

## **Sydney Diocesan Secretariat Audited Accounts for 2003**

Independent Audit Report to the Members of Sydney Diocesan Secretariat

### **Audit opinion**

In our opinion, the financial report as set out [on pages 141 to 153]:

- gives a true and fair view of the financial position of Sydney Diocesan Secretariat as at 31 December 2003, and of the results of its operations and its cash flows for the year ended on that date
- is presented in accordance with the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church Diocese of Sydney, Accounting Standards and other mandatory professional reporting requirements in Australia.

This opinion must be read in conjunction with the rest of our audit report.

### **Scope**

#### ***The financial report and member's responsibility***

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the statement by the members for Sydney Diocesan Secretariat (the Secretariat), for the year ended 31 December 2003.

The members of the Secretariat are responsible for the preparation and true and fair presentation of the financial report in accordance with the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### ***Audit approach***

We conducted an independent audit of the financial report in order to express an opinion on it to members of the Secretariat. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Secretariat's financial position, and the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included -

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the members of the Secretariat.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by the members of the Secretariat or management.

***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers  
Chartered Accountants

M J Codling  
Partner

Sydney  
17 March 2004

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Statement of Financial Performance for the year ended 31 December 2003

	Notes	2003 \$	2002 \$
<b>Income</b>			
Accounting and secretarial services		6,942,542	5,857,058
Personnel services charged to:			
Appeals office		18,805	19,104
Glebe Administration Board		3,666,219	2,982,931
Episcopal secretaries & archives		710,785	740,076
		<u>4,395,809</u>	<u>3,742,111</u>
Proceeds from the sale of fixed assets		118,606	82,955
Gain on sale of investments		-	15,355
Interest on investments		180,429	142,526
Interest on deposits		63,959	92,322
Interest on current account overdraft received		73,938	35,243
Other income		108,956	76,363
Recovery of assets servicing & sundry overheads		156,817	259,298
<b>Total income</b>		<u>12,041,056</u>	<u>10,303,231</u>
<b>Expenditure</b>			
Personnel costs		8,553,505	7,513,001
Clergy stipend continuance plan	4	521,164	-
Interest expense on current account		106,277	68,661
Rent and occupancy costs		594,565	578,739
Depreciation		502,223	626,904
Asset servicing costs		426,113	342,692
Audit fees	19	272,250	262,520
Fees and subscriptions		649,843	341,536
Carrying cost of fixed assets sold		122,886	83,659
Office operating costs		727,189	564,914
Synod expenses		102,293	88,102
Investments - mark to market adjustment	7	43,724	-
Write off investment in Anglican Insurance		-	90,004
<b>Total expenditure</b>		<u>12,622,033</u>	<u>10,560,732</u>
<b>Operating deficit from ordinary activities</b>	12	<u>(580,977)</u>	<u>(257,501)</u>

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

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Statement of Financial Position as at 31 December 2003

	Notes	2003 \$	2002 \$
<b>Current assets</b>			
Cash	5	403,828	716,572
Accounts receivable, prepayments and accrued income	8	1,104,396	471,368
<b>Total current assets</b>		<u>1,508,224</u>	<u>1,187,940</u>
<b>Non-current assets</b>			
Fixed assets	9	992,678	1,306,618
Investments	7	2,905,606	3,100,187
<b>Total non-current assets</b>		<u>3,898,284</u>	<u>4,406,805</u>
<b>Total assets</b>		<u>5,406,508</u>	<u>5,594,745</u>
<b>Current liabilities</b>			
Accounts payable and accruals	10	1,277,892	1,109,024
Current account held for Diocesan funds		1,398,819	1,352,062
Provision for annual leave	11	484,994	472,180
Provision for long service leave	11	367,004	245,875
<b>Total current liabilities</b>		<u>3,528,709</u>	<u>3,179,141</u>
<b>Non current liabilities</b>			
Provision for long service leave	11	105,653	214,311
<b>Total liabilities</b>		<u>3,634,362</u>	<u>3,393,452</u>
<b>Trust funds</b>			
Clergy removals fund	13	56,634	38,485
Clergy stipend continuance plan	13	-	(133,681)
<b>Total trust funds</b>		<u>56,634</u>	<u>(95,196)</u>
<b>Net assets</b>		<u>1,715,513</u>	<u>2,296,486</u>
<b>Equity</b>			
Capital funds	12	1,715,512	2,296,489
<b>Total equity</b>		<u>1,715,512</u>	<u>2,296,489</u>

