\$ 3,362,016.00	\$ 977,218.27	-\$ 2,022,583.12	\$ 2,163,648.00	-\$ 153,003.15
Caltex Australia Ltd	\$ 184,280.88	\$ -	-\$ 35,482.50	\$ 106,977.53	-\$ 41,820.85
CFS Retail Property Trust	\$ 143,918.72	\$ 56,615.92	-\$ 15,430.40	\$ 175,930.69	-\$ 9,173.55
BHP Billiton	\$ 8,105,858.75	\$ 4,929,401.54	-\$ 6,563,018.07	\$ 5,327,906.22	-\$ 1,144,336.00
Westpac Banking Corporation	\$ 3,310,311.66	\$ 2,271,468.08	-\$ 1,349,185.95	\$ 3,886,380.00	-\$ 346,213.79
Graincorp Limited	\$ -	\$ 755,944.04	-\$ 707,858.33	\$ -	-\$ 48,085.71
CSR Limited	\$ 247,082.64	\$ 0.01	-\$ 98,920.48	\$ 68,102.16	-\$ 80,060.01
United Group Ltd	\$ 220,793.43	\$ 941,743.61	-\$ 565,192.10	\$ 488,161.80	-\$ 109,183.14
Perpetual Trustees Australia Ltd	\$ 116,007.57	\$ 876,421.40	-\$ 895,056.51	\$ -	-\$ 97,372.46
David Jones Limited	\$ 363,311.60	\$ 14,728.80	-\$ 208,120.00	\$ 79,883.22	-\$ 90,037.18
Toll Holdings Limited	\$ 147,621.99	\$ 32,133.76	-\$ 16,235.60	\$ 122,325.14	-\$ 41,195.01
Downer Edi Limited	\$ 132,963.12	\$ 23,536.50	-\$ 30,971.08	\$ 89,158.40	-\$ 36,370.14
AMP Limited	\$ 401,743.76	\$ 319,764.59	-\$ 205,481.65	\$ 517,207.46	\$ 1,180.76
Fairfax Media Limited	\$ 281,813.00	\$ -	-\$ 61,982.78	\$ 99,626.40	-\$ 120,203.82
Rio Tinto	\$ 3,320,167.62	\$ 1,521,687.50	-\$ 2,249,114.29	\$ 1,761,905.70	-\$ 830,835.13
News Corp Limited	\$ 981,166.80	\$ 474,716.53	-\$ 1,131,344.94	\$ 369,241.08	\$ 44,702.69
Dexus Property Group	\$ 357,228.80	\$ -	-\$ 99,420.21	\$ 268,749.85	\$ 10,941.26
Orica Limited	\$ 330,472.80	\$ 113,527.92	-\$ 42,399.22	\$ 390,336.72	-\$ 11,264.78
One Steel Limited	\$ 320,932.08	\$ -	-\$ 57,512.52	\$ 58,939.30	-\$ 204,480.26
Goodman Group	\$ 393,292.90	\$ 21,073.10	-\$ 126,878.06	\$ 248,887.08	-\$ 38,600.86
Leighton Holdings Limited	\$ 790,553.52	\$ 64,288.94	-\$ 660,745.74	\$ 138,001.92	-\$ 56,094.80
Ramsay Health Care	\$ 217,996.60	\$ 1,199,834.49	-\$ 1,317,639.47	\$ 167,350.40	\$ 67,158.78
Seek Limited	\$ 727,821.51	\$ 12,651.62	-\$ 590,261.99	\$ 124,654.95	-\$ 25,556.19
Goodman Fielder Limited	\$ 159,491.70	\$ 35,995.80	-\$ 25,338.18	\$ 71,509.24	-\$ 98,640.08
GPT Group	\$ 199,955.28	\$ 62,471.24	-\$ 36,422.58	\$ 232,899.41	\$ 6,895.47
New Crest Mining Limited	\$ 1,986,817.20	\$ 1,586,485.82	-\$ 1,778,963.59	\$ 1,371,723.20	-\$ 422,616.23
Harvey Norman Holdings Ltd	\$ 159,644.94	\$ -	-\$ 30,873.16	\$ 70,632.08	-\$ 58,139.70

UC Invest Share Fund ABN 25 068 897 781 (an activity of Uniting Church SA)

