

S^T. JAMES'

Bicentenary 2019-2024



As Sydney's oldest church, St. James' is a place of soul-stirring worship, challenging preaching and fine music. We are a progressive community that welcomes all people regardless of age, race, sexual orientation or religion.

WARDENS' FINANCIAL DOCUMENTATION

**For the year ended
31 December 2021**

The Parish Church of St James

Office:

Level 1, 169-171 Phillip Street
Sydney NSW 2000

Church:

173 King Street
Sydney NSW 2000

The Parish Administration Ordinance 2008 brings together all rules which are directly relevant to the administration of parishes in the Diocese, to ensure the rules used to administer parishes are clearly expressed and logically ordered and can be readily used by parish officers.

The rules for administering a parish include:

3.1 Business of the annual general meeting of parishioners

(1) In a parish with only one church, the business of the annual general meeting of parishioners of a church is –

- (a) to receive and pass or otherwise determine on the financial statements of the wardens (rule 3.9(4)) and to receive any report from the wardens about the exercise of their other functions, and*
- (k) to elect a qualified person or persons to the office of auditor of the financial statements and accounts of the wardens,*

3.9 Provision of financial documentation to the annual general meeting of parishioners

(1) The wardens are to provide the following to the annual general meeting of parishioners in the form last prescribed by the Standing Committee by resolution –

- (a) a statement of the comprehensive income of the church during the previous financial year, and*
- (b) a statement of the financial position of the church at the close of the financial year, and*
- (c), and*
- (d) a warden's and treasurer's report to the parishioners, and*
- (e) a statement setting out full particulars of all current insurances effected by them as required by rule 3.7(1)(g), and*
- (f) a budget for the then current financial year,*
- (g) any other statement or document for the financial year prescribed by the Standing Committee by resolution.*

(2) Before the annual general meeting of parishioners, the wardens are to call on the auditor or auditors duly appointed under these rules to report on the financial statements prepared pursuant to paragraphs (a) to (d) of sub-rule (1) and on the accounting records kept by them and to state, in that report –

- (a) whether anything has come to the auditor's attention that causes the auditor to believe that the financial statements do not give a fair view of the revenue and expenses, assets and liabilities of the church or parish, in accordance with the Parish Administration Ordinance 2008, and*
- (b) where not so satisfied, the reasons for not being so satisfied.*

(3) On at least one Sunday before the annual general meeting of parishioners, being a Sunday on which at least one service of public worship is conducted, the wardens are to make copies of the documents listed in sub-rule (1) and the auditor's report (if available) available for inspection or distribution (or both) at or near each main entrance to the church, in such quantities and manner as the minister and wardens may reasonably determine, and to cause an announcement to be made at such service to the effect that they are so available.

(4) The wardens are to produce the documents listed in sub-rule (1) and the auditor's report at the annual general meeting of parishioners.

(5)

There is a further Ordinance specifically for the St. James' Hall, the St James' Sydney Phillip Street Property Ordinance 1962, which requires:

Management of the Building and Land

3A. (1) Subject to the terms of this Ordinance, the Wardens are responsible for the proper management, security and administration of the Building and the Land in accordance with Parish Administration Ordinance 2008.

(2)

(3) In undertaking the proper management and administration of the Building and Land the Wardens will –

(a) maintain proper financial accounts, which are to be separate from the other accounts of the Wardens maintained under the Parish Administration Ordinance 2008, and

(b) ensure that such financial accounts are audited annually, and

(c)

This document, the Wardens' Financial Documentation, has been prepared to satisfy the requirements of each of the Parish Administration Ordinance 2008 and the St James' Sydney Phillip Street Property Ordinance 1962, and includes:

1. The Wardens' and Treasurer's Report
2. A statement of insurances
3. A budget for the 2021 financial year (Parish and Hall)
4. Details of the proposed auditor for 2022
5. The Statement of Comprehensive Income and the Statement of Financial Income with Notes for the Parish excluding St. James' Hall including the Auditor's Report
6. The Statement of Comprehensive Income and the Statement of Financial Income with Notes for St. James' Hall including the Auditor's Report
7. Resolutions for the meeting

Wardens' and Treasurer's Financial Report for 2021

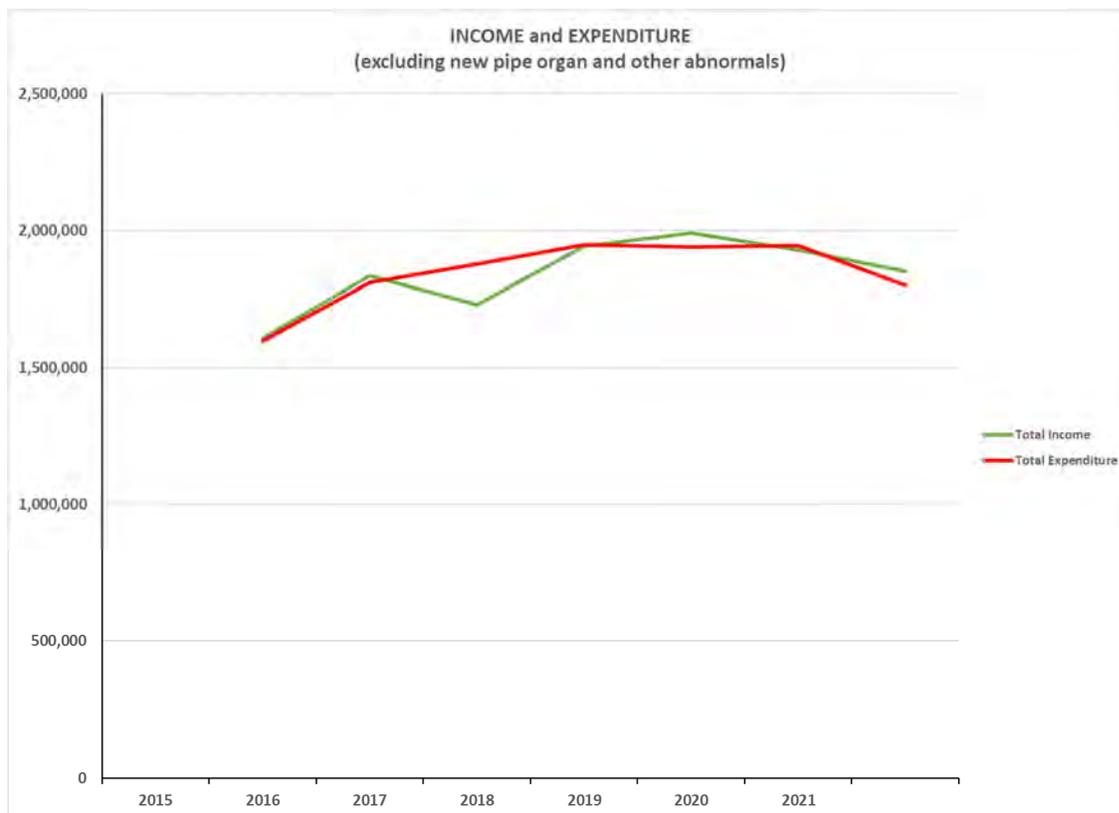
Parish and Hall Accounts

The audited accounts for both the Parish and the Hall are contained in separate sections as part of this pack.

Parish Accounts - General

2021 was (for the second year) characterised by the COVID pandemic. It affected every facet of Parish life discussed elsewhere in reports. From a financial perspective, the impact could have been devastating, but the Parish should be prayerfully grateful that, overall, the impact has been minimal.

Overall, the day-to-day income and expenditure, excluding abnormal items, showed an operating profit in 2021 of \$104,507 (a loss of (\$16,661) in 2020) after abnormal items.