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 2003

	Notes	2003 \$	2002 \$
<b>Cash flows from operating activities</b>			
Payments received from Diocesan funds		10,701,364	9,897,774
Interest received		322,284	262,547
Other income received		177,239	373,628
Payments in respect of the operations		<u>(11,777,450)</u>	<u>(9,504,574)</u>
<b>Net cash flows from/(used in) operating activities</b>	6	<u>(576,563)</u>	<u>1,029,375</u>
<b>Cash flows from investing activities</b>			
Purchase of furnishings		(32,788)	(16,543)
Purchase of equipment and machinery		(2,525)	(5,037)
Purchase of office equipment		(27,553)	(62,912)
Sale of equipment and machinery		904	2,341
Purchase of computer hardware/software		(112,509)	(455,386)
Sale of computer hardware/software		-	410
Purchase of motor vehicles		(121,580)	(108,027)
Sale of motor vehicles		225,091	146,525
Maturity of bank bills		189,019	323,969
Purchase of negotiable certificates of deposit		(200,999)	-
Investments transferred to cash		300,000	-
Sale/maturity of negotiable certificates of deposit		-	448,666
Purchase of bank bonds		-	(2,495,050)
Sale/maturity of bank bonds		-	2,500,533
Net increase/(decrease) in deposits from Diocesan funds		<u>46,757</u>	<u>(1,187,733)</u>
<b>Net cash flows from/(used in) investing activities</b>		<u>263,818</u>	<u>(908,244)</u>
<b>Net increase/(decrease) in cash held</b>		<u>(312,744)</u>	<u>121,131</u>
<b>Cash at the beginning of the year</b>		<u>716,572</u>	<u>595,441</u>
<b>Cash at the end of the year</b>	5	<u>403,828</u>	<u>716,572</u>

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

## **1. Purpose**

Sydney Diocesan Secretariat was established and incorporated under the provisions of Ordinances 18 and 19 of 1973. The Secretariat, being the central administrative body of the Diocese, operates wholly in Australia and is the nominal employer of staff and is responsible for providing secretarial and office support for the Archbishop, Registrar and other Diocesan funds.

## **2. Summary Of Accounting Policies**

### **(a) Basis of accounting**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church Diocese of Sydney. Historical cost has been used and except where stated does not take into account current valuations of non-current assets.

The accounting policies adopted are consistent with those of previous periods unless otherwise specified.

### **(b) Revenue/expense recognition**

Income and expenditure is recognised on an accruals basis.

### **(c) Depreciation**

Depreciation is provided on a straight line basis, based on the estimated useful lives of the assets concerned. Depreciation rates range from 10% to 33.33% per annum.

### **(d) Employee entitlements**

Liabilities for wages, salaries, incentives and annual leave including non-monetary benefits expected to be settled within 12 months of the reporting date, are recognised either in accounts payable or current provisions for employee entitlements and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured at the amounts expected to be paid when the liabilities are settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

No liability has been recognised for sick leave as it does not vest in the employee and it is not considered that any sick leave taken will incur the Secretariat in additional costs.

**(e) Investments**

Any premium or discount on the purchase of fixed interest securities is amortised, over the period of the security, on a straight line basis. These investments are therefore recorded in the accounts at their cost, less the amount amortised to date.

As the bank bills and certificates are redeemable upon maturity at face value, no provision is considered necessary for any difference between book value and market value.

Units in unlisted trusts are carried at lower of cost or market value.

The classification of investments between current and non-current is in accordance with the maturity date of the holding.

On the sale of investments profits or losses are recognised in the statement of financial performance.

**(f) Cash**

For the purpose of the statement of cash flows, cash includes cash on hand, cash at bank and the Glebe Income Account deposits at call.

**(g) Receivables, accounts payable, provisions and borrowings**

Trade accounts receivable generally settled within 60 days are carried at amounts due.

A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

Trade accounts payable, including accruals not yet billed, are recognised when the Secretariat becomes obliged to make future payments as a result of a purchase of assets or services. Trade accounts payable are generally settled within 30 days.

**(h) GST**

Revenue and expenses are recognised net of GST except where GST relating to the expense item is not recoverable from the Australian Taxation Office. The net amount of GST recoverable from the Australian Taxation Office is included in receivables in the statement of financial position. Accounts payable are inclusive of GST. Cash flows relating to GST are included in the statement of financial position. Accounts

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

**(i) Recoverable amount of non-current assets**

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash flows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