Macquarie Group Limited	\$ 783,427.68	\$ 1,511,390.51	-\$ 1,701,633.86	\$ 363,416.04	-\$ 229,768.29
CSL Limited	\$ 781,650.31	\$ 198,881.41	-\$ 134,163.89	\$ 755,200.00	-\$ 91,167.83
ING Office Fund	\$ 150,643.36	\$ -	-\$ 46,921.38	\$ 114,870.00	\$ 11,148.02
Worley Parsons Ltd	\$ 519,879.08	\$ 65,747.56	-\$ 32,336.61	\$ 530,008.49	-\$ 23,281.54
Incitec Pivot Ltd	\$ 236,408.04	\$ 61,854.94	-\$ 23,392.44	\$ 224,215.45	-\$ 50,655.09
Cochlear Limited	\$ 431,882.11	\$ 500,931.64	-\$ 635,950.10	\$ 235,972.00	-\$ 60,891.65
Santos Limited	\$ 401,298.55	\$ 193,786.34	-\$ 50,211.98	\$ 503,431.20	-\$ 41,441.71
Iluka Resources Limited	\$ 363,333.28	\$ 2,557,998.66	-\$ 2,864,787.17	\$ 287,571.50	\$ 231,026.73
Suncorp Group Limited	\$ 404,394.48	\$ 136,076.36	-\$ 42,554.20	\$ 478,003.58	-\$ 19,913.06
Mirvac Group	\$ 153,999.69	\$ 49,517.45	-\$ 14,757.12	\$ 178,670.88	-\$ 10,089.14
Brambles Industries Ltd	\$ 371,258.16	\$ 142,906.56	-\$ 46,862.40	\$ 469,352.32	\$ 2,050.00
Primary Health Care Ltd	\$ 158,581.28	\$ -	-\$ 36,993.76	\$ 92,076.60	-\$ 29,510.92
Sydney Airport Holdings Ltd	\$ 169,111.41	\$ 51,703.20	-\$ 74,622.79	\$ 170,226.70	\$ 24,034.88
Oil Search Ltd	\$ 297,510.40	\$ 327,675.05	-\$ 46,520.20	\$ 533,231.25	-\$ 45,434.00
Metcash Limited	\$ 299,701.20	\$ -	-\$ 83,681.66	\$ 208,791.24	-\$ 7,228.30
Sim Metal Management	\$ 330,948.51	\$ -	-\$ 63,313.74	\$ 141,604.10	-\$ 126,030.67
Westfield Group	\$ 794,814.28	\$ 482,524.89	-\$ 397,326.77	\$ 733,163.75	-\$ 146,848.65
Seven West Media Limited	\$ 247,477.84	\$ 71,791.79	-\$ 168,685.95	\$ 78,599.16	-\$ 71,984.52
QBE Insurance Group	\$ 688,611.00	\$ 254,155.10	-\$ 78,411.15	\$ 638,836.45	-\$ 225,518.50
Telstra Limited	\$ 1,216,356.30	\$ 1,475,357.38	-\$ 1,124,094.78	\$ 1,837,011.15	\$ 269,392.25
Sonic Healthcare	\$ 165,149.20	\$ 1,450,118.14	-\$ 1,404,788.00	\$ 194,252.88	-\$ 16,226.46
Bluescope Steel	\$ 150,372.00	\$ 49,346.78	-\$ 7,125.20	\$ 47,152.05	-\$ 145,441.53
Charter Hall Office	\$ 120,329.85	\$ -	-\$ 44,079.88	\$ 97,139.25	\$ 20,889.28
Mount Gibson Iron Ltd	\$ 424,000.00	\$ 215,470.93		\$ 336,000.00	-\$ 303,470.93
Macquarie CPS Trust	\$ -	\$ 299,967.50		\$ 288,306.00	-\$ 11,661.50