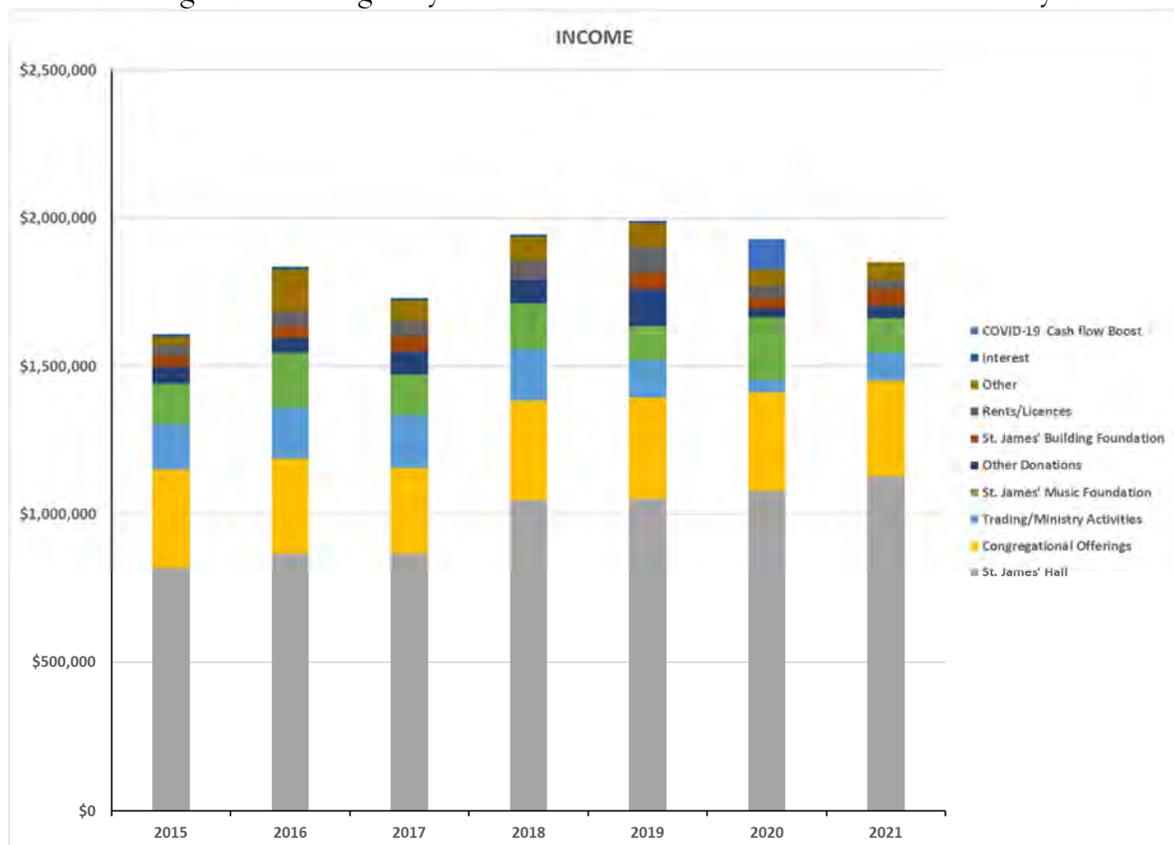
What the graph above shows is that both income and expenditure have almost 'flatlined', and whilst we haven't returned to the large loss of 2017, there is no growth evident, and we have to continue to be vigilant on cost control.

Parish Accounts - Income

Our income overall (excluding abnormal items, being donations for the new pipe organ) decreased slightly year-on-year, from \$1,988,073 in 2020 to \$1,966,303 this year.

Such a small change is remarkable, given the circumstances of the COVID pandemic. Distributions from St. James' Hall and general distributions from the St. James' Foundations remained at, or greater than prior years.

Income in 2021 was again dominated by distributions from the St. James' Hall – shown in light grey below. In keeping with prudent practice, this income is allocated to the costly upkeep of the Church building and clergy residences. As noted elsewhere, the Ordinance for St. James' Hall was renegotiated during the year and distributions are secured for the next 5 years.



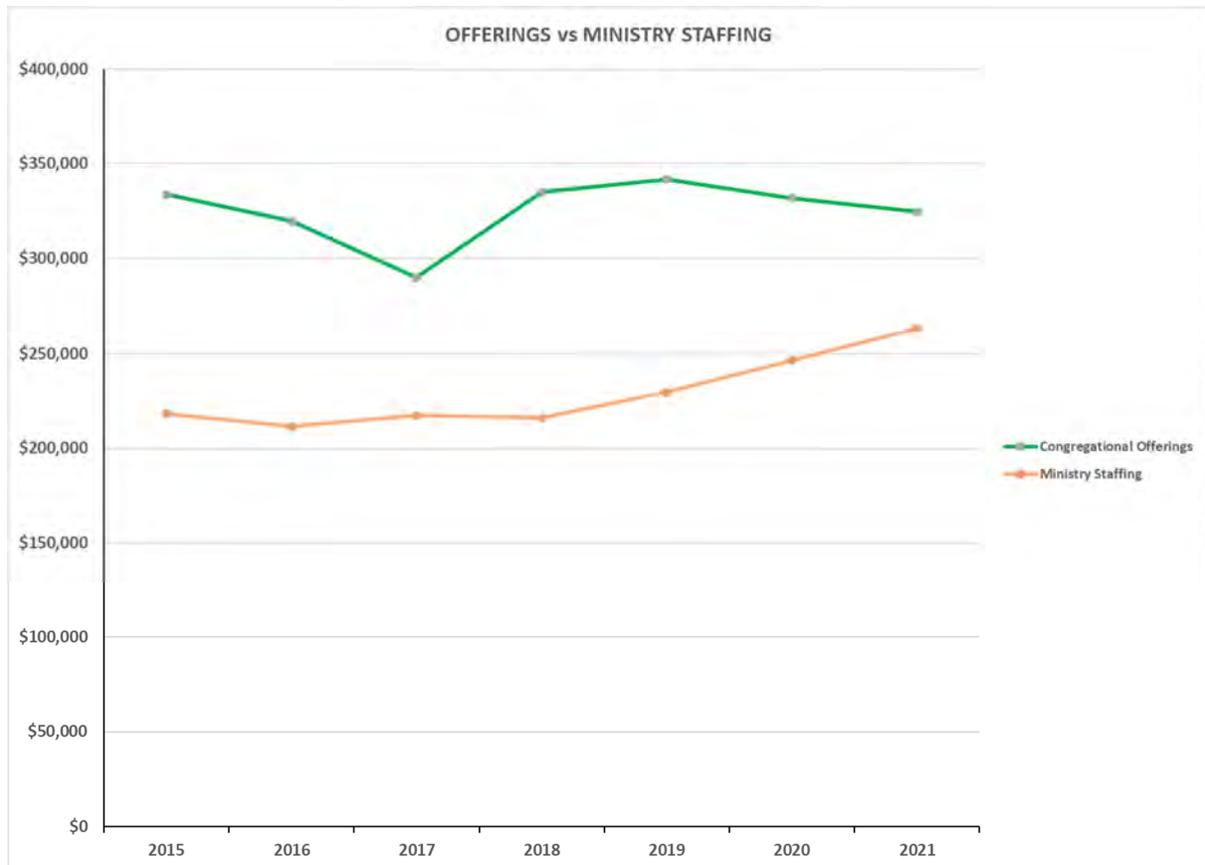
The second largest income source was from congregational offerings (in yellow above). This is extraordinary, given the closure and then only partial reopening of the church building due to COVID restrictions. Whilst cash offerings were almost zero, many parishioners continued with electronic giving arrangements.

Income from three areas: Ministry activities [light blue] (baptisms, weddings, funerals, concerts etc.): other donations [dark blue] (tourist donations, some bequests, contributions to

Orchestral Masses and the like): and the St. James' Music Foundation general distributions [green] were approximately equal and made up the bulk of the remaining income. It should be noted that income in outward-facing activities was reduced, as many of these activities were curtailed.

The Federal Government "Cash Flow Boost" of \$100,000 – part of the COVID-19 response – paid in 2020 was not repeated in 2021. The Parish did not qualify for any JobKeeper payments from the Federal Government.

Our aim, indeed the requirement of the Diocese, is that giving (offertories) should support the Ministry costs of the Parish. The graph below shows that we continue to meet that goal.



The Wardens gratefully acknowledge the philanthropy of donors to the St James' Music Foundation for the major contribution this makes to the ongoing funding of music in the Parish. We are blessed with a beautiful heritage building in which to worship and the best of choral music. The Wardens also gratefully acknowledge the philanthropy of donors to the St James' Building Foundation for the major contribution this makes to the ongoing funding of maintenance work to the church building.

The Wardens gratefully acknowledge the philanthropy of donors to the St James' Music Foundation Organ Appeal for the major contribution this makes to the funding of the new pipe organ.

The Wardens also acknowledge work of the Trustee in managing the two Trusts.