### 3. Reserves

	2003	2002
	\$	\$
<b>Movement in reserves-transfer to capital funds</b>		
Staff replacement/development	-	(150,000)
Staff training	-	(49,967)
Office alterations and maintenance	-	(170,000)
Archbishop's appointment	-	(5,913)
Publishing Handbook	-	(46,758)
Future Synod grant	-	-
Software replacement	-	(100,000)
Net movement in reserves	-	(522,638)
<b>Staff replacement/development</b>		
Balance 1 January	-	150,000
Transferred to capital funds	-	(150,000)
Balance 31 December	-	-
<b>Staff Training</b>		
Balance 1 January	-	49,967
Transferred to capital funds	-	(49,967)
Balance 31 December	-	-
<b>Office alterations and maintenance</b>		
Balance 1 January	-	170,000
Transferred to capital funds	-	(170,000)
Balance 31 December	-	-
<b>Archbishop's appointment</b>		
Balance 1 January	-	5,913
Transferred to capital funds	-	(5,913)
Balance 31 December	-	-



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	2003	2002
	\$	\$
<b>Publishing Handbook</b>		
Balance 1 January	-	46,758
Transferred to capital funds	-	(46,758)
Balance 31 December	-	-
<b>Software replacement</b>		
Balance 1 January	-	100,000
Transferred to capital funds	-	(100,000)
Balance 31 December	-	-

**4. Individually Significant Items**

Clergy stipend continuance plan	521,164	-
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During the year it was identified that some stipend continuance claims had been paid prior to acceptance of claim by the insurer. These amounts have been written off. Recovery has been sought from the insurers, however at balance date no claims had been accepted.

**5. Cash**

Bank account - Westpac Banking Corporation	98,036	63,604
Petty Cash	900	900
Glebe Income Account - at call	4,892	652,068
Deposit - 11am call	300,000	-
	403,828	716,572

**6. Reconciliation of Operating Results to the Net Cash Flows from Operating Activities**

Operating deficit from ordinary activities	(580,977)	(257,501)
Depreciation	502,223	626,904
Write down of investments	43,724	90,004
Carrying cost of fixed assets sold	122,886	83,659
Profit on sale of investments	-	(15,355)
Distributions on investments reinvested	(239,408)	148,599
Proceed on sale of fixed assets	(118,606)	(82,955)
Unsettled investment sales and maturities	1,009,520	-
<b>Changes in assets and liabilities:</b>		
Decrease/(Increase) in accounts receivable	(633,028)	299,380
(Decrease)/Increase in accounts payable and accruals	(168,868)	170,702
(Decrease)/Increase in trust funds	(539,313)	(129,330)
(Decrease)/Increase in provision for annual leave	12,813	83,487
(Decrease)/Increase in provision for long service leave	12,471	11,781
<b>Net cash flows from/(used in) operating activities</b>	<b>(576,563)</b>	<b>1,029,375</b>

**7. Investments**

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Bank accepted bills	200,782	150,640
Negotiable certificates of deposit	250,000	450,999
Glebe Stewardship Investment Trust	2,498,501	2,498,501
Mark to market adjustment - GSIT	(43,724)	-
NSW Council of Churches Broadcasters Pty Ltd	47	47
<b>Total non-current investments</b>	<b>2,905,606</b>	<b>3,100,187</b>

**Net fair values**

The aggregate net fair value of securities are:

Bank accepted bills	200,946	151,080
Negotiable certificates of deposit	252,431	453,166
Glebe Stewardship Investment Trust	2,454,777	2,507,995
Shares	47	47
	<b>2,908,201</b>	<b>3,112,288</b>

**8. Accounts receivable, prepayments and accrued income**

Sundry debtors	10,415	16,443
Prepayments	55,793	82,245
Input tax credits	15,926	79,808
Accrued income	-	288,914
Accrued interest	-	3,958
Outstanding investment sales and maturities	1,009,520	
Distributions receivable	12,742	
	<b>1,104,396</b>	<b>471,368</b>

**9. Fixed assets**

Furnishings and effects at cost	317,375	300,832
Additions	32,788	16,543
	<b>350,163</b>	<b>317,375</b>
Less: provision for depreciation	274,439	252,064
	<b>75,724</b>	<b>65,311</b>

Equipment and machinery	459,631	456,935
Additions	2,525	5,037
Disposals	(904)	2,341
	<b>461,252</b>	<b>459,631</b>
Less: provision for depreciation	224,053	107,581
	<b>237,199</b>	<b>352,050</b>

Office equipment	554,041	491,129
Additions	27,553	62,912
	<b>581,594</b>	<b>554,041</b>
Less: provision for depreciation	491,650	458,237
	<b>89,944</b>	<b>95,804</b>