Transfield Services Limited	\$ 119,132.16	\$ -	-\$ 14,171.28	\$ 67,428.72	-\$ 37,532.16
Insurance Australia Group	\$ 295,667.64	\$ 71,454.05	-\$ 25,358.22	\$ 273,668.30	-\$ 68,095.17
Lend Lease Corporation Ltd	\$ 178,899.90	\$ 44,523.38	-\$ 32,733.76	\$ 165,095.28	-\$ 25,594.24
Transurban Group	\$ 270,484.48	\$ 1,532,876.50	-\$ 1,468,095.30	\$ 357,280.26	\$ 22,014.58
QANTAS Airways Limited	\$ 337,883.50	\$ 43,176.02	-\$ 138,307.29	\$ 146,162.06	-\$ 96,590.17
Telecom Corporation Of NZ Ltd	\$ 295,118.00	\$ -	-\$ 262,405.71	\$ -	-\$ 32,712.29
Stockland	\$ 314,449.20	\$ 87,499.00	-\$ 26,984.05	\$ 336,481.20	-\$ 38,482.95
Australian and New Zealand Commonwealth Bank of Australia	\$ -	\$ 418,982.42	\$ -	\$ 414,100.00	-\$ 4,882.42
APA Group	\$ 175,053.15	\$ 1,171,152.26	-\$ 1,242,478.33	\$ 159,888.90	\$ 56,161.82
JB Hi-Fi Limited	\$ 456,825.90	\$ 279,122.33	-\$ 399,049.18	\$ 243,231.76	-\$ 93,667.29
Spark Infrastructure Group	\$ 128,173.62	\$ -	-\$ 40,770.02	\$ 109,966.68	\$ 22,563.08
Fairfax Media Convertible Pref	\$ -	\$ 1,400.00	\$ -	\$ -	-\$ 1,400.00
Pan Australia Ltd	\$ 871,755.00	\$ 905,513.23	-\$ 1,453,478.35	\$ 101,200.00	-\$ 222,589.88
Aquarius Platinum Ltd	\$ 196,805.10	\$ -	-\$ 38,370.51	\$ 62,007.66	-\$ 96,426.93
Ten Network Holdings Ltd	\$ 642,673.54	\$ -	-\$ 620,979.79	\$ -	-\$ 21,693.75
Kathmandu Holdings Ltd	\$ 157,352.00	\$ -	-\$ 183,463.00	\$ -	\$ 26,111.00
MacArthur Coal Limited	\$ 582,195.20	\$ 199,602.96	-\$ 776,423.45	\$ 163,680.90	\$ 158,306.19
Campbell Brothers Ltd	\$ -	\$ 203,570.55	\$ -	\$ 219,426.21	\$ 15,855.66
Res Med Inc	\$ 174,377.85	\$ 42,231.30	-\$ 46,120.05	\$ 114,714.21	-\$ 55,774.89
Diversified Utility & Energy	\$ 128,340.29	\$ -	-\$ 16,422.04	\$ 116,086.08	\$ 4,167.83
Preferred Capital Ltd	\$ -	\$ 298,484.17	\$ -	\$ 300,510.00	\$ 2,025.83
Myer Holdings Limited	\$ 192,935.40	\$ -	-\$ 32,523.72	\$ 75,951.00	-\$ 84,460.68
Australian and New Zealand	\$ -	\$ 299,760.96	\$ -	\$ 294,690.00	-\$ 5,070.96
Challenger Financial Services	\$ 200,915.60	\$ 14,447.04	-\$ 52,142.40	\$ 142,980.60	-\$ 20,239.64
Atlas Iron Limited	\$ 434,299.00	\$ 731,377.07	-\$ 1,025,650.81	\$ 146,645.10	\$ 6,619.84
Bradken Limited	\$ -	\$ 753,959.32	-\$ 758,798.05	\$ -	\$ 4,838.73