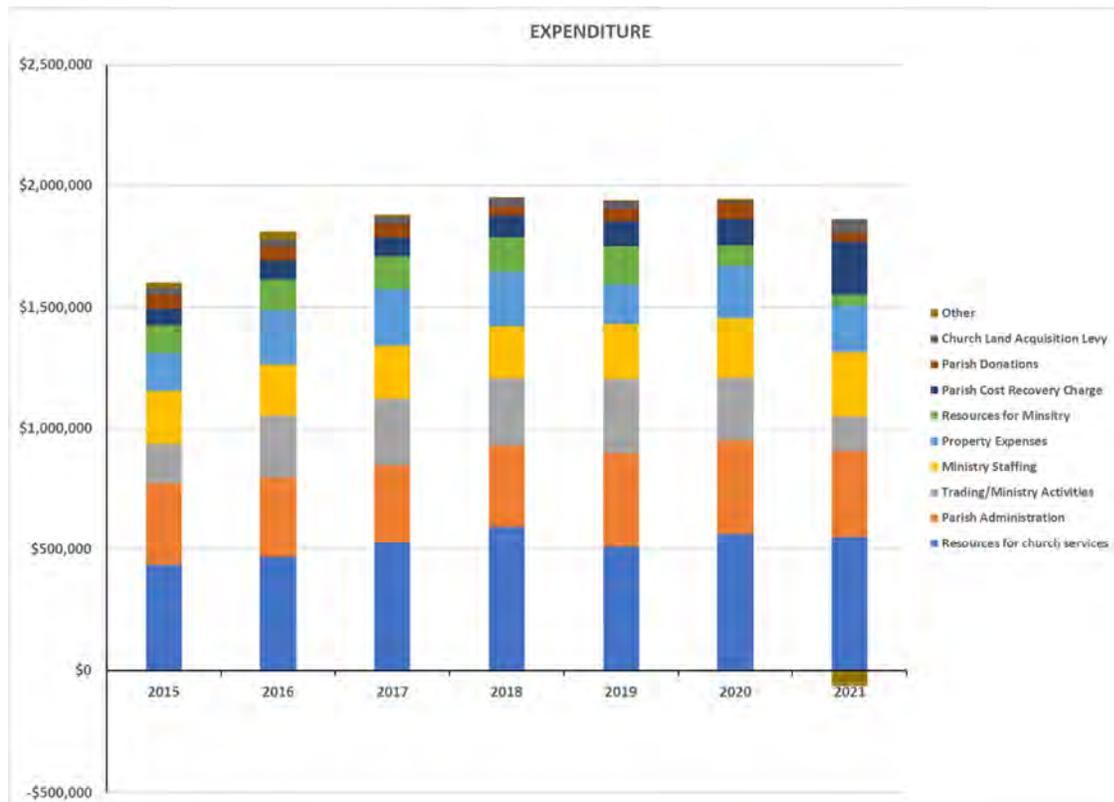
Parish Accounts - Expenditure

Expenditure (excluding abnormal items) decreased slightly – from \$1,945,108 in 2020, down to \$1,861,796 this year.

When COVID struck, expenses for items such as clergy and staff salaries remained constant, however sessional choir costs were reduced. The Wardens continued with the decision made in 2020 that the core choir members should continue to receive some form a payment (as it is part of their livelihood), notwithstanding that singing opportunities were impacted by Public Health Orders.

Maintenance and capital works (notably the crypt toilets) continued, as it was felt that these would be less disruptive whilst the church building was being under-utilised.

The chart below plots the major categories of expense:



Parish Accounts – General

A number of accounting changes have been made this year:

- The previous methodology of considering bequests held to be equity has been changed to being income in advance and a liability. The 2020 accounts have been restated;
- A loan has been drawn down through the Hall for the new pipe organ;
- The loan is denominated in US\$, so for the first time we have a profit/(loss) on foreign exchange.
- The historic church building has been significantly revalued.

St. James' Hall Accounts - General

St James' Hall is the Parish's major property asset and produces a substantial revenue stream which is a critical part of the Parish's annual income. The Anglican Church Property Trust Diocese of Sydney (ACPT) is the Trustee and acts as a bare trustee, meaning that it acts at the request of the Wardens. The rules for the management of the St. James' Hall are set out in the St James' Phillip Street Property Ordinance 1962 (as amended).

The Ordinance sets the distribution ratio of the net revenue from the St. James' Hall between the Parish (80% for the first 6 months of 2021, 75% thereafter) and Diocese (20% for the first 6 months of 2021, 25% thereafter).

The Ordinance also provides the Parish with borrowing powers for purposes of repairs and maintenance to the church building and the replacement of a new pipe organ (\$3m borrowing) on the proviso that the debt is serviced by the Parish. This power was exercised through a Westpac mortgage, drawn down as shown in the accounts.

The Wardens are responsible for St James' Hall. An independent honorary Board of Management (BOM) assists the Wardens in exercising their responsibilities by providing professional expert advice. We are very grateful to the BOM for their diligence. James Balfour is Secretary to this Board and Warden Sid Blairs is the responsible Warden for St James' Hall. Jones Lang LaSalle is the managing agent.

St. James' Hall Accounts - Income

Income (mostly from leases) increased from \$3,392,065 in 2020 to \$4,152,025. Reduced COVID-19 rent abatements were made in accordance with the Regulations and provisions made for non-payment of still-disputed abatements. Given that COVID-19 struck the legal profession very hard (the law courts were generally closed), this is a very good result.

St. James' Hall Accounts - Expenses

Expenses (mostly property expenses of cleaning, electricity, lease renewal fees, rates and the Jones Lang Lasalle fees) increased from \$1,075,253 in 2020 to \$1,203,771. This is generally because the building came back into use in the later part of 2021 and air conditioning expenses increased. Maintenance costs also increased, particularly in the area of fire protection.

St. James' Hall Accounts – Reserves and Distributions

The net operating surplus for 2021 was \$2,948,254. It is the consequence of the outworking of the Ordinance that distributions are made from the Trust to 100% of what is 'left over' after all expenses, interest charges and management fees are paid and reserves are set aside for the repair, renovation, improvement or redevelopment of the building. There has been much discussion by the Wardens in consultation with the Board of Management as to the level of reserves that are appropriate, this discussion remains unresolved and continues.

The Wardens, assisted by the BOM, have been investigating ways in which to best utilise this asset. Major refurbishment, demolition and redevelopment, consolidation with adjoining sites and sale were all discounted on financial grounds in 2021.

The Wardens therefore concluded that in all the circumstances it would be prudent to add \$1,300,000 to the redevelopment/refurbishment reserve fund for 2021 (making a total refurbishment reserve of \$4,000,000 at record date).

Distributions to the Parish and the Diocese were on budget and no final distribution was declared. It is pleasing to record that, despite COVID-19, distributions remain at past levels.

General

A new accounting system for the Parish accounts, Xero, was implemented in 2021, which is working well. It will be implemented for the Hall accounts in 2022.

As the new system took a while to bed in, the Wardens have agreed that the financial accounts from 2022 will be reported within the PFS system and that the monthly management accounts will also sit within the PFS framework.



Chris Lock
March 2021

STATEMENT OF INSURANCES

PROPERTY	VALUE	PLACED BY:
St. James' Church, King Street ^{Note 1}	\$29,887,836	Sydney Diocesan Services (SDS)/Marsh
Paddington clergy residence and Contents	\$907,463	SDS/Marsh
Chatswood clergy residence	\$1,213,917	SDS/Marsh
<u>St. James' Hall</u>		
Statutory Liability		SDS/Dual Australia Pty Ltd
Combined General Liability		SDS/Liberty International Underwriters
Professional Indemnity		SDS/Liberty International Underwriters
Engineering - Commercial		SDS/Allianz Australia Insurance Limited
Industrial Special Risks – Commercial ^{Note 2}		SDS/Chubb Insurance Australia Limited
Crime		SDS/AIG Australia Limited

^{Note 1} “Comment from ACPT: This building has a State/Local Heritage status. ACPT policy ascribes a Modern Replacement Cost (50% value to all State/Local Heritage items) in order to keep premiums low. However, under the Insurance Policy the item would be reinstated at 100% value if such reinstatement were to be required by the Heritage NSW/Local Council.”

^{Note 2}

Industrial Special Risks - Commercial covers physical loss destruction of or damage to the Property Insured (St. James' Hall) as a result of a peril not excluded and loss resulting from interruption to the business consequent upon physical loss destruction of or damage to insured property by a peril not excluded. The Insurers maximum Limit of Liability for any one loss or series of losses arising out of any one event at St. James' Hall, subject to any lesser Limit(s) of Liability specified in the policy, is \$100,000,000.