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	<b>2003</b>	<b>2002</b>
	\$	\$
Additions	121,580	108,027
Disposals	(225,091)	146,525
	<u>305,317</u>	<u>408,829</u>
Less: provision for depreciation	114,953	149,312
	<u>190,364</u>	<u>259,517</u>
Computer hardware/software	1,575,262	1,120,286
Additions	112,509	455,386
Disposal	-	(410)
	<u>1,687,771</u>	<u>1,575,262</u>
Less: provision for depreciation	1,288,324	1,041,326
	<u>399,447</u>	<u>533,936</u>
<b>Total fixed assets</b>	<u>992,678</u>	<u>1,306,618</u>
<b>Summary of movement</b>		
Opening balance at 1 January	1,306,618	1,222,640
Additions	296,954	647,905
Disposal	(225,995)	(149,276)
	<u>1,377,577</u>	<u>1,721,269</u>
Less: provision for depreciation	(384,899)	(414,651)
Closing balance at 31 December	<u>992,678</u>	<u>1,306,618</u>
Proceeds from the sale of fixed assets	118,606	82,955
Carrying cost of fixed assets sold	122,886	83,659
<b>Gain/Loss on sale of fixed assets</b>	<u>(4,280)</u>	<u>(704)</u>

**10. Accounts payable and accruals**

Sundry creditors	73,669	105,586
Accrued expenses	386,247	607,268
Incentives provision	499,880	-
Other payables	318,096	396,170
Balance 31 December	<u>1,277,892</u>	<u>1,109,024</u>

**11. Provision for employee entitlements**

<b>Provision for annual leave</b>		
Balance 1 January	472,180	388,693
Movement during year	12,813	83,487
Balance 31 December	<u>484,993</u>	<u>472,180</u>
<b>Provision for long service leave</b>		
Balance 1 January	460,186	448,405
Movement during year	12,471	11,781
Balance 31 December	<u>472,657</u>	<u>460,186</u>
Current liability	367,004	245,875
Non-current liability	105,653	214,311
Balance 31 December	<u>472,657</u>	<u>460,186</u>

	<b>2003</b>	<b>2002</b>
<b>Employee numbers</b>		
Average number of employees during the financial year	119	108

**12. Capital Funds**

	2003	2002
	\$	\$
Write back of reserves to capital funds	-	522,638
Deficit for year	(580,977)	(257,501)
Balance 31 December	<u>1,715,512</u>	<u>2,296,489</u>

**13. Trust funds**

	Clergy removals fund \$	Clergy stipend continuance plan \$	Total 2003 \$	Total 2002 \$
Balance 1 January	38,485	(133,681)	(95,196)	34,134
Received	62,393	398,110	460,503	52,069
Less payments	(44,244)	(785,593)	(829,837)	-
Write off - Insurance claims (see note 4)	-	521,164	521,164	(181,399)
Balance 31 December	<u>56,634</u>	<u>(0)</u>	<u>56,634</u>	<u>(95,196)</u>

The Clergy removals fund reimburses parishes for clergy removals under the provisions of the Clergy Removals Fund Ordinance 2003. The clergy stipend continuance plan pays the insurance premium to cover the clergy for the extended absence caused by sickness or accident under the provisions of the Sydney Diocesan Sickness and Accident Fund Ordinance 1969. The Plan pays clergy admitted into the Plan and collects insurance claim proceeds from the insurer.

**14. Overdraft Facility**

A Joint and Several Guarantee has been given to Westpac Banking Corporation by Glebe Administration Board and St. Andrew's House Corporation for overdraft accommodation up to \$1.2 million granted to Sydney Diocesan Secretariat.

At balance date Sydney Diocesan Secretariat made available overdraft facilities with limits of \$1 million to the Glebe Administration Board and \$100,000 to Sydney Church of England Finance & Loans Board through current accounts with the Secretariat.

**15. Related Party Transactions**

Ultimate control vests with Synod through the sanctioning of governing Ordinances and material transaction between Diocesan Funds are carried out on a commercial basis. The nature of material transactions is disclosed in the financial statements.

The following persons held office as members of the Secretariat during the year:

Mr B H Ball (resigned on 31/5/03)	Mr N Lewis (appointed on 24/3/03)
Canon B A Ballantine-Jones	Mr D McDonald (appointed 1/6/03)
Mr P Berkley	Mr I C Miller
Mr P Driscoll (appointed on 24/3/03)	Mr W H Olson AM
Rt Rev R C Forsyth	Dr L A Scandrett
Dr S E Judd	Mr P Shirriff
Mr R H Y Lambert	

## 16. Commitments - Premises Rental

	2003	2002
	\$	\$
Gross rent	558,358	483,000
Cleaning, electricity and outgoings	35,694	36,000
No later than one year	<u>594,052</u>	<u>519,000</u>