UC Invest Share Fund ABN 25 068 897 781 (an activity of Uniting Church SA)

Flexigroup Limited	\$ 134,062.50	\$ -	-\$ 158,055.00	\$ -	\$ 23,992.50
Kingsgate Consolidated	\$ 539,376.00	\$ -	-\$ 429,765.00	\$ -	-\$ 109,611.00
ETFS Metal Securities Aust Ltd	\$ -	\$ 996,115.76	-\$ 990,096.17	\$ -	-\$ 6,019.59
Sandfire Resources NI	\$ 200,317.00	\$ 448,429.23	-\$ 595,095.05	\$ -	-\$ 53,651.18
Equinox Minerals Ltd	\$ 495,522.75	\$ 721,052.17	-\$ 1,528,880.34	\$ -	\$ 312,305.42
St Barbara Limited	\$ 361,761.36	\$ 258,074.45	-\$ 592,046.14	\$ -	-\$ 27,789.67
QR National	\$ -	\$ 545,252.98	-\$ 308,772.00	\$ 243,815.22	\$ 7,334.24
Lynas Corporation Limited	\$ 316,133.78	\$ 993,877.46	-\$ 1,124,576.38	\$ 117,214.65	-\$ 68,220.21
Riversdale Mining Limited	\$ 244,443.00	\$ -	-\$ 237,397.29	\$ -	-\$ 7,045.71
Westfield Retail Trust	\$ 213,222.62	\$ 134,278.00	-\$ 27,112.80	\$ 310,149.42	-\$ 10,238.40
Australand Assets Trust	\$ -	\$ 201,840.10	\$ -	\$ 198,380.00	-\$ 3,460.10
Bendigo & Adelaide Bank	\$ -	\$ 300,817.00	\$ -	\$ 296,964.00	-\$ 3,853.00
Commonwealth Bank of Australia	\$ -	\$ 299,664.00	\$ -	\$ 300,816.00	\$ 1,152.00
Dexus Rent Trust	\$ -	\$ 179,976.75	\$ -	\$ 189,150.00	\$ 9,173.25
Goodman Place Trust	\$ -	\$ 179,740.00	\$ -	\$ 193,930.00	\$ 14,190.00
Gunns Limited	\$ -	\$ 179,410.00	-\$ 35,657.70	\$ 62,895.00	-\$ 80,857.30
Insurance Australia Group Ltd	\$ -	\$ 300,494.20	\$ -	\$ 298,989.90	-\$ 1,504.30
IAG Finance (New Zealand) Ltd	\$ -	\$ 299,520.00	\$ -	\$ 302,688.00	\$ 3,168.00
Multiplex Sites Trust	\$ -	\$ 179,746.00	\$ -	\$ 166,500.00	-\$ 13,246.00
Nufarm Finance (NZ) Ltd	\$ -	\$ 179,803.10	\$ -	\$ 187,353.00	\$ 7,549.90
Orica Limited	\$ -	\$ 299,148.50	-\$ 301,000.00	\$ -	\$ 1,851.50
National Australia Bank Ltd	\$ -	\$ 419,608.00	\$ -	\$ 396,595.60	-\$ 23,012.40
Paperlinx SPS Trust	\$ -	\$ 192,912.00	\$ -	\$ 52,238.80	-\$ 140,673.20
Ramsay Health Care Ltd	\$ -	\$ 179,810.75	\$ -	\$ 182,600.00	\$ 2,789.25
Southern Cross Airports	\$ -	\$ 300,710.00	\$ -	\$ 309,270.00	\$ 8,560.00
Transpacific SPS Trust	\$ -	\$ 180,025.00	-\$ 42,411.00	\$ 132,525.00	-\$ 5,089.00
Westpac TPS Trust	\$ -	\$ 299,328.50	\$ -	\$ 300,135.00	\$ 806.50
IRESS Market Technology Ltd	\$ -	\$ 500,007.74	-\$ 462,676.55	\$ -	-\$ 37,331.19
Australian Unity Limited	\$ -	\$ 183,465.00	\$ -	\$ 185,265.00	\$ 1,800.00
Peet Limited	\$ -	\$ 460,608.00	-\$ 56,506.10	\$ 392,540.80	-\$ 11,561.10
Mineral Deposits Limited	\$ -	\$ 270,620.60	-\$ 257,546.50	\$ -	-\$ 13,074.10
Mineral Resources Limited	\$ -	\$ 195,050.00	\$ -	\$ 176,000.00	-\$ 19,050.00
Bathurst Resources Limited	\$ -	\$ 1,149,271.46	-\$ 832,514.88	\$ -	-\$ 316,756.58
Whitehaven Coal Limited	\$ -	\$ 1,111,930.97	-\$ 937,777.27	\$ 100,462.39	-\$ 73,691.31
Carabella Resources Limited	\$ -	\$ 149,850.00	-\$ 133,688.00	\$ -	-\$ 16,162.00
Rex Minerals Limited	\$ -	\$ 249,914.60	-\$ 199,946.89	\$ -	-\$ 49,967.71
Australian and New Zealand	\$ -	\$ 500,000.00	-\$ 503,851.50	\$ -	\$ 3,851.50
Charter Hall Retail Reit	\$ -	\$ 148,655.55	-\$ 152,610.35	\$ -	\$ 3,954.80
Australian Foundation	\$ -	\$ 180,000.00	\$ -	\$ 188,820.00	\$ 8,820.00
<b>Aggregate Totals:</b>	<b>\$ 64,103,844.15</b>	<b>\$ 61,239,624.66</b>	<b>-\$ 61,868,882.27</b>	<b>\$ 54,348,307.71</b>	<b>-\$ 9,126,278.83</b>





Chartered Accountants  
& Business Advisers

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UC INVEST SHARE FUND

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of UC Invest Share Fund, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the board.

#### *Board Members' Responsibility for the Financial Report*

The members of the board are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the policies set by the UC Invest Board and are appropriate to meet the needs of the members.

The board members' responsibility also includes such internal controls as the board members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the fund's preparation and fair presentation of the financial report 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 fund's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

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

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*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

*Auditor's Opinion*

In our opinion the financial report of UC Invest Share Fund is in accordance with policies set by the UC Invest Board, including:

- (a) presenting fairly, in all material respects, the fund's financial position as at 31 December 2011 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the board members' financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

**PKF****PKF**  
Chartered Accountants**I J Painter**  
PartnerSigned in Adelaide this 30<sup>th</sup> day of April 2012