BUDGETS FOR 2022 FINANCIAL YEAR

Parish Operations

For the current year, 2022, the Parish Council is recommending a parish operating budget comprising an expected income of \$ 1,835,225 (2021 budget \$1,793,430), expenses of \$1,923,064 (2021 budget \$1,927,582), leading to a deficit of **(\$87,839)** (2021 budget deficit **(\$134,152)**).

In proposing the budget for 2022, the Parish Executive examined every income and expenditure line item in detail prior to recommending a budget to Parish Council. Councillors approved the presentation of this budget to the AGM at their meeting on 14th December 2021.

Councillors noted the following:

- Distribution from St. James' Hall is forecast to be very slightly higher than in 2021 and this has been endorsed by the Board of Management.
Offeratories aren't forecast to change appreciably from 2020 and 2021 – on the basis that most parishioners converted to direct deposit offeratories in the pandemic.
- Staffing (clerical and lay) for 2022 remains as 2021. Small annual pay increases have been allowed.
- The St. James' Institute program has been allowed as prepared by the SJI Director.
- The music program has been allowed as requested by the Head of Music.
- Provision has been made for support for marketing, media and communications in line with the focus area in the 5 year strategy.
- Contributions to the Diocese (parish contribution charge, church land acquisition levy and property receipts levy) have been advised by the Diocese and included.
- Capital works have been included. These don't generally affect the budget 'bottom line' as they are capitalised in the accounts, but the Parish does have to find the cash to fund the projects (normally the Building reserve). Capital works allowed include:
 - Court House fence and gate
 - Repairs to stone walls to railings around the church
 - Anti-skateboard works
 - Sound deadening to the bell tower
 - Interior lighting to the church
- The budget doesn't include anything for the Organ project as advice is still awaited from Dobson regarding a new schedule. Likewise, nothing is included for the roof acoustic treatment or roof strengthening.

The one-off increase in the Diocesan Parish Cost Recovery charge in 2021, due to a special distribution from the St. James' Hall trust in 2019, amounting to almost \$50,000 is not repeated.

Proposed Parish Operations Budget for 2021

COST CENTRE		PROPOSED 2021 BUDGET		
		INCOME	EXPENSES	NETT
01	Administration	\$0	\$306,091	(\$306,091)
03	Choir & Music (incl. Cantatas)	\$106,000	\$332,720	(\$226,720)
041	Church - Offertories	\$352,500	\$0	\$352,500
042	Church - Other Income	\$33,450	\$0	\$33,450
043	Church Expenses	\$0	\$283,590	(\$283,590)
05	Church Establishment	\$0	\$289,596	(\$289,596)
06	Ministry Team Expenses	\$0	\$264,150	(\$264,150)
08	Jardine St James	\$30,000	\$0	\$30,000
11	Church Hire	\$17,000	\$8,000	\$9,000
1201	SJI- Events	\$29,775	\$30,700	(\$925)
1202	SJI- Other	\$0	\$102,128	(\$102,128)
13	Marketing	\$0	\$150,278	(\$150,278)
19	Sister Freda	\$0	\$0	\$0
20	St James' Hall	\$1,179,000	\$15,000	\$1,164,000
23	Hall Hire	\$500	\$0	\$500
TOTAL PARISH OPERATIONS		\$1,748,225	\$1,782,252	(\$34,027)
15	Music Initiatives	\$61,000	\$81,500	(\$20,500)
21	Orchestral Masses	\$26,000	\$28,800	(\$2,800)
TOTAL MUSIC SPECIALS		\$87,000	\$110,300	(\$23,300)
073	Paddington Residence	\$0	\$15,200	(\$15,200)
074	Chatswood Residence	\$0	\$15,312	(\$15,312)
TOTAL PROPERTY - CURRENT		\$0	\$0	(\$30,512)
TOTAL BUDGET		\$1,835,225	\$1,923,064	(\$87,839)

St. James' Hall

For the current year, 2022, at its meeting on 26th November 2021 the St. James' Hall Board of Management endorsed the Warden's budget detailed below.

A number of circumstances have significantly changed since the last (2021) budget:

Income

- Level 4 has not renewed its lease;
- Level 5 and Levels 8/9 are renegotiating their leases;
- Rent for the ground floor café has been reduced;
- Contingent allowances for pandemic-related loss of income made in the 2021 budget have not been made in the 2022 budget as we have reached a 'steady state' and income forecasts now reflect actual credits/deferrals;

Expenses

- Operating expenses budgeted by JLL have increased slightly ($\approx 6.75\%$);
- Due to L4 not renewing, costs have been forecast for a L4 fitout (which may be real costs or may be offered as an incentive);
- As a decision has been made not to redevelop the Hall, significant maintenance replacements/minor capital works have been budgeted for a 5-year period (details in the attached). For the 2022 budget, non-recoverable expenses (the JLL term for this category of costs) has increased from \$82^k in the 2021 budget to \$706^k in this 2022 budget;
- Previous expense allowances for consultants regarding the redevelopment have not been repeated in the 2022 budget.

Redevelopment Reserve

- An additional transfer to the Redevelopment Reserve has been provided of \$450^k (less than the \$1^m budgeted in 2021 due to the increase in maintenance replacement/capital works budgeted expenditure);

Distributions

- The changed proportion of distributions under the updated Phillip Street Ordinance is shown on the summary budget.
- The Parish has not budgeted for any increase in distribution.

Proposed St. James' Hall Budget for 2022

		2022 Budget	
		\$	\$
Gross Income	(per JLL)		\$3,856,716
Expenses	Contingencies		-
	Operating Expenses (per JLL)	\$949,056	
	Non-recoverable expenses (per JLL)	\$706,027	\$1,655,083
	(per SJKS)		
	Legal Fees	\$30,000	
	SDS Management Fees	\$42,424	
	SJKS Wardens Expenses	\$20,000	\$92,424
Net Income			\$2,109,209
Redevelopment Reserves			\$450,000
To be distributed			\$1,659,209
	Balance		\$0
Split of Distributions		Annual	Month
	Diocese	30%	\$497,763
	Parish	70%	\$1,161,446
			\$96,787

PROPOSED AUDITOR FOR 2021

At the 2021 Annual General Meeting, the parish elected Mr Steven Watson of National Audits Group (NAG) as auditor for both the St. James' Parish accounts and the St. James' Hall Trust accounts for the financial year 2021, following on from his first appointment in 2020.

During the 2021 financial year and through the audit process, the Wardens are grateful for the excellent advice and audit services provided by staff at NAG, particularly Nicholas Kannan and Natasha Zulharmen.

The Wardens have no hesitation in recommending the Annual General Meeting elect Mr. Stephen Watson of National Audits Group as auditor for both the St. James' Parish accounts and the St. James' Hall Trust accounts for the financial year 2022.



Steven Watson CA, RCA – Managing Director

Registered Company Auditor #332313
Public Practice Certificate
Member of Chartered Accountants Australia and New Zealand (CAANZ)
Bachelor of Business (Accounting Business Management)
Registered Superannuation Auditor
External Examiner of the Law Society NSW

Steven has extensive experience in audit and accounting services with 17 years of audit experience in Australia across both public and private sector clients. Included in the impressive list of clients.

Steven has serviced in auditing and corporate services comprise a selection of listed companies, large and small propriety companies, registered clubs, aged care organisations, charitable and religious organisations, schools, government departments and agencies.

This along with a friendly and professional approach, Steven is committed to efficiency, quality and effective auditing.

MOTIONS FOR THE ANNUAL GENERAL MEETING

MOTION F1

That the Annual General Meeting of Parishioners *RECEIVE* & *PASS* (or otherwise determine) the financial statements of the Wardens for the financial year 2021 for the Parish of St. James' King Street (excluding the St. James' Hall Trust Account).

Proposed: Chris Lock
Seconded: Holly Raiche

MOTION F2

That the Annual General Meeting of Parishioners *RECEIVE* & *PASS* (or otherwise determine) the financial statements of the Wardens for the financial year 2021 for the St. James' Hall Trust Account.

Proposed: Chris Lock
Seconded: Sid Blairs

MOTION F3

That the Annual General Meeting of Parishioners *RECEIVE* the Wardens' and Treasurer's reports.