## 17. Financial Instruments

### (i) Interest Rate Risk

The Secretariat's exposure to interest rate risk and the effective interest rates on financial instruments at balance date are:

31 December 2003	Weighted effective interest rate %	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
<b>Assets</b>					
Glebe Income Account - at call	3.95	4,892	-	-	4,892
Petty Cash		-	-	900	900
Cash at Westpac Bank	2.85	98,036	-	-	98,036
Deposit - 11 am call	5.43	300,000	-	-	300,000
Accounts receivable		-	-	1,104,396	1,104,396
Bank accepted bills	5.43	-	200,782	-	200,782
Negotiable certificates of deposit	5.17	-	250,000	-	250,000
Glebe Stewardship Investment Trust*	4.70	2,498,501	-	-	2,498,501
Shares		-	-	47	47
		<u>2,901,428</u>	<u>450,782</u>	<u>1,105,343</u>	<u>4,457,554</u>
<b>Liabilities</b>					
Accounts payable and accruals		-	-	1,277,892	1,277,892
Current account held for Diocesan funds	2.27	1,398,819	-	-	1,398,819
Trust funds		-	-	56,634	56,634
		<u>1,398,819</u>	<u>-</u>	<u>1,334,526</u>	<u>2,733,345</u>
<b>Net financial assets</b>		<u>1,502,609</u>	<u>450,782</u>	<u>(229,182)</u>	<u>1,724,209</u>

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31 December 2002	Weighted effective interest rate %	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non- interest bearing \$	Total \$
<b>Assets</b>					
Cash	2.75	716,572	-	-	716,572
Accounts receivable		-	-	471,368	471,368
Bank accepted bills	4.85	-	150,640	-	150,640
Negotiable certificates of deposit	4.85	-	450,999	-	450,999
Glebe Stewardship Investment Trust*	5.95	2,498,501	-	-	2,498,501
Shares		-	-	47	47
		<u>3,215,073</u>	<u>601,639</u>	<u>471,415</u>	<u>4,288,127</u>
<b>Liabilities</b>					
Accounts payable and accruals		-	-	1,109,024	1,109,024
Current account with client funds	2.75	1,352,062	-	-	1,352,062
Trust funds		-	-	(95,196)	(95,196)

\* *The above interest rate risk disclosures have been prepared on look-through basis for investments held directly through unit trusts and not on the basis of the Corporation's direct investment. Consequently, the disclosure of interest rate risk may not represent the true interest rate risk profile of the Corporation.*

(ii) **Credit Risk**

The carrying amount of financial assets included within the statement of financial position approximates the Fund's maximum exposure to credit risk in relation to these assets.

(ii) **Net Fair Value**

The members consider the carrying amount of financial assets and liabilities approximates their net fair value. (See also Note 7).

**18. Income Tax**

The Secretariat is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**19. Auditors' Remuneration**

The audit fees for the Sydney Diocesan Secretariat for 31 December 2003 is \$12,500 (2002: \$8,000).

	2003 \$	2002 \$
Other services	<u>22,500</u>	<u>113,280</u>

The Sydney Diocesan Secretariat is responsible for the payment of audit fees of various entities and recovers this through the accounting and secretarial services levied on those entities. In 2003, the auditors remuneration paid on behalf of those entities is \$237,250 (2002: \$141,240), which is inclusive of \$70,000 which were additional audit fees relating to services rendered in 2002.

## **20. Contingent Assets and Liabilities**

Shares in Anglican Insurance Limited, Anglican Insurance Agencies Pty Limited and Anglican Insurance Trust have been written off as the companies and trust are in liquidation. Recovery of any amount from the liquidation is uncertain.

Recovery of the outstanding stipend continuance claims amounting to \$521,164 from the insurers is uncertain. There is a possibility that this claim, or part of it, may be recoverable. We do not expect any further costs for claims relating to 2003. Should the claims not be admitted by the insurers and the claims continue until age 65, the cost of these claims would be \$2,328,690.

## **21. Events occurring after reporting date**

The members are not aware of any events occurring after reporting date that impact on the financial statements as at 31 December 2003.

## **Statement by the Members**

In the opinion of the members of the Sydney Diocesan Secretariat:

- (a) the accompanying financial report presents a true and fair view of the operations of Sydney Diocesan Secretariat for the year ended 31 December 2003 and of the state of its affairs at that date complying with Australian Accounting Standards and other mandatory professional requirements.
- (b) at the date of this statement there are reasonable grounds to believe that the Secretariat will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution at a duly constituted meeting.

R H Y Lambert  
L A Scandrett  
**Members**

17 March 2004