Proposed: Holly Raiche
Seconded: Sid Blairs

MOTION F4

That the Annual General Meeting of Parishioners *RECEIVE* the budget for 2022 for the Parish of St. James' King Street (excluding the St. James' Hall Trust Account) and for the St. James' Hall Trust Account.

Proposed: Chris Lock
Seconded: Holly Raiche

MOTION F5

That the Annual General Meeting of Parishioners *ELECT* National Audits Group as auditor for both the St. James' Parish accounts and the St. James' Hall Trust accounts for the financial year 2022.

Proposed: Chris Lock
Seconded: Sid Blairs

S^T. JAMES'

Bicentenary 2019-2024



As Sydney's oldest church, St. James' is a place of soul-stirring worship, challenging preaching and fine music. We are a progressive community that welcomes all people regardless of age, race, sexual orientation or religion.

WARDENS' FINANCIAL STATEMENTS

**For the year ended
31 December 2021**

The Parish Church of St James

Office:

Level 1, 169-171 Phillip Street
Sydney NSW 2000

Church:

173 King Street
Sydney NSW 2000

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021
STATEMENT BY WARDENS**

The Wardens have determined that the Church is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Wardens the financial report:

1. Presents fairly the financial position of the operations of the Parish Church of St James' as at 31 December 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Church will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Wardens and is signed for and on behalf of the Wardens by:



Christopher Lock
Warden



Sidney Blairs
Warden



Harriet Raiche
Warden

Date: 5 March 2022

THE PARISH CHURCH OF ST JAMES

ABN: 43 445 299 430

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2021

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2021 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

National Audits Group Pty Ltd
Authorised Audit Company



Steven Watson
Managing Director

Dated: 4 March 2022

Sydney

STATEMENT OF FINANCIAL INCOME AND EXPENDITURE
1 January 2021 to 31 December 2021

	Notes	2021	2020
INCOME			
Revenue	3	2,617,450	2,517,469
TOTAL INCOME		2,617,450	2,517,469
LESS: EXPENSES			
Ministry Staffing		253,244	246,587
Parish Cost Recovery Charge		195,139	107,559
Church Land Acquisition Levy		55,980	8,840
Resources for Ministry		71,768	86,309
Resources for Church Services		564,304	663,041
Parish Donations		38,008	66,354
Parish Administration		343,684	387,013
Expenses re Parish Property (& Motor Vehicles) used for Ministry		178,197	321,877
Expenses relating to Trading/Ministry Activities		141,284	158,984
Church Restoration		18,113	865
Other expenses		2,075	7,308
TOTAL EXPENDITURE		1,861,796	2,054,637
Surplus for the year		755,654	462,832
Transfers from Reserves			
Transfer from Reserves – Bequests and Interests	13	-	74,240
Surplus after Transfers from Reserves		755,654	537,072
Other comprehensive income for the year			
Revaluation of property, plant, and equipment	13	26,444,197	1,792,439
Surplus for the year after transfers from reserves and other comprehensive income		27,199,851	2,329,511

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	2021	2020
CURRENT ASSETS			
Cash and Cash Equivalents		2,520,149	866,013
Trade and Other Receivables	5	35,292	26,157
Total Current Assets		2,555,441	892,170
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	68,163,331	40,927,843
Total Non-Current Assets		68,163,331	40,927,843
TOTAL ASSETS		70,718,772	41,820,013
CURRENT LIABILITIES			
Trade and Other Payables	6	163,565	131,975
Other liabilities	10	584,342	600,997
Provisions	7	142,348	132,480
Loan from St James Hall	8	1,689,739	-
Lease Liability	9	17,847	15,129
Total Current Liabilities		2,597,840	880,576
NON-CURRENT LIABILITIES			
Lease Liability	9	26,072	46,023
Provisions	7	73,456	67,530
Total Non-Current Liabilities		99,528	113,553
TOTAL LIABILITIES		2,697,368	994,129
NET ASSETS		68,021,404	40,825,879
EQUITY			
Reserves	13	59,082,922	32,638,725
Accumulated Funds	13	8,938,482	8,187,154
TOTAL EQUITY		68,021,404	40,825,879

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	2021	2020
Cash Flows from Operating Activities			
Receipts from customers		2,613,072	3,472,559
Receipts from government stimulus		-	100,000
Interest received		317	3,140
Payments in respect of the operations		(1,757,432)	(1,980,308)
Borrowing costs		(11,529)	(4,068)
Net Cash Flows provided by Operating Activities	12	844,428	1,591,323
Cash from Investing Activities			
Payments for property, plant, and equipment		(862,799)	(698,929)
Net Cash Flows used in Investing Activities		(862,799)	(698,929)
Cash Flows from Financing			
Repayment/(Payment) for related party loan		1,689,739	(549,900)
Repayment of lease liabilities		(17,233)	(26,085)
Net Cash Flows provided by/ (used in) Financing Activities		1,672,506	(575,985)
Net increase in cash held		1,654,136	316,409
Cash at beginning of financial year		866,013	549,604
Cash at end of financial year		2,520,149	866,013

Parish Operations Financial Statement (excluding St James' Hall)
ABN 43 445 299 430

Notes to and forming part of the financial statements for the year ended 31 December 2021

The Parish Church of St James, including the St James' Hall Trust ("Parish") is an unincorporated body and domiciled in Australia. The accounts of the St James' Hall Trust are reported separately by the Wardens and are excluded from these financial statements.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The Wardens have prepared the financial statements on the basis that the Parish is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements prepared in order to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Parish Administration Ordinance 2008*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of *AASB 101 Presentation of Financial Statements*, *AASB 107 Statement of Cash Flows*, *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* and *AASB 1054 Australian Additional Disclosures*.

The financial statements have been prepared on an accruals basis and are based on historical costs. Significant accounting policies adopted in the preparation of these financial statements are presented below. Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended in the statement of financial position, statement of financial income and expenditure, statement of changes in equity and statements of cash flow, and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation. The accounts reclassification has no impact to the financial result for year ended 31 December 2020.

While the effects of COVID-19 do not change the significant estimates, judgements, and assumptions in the preparation of financial statements, it has resulted in increased estimation uncertainty and application of further judgement within those identified areas.

Accounting Policies

a. Income Tax

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

b. Property, Plant and Equipment

Land and buildings and certain items of plant and equipment are revalued when the Wardens consider that there have been material long-term changes in the value of assets. Details of the valuations are contained in Note 11 of the accounts. The Wardens have a policy of not depreciating any item that has been revalued. The Wardens believe that any decline in the service potential of the revalued assets, other than the St James' Church building, is likely to be offset by the residual values.

The carrying amount of plant and equipment is reviewed on a regular basis by the Wardens to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the value in use which is determined by reference to the depreciated replacement cost of the asset.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life. A depreciation charge is not calculated on any upwards revaluation recognised on items of contents.

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Notes to and forming part of the financial statements for the year ended 31 December 2021

c. Employee Benefits

Provision is made for the Parish's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The long service liabilities for the stipendiary clergy are held by the Diocese.

d. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

e. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

f. Revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Parish expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Parish have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Parish are:

- Revenue from fundraising and Parish activities is recognised when cash is received.
- Other income is recognised on an accruals basis when the Parish is entitled to it.
- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Revenue received for certain items is not included within the Statement of Financial Income and Expenditure:
 - Bequests with a specific purpose are held in individual reserves (Note 10);
 - Distributions from St James' Music Foundation for future events (Orchestral Masses) are income in advance (Note 10); and
 - Unused distributions from St James' Building Foundation are held in the Church Restoration Fund (Note 10).

AASB 1058 - Income of not-for-profit entities

Parish Operations Financial Statement (excluding St James' Hall)
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Notes to and forming part of the financial statements for the year ended 31 December 2021

Donations and bequests.

Other grants such as donations and bequests which are not enforceable and do not contain sufficiently specific performance obligations are recognised at their fair value when the asset is received. These assets are generally cash.

g. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h. Interests in other entities

The Parish has a beneficial interest in St James' Hall, a commercial property held in Trust for the Parish by the Anglican Church Property Trust Diocese of Sydney (ACPT).

i. Financial instruments

Financial instruments are recognised initially on the date that the Parish becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Parish classifies its financial assets into at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Parish changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Parish's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets

Notes to and forming part of the financial statements for the year ended 31 December 2021

measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Parish considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Parish's historical experience and informed credit assessment and including forward looking information.

The Parish uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Parish uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Parish in full, without recourse to the Parish to actions such as realising security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Parish in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Parish has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Parish renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Parish measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Parish comprise trade payables and bank.

j. Leases

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest

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Notes to and forming part of the financial statements for the year ended 31 December 2021

rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

k. Segment Reporting

Not-for-profit entities are not required to prepare an operating segment note. The Parish has decided to provide some segment information per Notes 3 and 4, however the full disclosure requirements per AASB 8 have not been included.

l. Retrospective reclassification adjustment

A retrospective reclassification adjustment has been inputted as at 31 December 2020, to reclassify the bequests, donations and funds received in advanced from reserves the other liabilities (note 10). This change has been reflected within note 13 – statement of changes in equity. The reclassification adjustment was entered to ensure the Parish is in compliance with AASB 15 – Revenue from contracts with customers and AASB 1058 - Income of not-for-profit entities. The accounts reclassification has no impact to the financial result for year ended 31 December 2020.

Note 2: Auditor's Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor, National Audits Group Pty Ltd, for:		
- audit of the financial statements	12,000	12,000

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Notes to and forming part of the financial statements for the year ended 31 December 2021

Note 3: Segment Revenue and Expenditure

	Parish Operations		Minor Restorations		Major Conservation		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Income Statement								
Congregation Offerings	324,635	331,845					324,635	331,845
COVID-19 Financial Support	-	100,000					-	100,000
Distribution from St James' Music Foundation	134,861	175,829					134,861	175,829
Distribution from St James' Building Foundation			57,000	36,000			57,000	36,000
Distribution from St James Hall								
-Ordinary Distribution	1,128,000	1,080,000					1,128,000	1,080,000
-Special Distribution	-	-					-	-
Income from Trading/Ministry Activities	94,132	42,820					94,132	42,820
Interest	27,141	3,033					27,141	3,140
Rental Hire/Licence Fees	29,130	39,796					29,130	39,796
Other Grants & Donations & Transfers	-	60,000	10,000	-			10,000	60,000
Distribution from St James' Music Fdn- New Pipe Organ	651,147	529,023					651,147	529,023
Distribution from St James' Music Fdn – Bi Centenary Activities	-	36,219					-	-
Other Income – Transfer from Income in advance	111,713	-	(38,887)	-			72,826	36,219
Other Income	88,578	82,797					88,578	82,797
Total Revenue	2,589,337	2,481,362	28,113	36,000	-	-	2,617,450	2,517,469

During the financial year, the Parish received a distribution of \$651,147 from the St James Music Foundation for the pipe organ project. This distribution is recorded as an income during the year, as it satisfies the definition of capital grant in accordance with *AASB 1058 Income of Not-for-Profit Entities*

The expenses incurred during the year in relation to the pipe organ project were of capital in nature. Therefore, these expenses are capitalised in the balance sheet as per *AASB 116 Property, Plant and Equipment*.

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Notes to and forming part of the financial statements for the year ended 31 December 2021

Note 4 Segment Balance Sheet

	Parish Operations		Minor Restorations		Major Conservation		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Cash and Cash equivalents	2,278,807	572,460	216,910	269,228	24,432	24,325	2,520,149	866,013
Trade and Other Receivables	35,292	26,157	-	-	-	-	35,292	26,157
Total Current Assets	2,314,099	598,617	216,910	269,228	24,432	24,325	2,555,441	892,170
Property Plant and Equipment	68,163,331	40,927,843	-	-	-	-	68,163,331	40,927,843
Total Assets	70,477,430	41,526,460	216,910	269,228	24,432	24,325	70,718,772	41,820,013
Trade and Other Payables	163,564	131,970	-	-	-	-	163,564	131,972
Other liabilities	584,342	600,997	-	-	-	-	584,342	600,997
Loan from St James' Hall	1,689,739	-	-	-	-	-	1,689,739	-
Provisions	142,348	132,480	-	-	-	-	142,348	132,480
Lease Liability	17,847	15,129	-	-	-	-	17,847	15,129
Total Current Liabilities	2,597,840	880,576	-	-	-	-	2,597,840	880,576
Lease Liability	73,456	46,023	-	-	-	-	73,456	46,023
Long Term Provisions	26,072	67,530	-	-	-	-	26,072	67,530
Total Non-Current Liabilities	99,528	113,553	-	-	-	-	99,528	113,553
Total Liabilities	2,697,368	994,129	-	-	-	-	2,697,368	994,131
Net Total Assets	67,780,062	40,532,329	216,910	269,228	24,432	24,325	68,021,404	40,825,882
Reserves	58,841,580	32,345,175	216,910	269,228	24,432	24,325	59,082,922	32,638,728
Accumulated Funds	8,938,482	8,187,154	-	-	-	-	8,938,482	8,187,154
Net Equity	67,780,062	40,532,329	216,910	269,228	24,432	24,325	68,021,404	40,825,882

Notes to and forming part of the financial statements for the year ended 31 December 2021

	2021 \$	2020 \$
Note 5 Trade and other receivables		
Trade receivables	19,152	15,100
Prepayments	16,140	11,057
	35,292	26,157
 Note 6 Trade and other payables		
Accrued charges	28,141	13,635
Trade creditors	85,607	63,489
Other payables	49,817	54,852
	163,565	131,975
 Note 7 Provisions		
Current		
Audit Fees	4,712	13,962
Outreach	16,344	17,344
Employee benefits	121,292	101,174
	142,348	132,480
 Non-Current		
Employee benefits	73,456	67,530
	73,456	67,530
 Note 8 Loan from St. James Hall		
Loan from St. James Hall	1,689,739	-

The Wardens under a Wardens Memorandum transferred amounts borrowed by the St. James Hall Trust Account as a loan for the new pipe organ. The Parish pays interest on the loan. There is no repayment terms.

Notes to and forming part of the financial statements for the year ended 31 December 2021

	2021 \$	2020 \$
Note 9 Lease liability		
Current		
Lease Liability	17,847	15,129
Non-Current		
Lease Liability	26,072	46,023
Note 10 Other liabilities		
Income in advance		
Wedding deposits	600	1,100
Sister Freda Fund	133,562	131,489
Orchestral Mass Fund	15,783	15,783
Kathleen England Bequest	9,873	9,873
Jean Olsen Bequest	4,330	-
Jean Lowe Bequest	65,856	65,856
Hopton Bequest	24,287	24,287
Graham Leech Bequest	226	226
Capital Appeal Fund	24,432	24,432
Barbara Williams Bequest	12,000	12,000
Phillip Day Bequest	1,388	1,388
Church Restoration Fund	216,910	289,735
Maltby Bequest	50,000	50,000
St James' Music Foundation for 2022 Orchestral Masses	10,960	-
Other income in advance	14,136	23,828
	584,342	600,997

The Capital Appeal Fund represents the balance of moneys received for the conservation works outlined in the St James Church Conservation Appeal. This work has been completed.

The Church Restoration Fund represents the balance of contributions received and not spent from a specific clause in the St James Hall Ordinance, distribution from the St James Building Foundation and interest received. The balance can only be used for minor restoration work and contributions to the Conservation Appeal.

The Orchestral Masses Fund represents accumulated funds from specific donations received for and expenditures made to present a series of Orchestral Masses each January.

The Sister Freda Fund is unspent funds from donations made to the Sister Freda Mission - a program of St James that provides supports to the homeless in Sydney.

The Cox Bequest is the balance of funds received for the maintenance of the church buildings including the restoration of the Children's Chapel in the Crypt.

The K England & Ordinands Fund is the balance of funds from bequests designated or use only to support of ordinands from the St James Parish.

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Notes to and forming part of the financial statements for the year ended 31 December 2021

The Phillip Day Bequest is the balance of funds received from a bequest for the purchase of liturgical vestments, associated sanctuary fixtures and fittings.

The Reg Hiss Bequest is the balance of a bequest received for the purchase of brass furnishings for Chapel of the Holy Spirit.

The Bernard Hopton Bequest is the balance received in December 2013 for the support of the poor.

The Alice Clark Bequest is the balance of funds received for the Parish general funds.

The Jean Lowe Bequest are funds held for the St James' History Project.

The Graham Leech Bequest are funds held to support the New Pipe Organ project.

The Barbara Williams Bequest was used to support the New Pipe Organ Project.

Notes to and forming part of the financial statements for the year ended 31 December 2021

	2021 \$	2020 \$
Note 11 PROPERTY, PLANT & EQUIPMENT		
<u>St James' Church Building</u>		
Land - at valuation (a)	2,630,000	2,630,000
Building - at valuation (b)	51,373,400	25,108,126
Contents - at valuation	4,026,463	3,909,187
Musical Instruments - at cost	-	36,953
Contents - at cost	-	266,698
	58,029,863	31,950,964
Accumulated Depreciation	-	(235,919)
Written off	-	(67,732)
Bell Replacement Donation	-	6,585
Accumulated Depreciation	-	(6,585)
	58,029,863	31,647,313
<u>New Pipe Organ</u>		
New Pipe Organ at Cost (c)	2,548,184	1,813,106
<u>Multi-Media Equipment</u>		
Multi-Media Equipment	8,793	-
<u>Toilet Upgrade</u>		
Toilet expenditure at Cost	124,899	13,166
	60,711,739	33,473,604

Notes to and forming part of the financial statements for the year ended 31 December 2021

Clergy Residence: Chatswood

Land - at valuation (d)	1,360,000	1,360,000
Building - at valuation (e)	1,213,917	1,178,565
Contents - at cost	-	14,829
	<u>2,573,917</u>	<u>2,553,394</u>
Accumulated Depreciation	-	(3,923)
Written-off	-	(10,906)
Total Clergy Residence: Chatswood	<u>2,573,917</u>	<u>2,538,565</u>

Clergy Residence: Paddington

Land - at valuation (f)	3,940,000	3,940,000
Building - at valuation (g)	902,804	876,510
Contents - at valuation	10,528	10,528
Contents - at cost	2,885	49,187
Improvements - at cost	-	4,262
	<u>4,856,217</u>	<u>4,880,487</u>
Accumulated Depreciation	-	(10,744)
Written-off	(10,528)	(42,705)
Total Clergy Residence: Paddington	<u>4,845,689</u>	<u>4,827,038</u>
Total Clergy Residences	<u>7,419,606</u>	<u>7,365,603</u>

St James' Hall (h)

Hall Equipment - at cost	-	20,320
Hall Fixtures & Fittings - at valuation	21,694	21,694
Hall Fixtures & Fittings - at cost	-	56,518
Office Equipment - at valuation	560	560
Office Equipment - at cost	-	144,015
Office Furniture - at valuation	1,770	1,770
Office Furniture - at cost	-	10,900
Musical Instruments - at valuation	5,000	5,000
Right-of-use asset - Printer	87,237	87,237
	<u>116,261</u>	<u>348,014</u>
Right-of-use asset - Amortization	(55,250)	(27,625)
Accumulated Depreciation	-	(207,588)
Written-off	(29,025)	(24,166)
Total - St James' Hall	<u>31,986</u>	<u>88,636</u>

TOTAL PROPERTY, PLANT & EQUIPMENT	<u>68,163,331</u>	<u>40,927,843</u>
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Notes to and forming part of the financial statements for the year ended 31 December 2021

- a. The land value of St James' Church is the Valuer-General's Valuation of 1 July 2019.
- b. The building value of St James' Church is the value attributed by the Diocese for full historic replacement at the buildings. The Diocese only ensures the building for the presumed value of a modern replacement and judges this to be 50% of the historic replacement cost.

The Wardens have determined that the asset value of the historic church building should be its full replacement value in its current form.

The Wardens have been assured by the Diocese that the insurance for the historic building, whilst only for a new modern building at 50% of the current replacement cost, under the insurance policy the historic building would be reinstated at 100% value if such reinstatement were to be required by Heritage NSW or the City of Sydney.

- c. The Parish has embarked on a Bicentennial project to replace the existing pipe organ with a new pipe organ from Dobson Organ Builders of Lake City, Iowa, USA. Direct expenses incurred to date in 2018, 2019, 2020 & 2021 including payments to Dobson and Dobson travel costs, legal fees and architect fees have been capitalised. The total expenditure on New Pipe Organ to date has been \$2,548,184.
- d. The land value of the Chatswood residence is the Valuer-General's Valuation of 1 July 2019.
- e. The building value of the Chatswood residence is the value attributed by the Diocese for insurance purposes.
- f. The land value of the Paddington residence is the Valuer-General's Valuation of 1 July 2019.
- g. The building value of the Paddington residence is the value attributed by the Diocese for insurance purposes.
- h. The valuation of St James' Hall furniture, equipment and fixtures & fittings concerns those items used with the Parish office on Level 1. There is a separate financial report for the St James' Hall Trust account.

Notes to and forming part of the financial statements for the year ended 31 December 2021

	2021	2020
Note 12 Reconciliation of Cash Flow from Operations with Surplus		
Surplus for the year	755,654	537,072
Non-cash flows in surplus		
Depreciation	27,624	58,156
(Gain)/ Loss on disposal of plant and equipment	39,552	183,046
Changes in Assets and Liabilities		
(Increase)/Decrease in Assets		
Trade and other receivables	(4,052)	947,684
Prepayments	(5,083)	-
(Decrease)/Increase in Liabilities		
Accruals, trade, and other creditors	31,593	(37,032)
Provisions	15,795	50,894
Other liabilities	(16,655)	(148,495)
Net Cash Flows provided by Operating Activities	<u>844,428</u>	<u>1,591,323</u>

The accompanying notes form part of these financial statements

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Notes to and forming part of the financial statements for the year ended 31 December 2021

NOTE 13 - STATEMENT OF CHANGES IN EQUITY

	31 DECEMBER 2021				31 DECEMBER 2020						
	OPENING BALANCE	Movement during the year	Transferred to / (from) Income in advance during the year	CLOSING BALANCE	OPENING BALANCE	Prior Year Adjustments	Adjusted opening balance	Net surplus/(deficit) transferred to the reserve during the year	Increase/ (Decrease) during the year	Retrospective adjustment – Transfer to income in advance	CLOSING BALANCE
FUNDS AND RESERVES											
Capital Appeal Fund	-	-	-	-	24,328		24,328	-	107	-24,435	-
Church Restoration Fund	-	-	-	-	359,374		359,374	-	-69,638	-289,736	-
Orchestral Masses Fund	-	-	-	-	22,599		22,599	-6,816	-	-15,783	-
St James Hall Distribution Fund	-	-	-	-	800,000	-800,000	-	-	-	-	-
New Pipe Organ Reserves-Music Fen	-	-	-	-	196,854	-196,854	-	-	-	-	-
New Pipe Organ Reserves-Angela Gibson	-	-	-	-	40,000	-40,000	-	-	-	-	-
New Pipe Organ Reserves- Fr Bill Ginn's	-	-	-	-	10,000	-10,000	-	-	-	-	-
New Pipe Organ Reserves- Graham Leech	-	-	-	-	30,000	-30,000	-	-	-	-	-
Sister Freda Fund	-	-	-	-	125,447		125,447	6,043	-	-131,490	-
TOTAL FUNDS	-	-	-	-	1,608,602	-1,076,854	531,748	-773	-69,531	-461,444	-
BEQUESTS											
Cox Bequest (Church building)	-	-	-	-	1,853			-	8	-1,861	-
K England & Ordinands Fund	-	-	-	-	10,832			-	-956	-9,876	-
Phillip Day Bequest (Vestments)	-	-	-	-	6,775			-	-4,390	-2,385	-
Brennand Hopton Bequest	-	-	-	-	24,182			-	106	-24,288	-
Alice Clark Bequest	-	-	-	-	841			-	4	-845	-
Graham Leech Bequest (New Pipe Organ)	-	-	-	-	226			-	-	-226	-
Reg Hiss Bequest	-	-	-	-	445			-	2	-447	-
Barbara Williams Bequest	-	-	-	-	12,000			-	-	-12,000	-
Jean Lowe Bequest	-	-	-	-	65,567			-	288	-65,855	-
TOTAL SPECIFIC BEQUESTS	-	-	-	-	122,721		122,721	-	-4,938	-117,783	-
TOTAL FUNDS & BEQUESTS	-	-	-	-	1,731,323	-1,076,854	654,469	-773	-74,469	-579,227	-
ASSET REVALUATION RESERVE	32,638,725	-	26,444,197	59,082,922	30,846,286			-	1,792,439	-	32,638,725
TOTAL RESERVES	32,638,725	-	26,444,197	59,082,922	32,577,609	-1,076,854	31,500,755	-773	1,717,970	-579,227	32,638,725
GENERAL ACCUMULATED FUNDS	8,187,154	755,654	-4,326	8,938,482	6,573,227			537,072	1,076,855	-	8,187,154
TOTAL EQUITY	40,825,879	683,902	25,935,547	68,021,404	39,150,836	-1,076,854	531,748	536,299	2,794,825	-579,227	40,825,879

Notes to and forming part of the financial statements for the year ended 31 December 2021

Note 14: Significant non-offering income received by the Parish

Received from	2021		2020		Used for
		Subtotals		Subtotals	
St James' Building Foundation	57,000	57,000	36,000	36,000	Minor Restorations
St James' Music Foundation	80,513		73,000		Music Activities
	-		-		St James' Choir Compact Disc
	23,000		23,000		Margaret Norman Music Scholarships
	10,960		45,829		Orchestral Masses 2022
	-		-		Fund raising contribution (Orchestral Masses)
			36,219		Bicentennial Mass Contribution
	4,450		35,636		Media Equipment Appeal
Subtotal		118,923		213,684	
New Pipe Organ Appeal			-		Contribution to New Pipe Organ gala dinner
	651,147		529,396		Contribution to costs of New Pipe Organ
Subtotal		651,147		529,396	
St James' Foundations	827,070	827,070	779,080	779,080	
St James' Hall	1,128,000		1,080,000		Parish Operations
Subtotal		1,128,000		1,080,000	
Grand Total	1,955,070	1,955,070	1,859,080	1,859,080	

Notes to and forming part of the financial statements for the year ended 31 December 2021

Note 15: New Pipe Organ Costs and Funding

Asset: New Pipe Organ 'Work in Progress'	2021	2020
Architects fees		49,137
Consultants fees		51,817
Development Approval		-
Legal fees		1,203
Dobson Organ Builders: Travel expenses		
Dobson Organ Builders: Scheduled payments	651,147	532,275
Total	651,147	632,275

Equity: Funding for New Pipe Organ	2021	2020
St James Music Foundation: Organ Appeal: Distributions	651,147	532,275
St James Church: Accumulated Funds	-	42,157
IPAP Grants	-	60,000
Total	651,147	634,432

Note 16 Capital expenditure commitments

The Parish has commitments of USD\$492,960 for progress payments on the New Pipe Organ in 2021. These payments will be met from funds available through the New Pipe Organ project fundraising.

The total contractual commitment for the New Pipe Organ is USD\$2,465,000, of which USD\$616,250 (twenty-five per cent) has been paid to date. The future funding commitments for the New Pipe Organ will be met from the proceeds of the New Pipe Organ project fundraising and from a committed loan facility of \$2,000,000 available through St James' Hall.

Note 17 Contingent assets and liabilities

There are no contingent assets or liabilities at reporting date.

Note 18 Events occurring after the reporting date

No significant events have occurred since the end of the financial year.

THE PARISH CHURCH OF ST JAMES
ABN: 43 445 299 430

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Qualified Opinion

We have audited the accompanying financial report of The Parish Church of St James (the Parish), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other 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 statement by Wardens.

In our opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Parish's financial position as at 31 December 2021 and of its performance for the year then ended; and
- (ii) complying with the *Parish Administration Ordinance 2008*, *Australian Charities and Not-for-profits Commission Act 2012* and the relevant Australian Accounting Standards.

Basis for Qualified Opinion

Receipts from donations are a significant source of revenue for the Parish. The Parish has determined that it is impractical to establish control over the collection of these donations revenue prior to entry in its financial records. Accordingly, as the evidence available to us about revenue from these sources was limited, our audit procedures for donations revenue had to be restricted to the amounts recorded in the financial records. Therefore, we are unable to express an opinion on whether donations revenue obtained by the Parish are complete.

We have 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 Statements* section of our report. We are independent of the Parish in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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 qualified opinion.

Emphasis of Matter - Basis of Preparation

We draw attention to Note 1 of the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Parish's financial reporting responsibilities under the *Parish Administration Ordinance 2008* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Parish and should not be distributed to or used by parties other than the Parish. Our opinion is not modified in respect of this matter.

THE PARISH CHURCH OF ST JAMES
ABN: 43 445 299 430

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Responsibilities of the Wardens and Those Charged with Governance

The Wardens are responsible for the preparation and fair presentation of the financial report in accordance with the *Parish Administration Ordinance 2008*, the *Australian Charities and Not-for-profits Commission Act 2012* and the relevant Australian Accounting Standards, and for such internal control as the Wardens determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Wardens are responsible for assessing the Parish's ability 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 intends to liquidate the Parish or to cease operations, or has no realistic alternative but to do so. The Wardens are also responsible for overseeing the Parish'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 auditors' 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 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 the 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 Parish's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Wardens.
- Conclude on the appropriateness of the Wardens' 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 Parish'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 Parish to cease to continue as a going concern.

THE PARISH CHURCH OF ST JAMES
ABN: 43 445 299 430

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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 Wardens 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. We also provide the Wardens with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

National Audits Group Pty Ltd
Authorised Audit Company



Steven Watson
Managing Director

Dated: 4 March 2022

Sydney

S.^TJAMES' Bicentenary 2019-2024



As Sydney's oldest church, St. James' is a place of soul-stirring worship, challenging preaching and fine music. We are a progressive community that welcomes all people regardless of age, race, sexual orientation or religion.

Wardens' Financial Statements St. James' Hall Trust Account

**For the year ended
31 December 2021**

The Parish Church of St James

Office:

Level 1, 169-171 Phillip Street
Sydney NSW 2000

Church:

173 King Street
Sydney NSW 2000

ST JAMES' HALL – TRUST ACCOUNT

ABN 19 824 140 879

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 STATEMENT BY WARDENS

The Wardens of the Parish of St James, King Street, Sydney have determined that the St James' Hall is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Notes 1 and 2 to these financial statements.

In the opinion of the Wardens this financial report:

1. Presents fairly the financial position of the St James' Hall Trust as at 31 December 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the St James' Hall Trust will be able to pay its debts as and when they fall due.

This statement is made and the Wardens and is signed by the Wardens:



Christopher Lock
Warden



Sidney Blairs
Warden



Harriet Raiche
Warden

Date: 28th February 2022

Report by Wardens For the year ended 31 December 2021

Description of Building

St James' Hall is located at 169 Phillip Street, Sydney between Martin Place and King Street. It is situated in the prime legal precinct within the heart of the Central Business District of Sydney directly opposite the NSW Supreme Court and approximately 100 metres from Martin Place.

Erected on the land is a 17-level C-grade commercial office building, completed in 1964 with ongoing refurbishment since 1991 and comprising a basement car park for seven cars plus two service bays, lower basement storeroom and plant, ground level building entrance together with two retail shops and car park entrance, 14 office levels and a roof top plant room. Under the current tenancy configuration, the total net lettable area is circa 5,579.6m².

Level 1 is occupied by the Parish of St James', King Street. The remaining upper floors are leased as barristers' chambers.

Valuation

The Wardens have determined that the value of St James' Hall to be stated in the annual financial report 31 December 2021 be \$50,185,000. This amount comprises the \$15,580,000 land value per the Valuer General's assessment at 1 July 2019 and the \$34,605,000 building insurance replacement value per the Cost Assessment Valuation by Jones Lang LaSalle dated 14 January 2021.

Ordinance

St James' Hall is managed pursuant to the terms of the *St James' Phillip Street Sydney Property Ordinance 1962 "Ordinance"*. The intention of the Ordinance is to ensure that distributions from the income of the building are set at sustainable levels, having regard to the need to meet expenses, service and repay any debt and provide for future capital expenditure needs.

The Ordinance was amended with effect from 1 July 2021, to enable distributions to continue to be made.

Distributions of income were made during 2021 under the terms of the Ordinance to the Parish of St James, King Street and the Sydney Diocesan Synod Fund, as noted in the accounts.

Report by Wardens For the year ended 31 December 2021

Governance

St James' Hall is held on Trust by the Anglican Church Property Trust Diocese of Sydney (ACPT) for the sole benefit of The Parish of St James'. The members of the Trust at 31 December 2021 were:

Canon Christopher Allan
Mr Wayne Bramley
Archbishop Kanishka Raffel (President)
Mr Richard Neal (Chair)
Mr David Nelson
The Rev David Ould
Mr Ian Pike
Mr Peter Rusbourne
The Rev Andrew Schmidt
Ms Margaret Stuart
Mrs Melinda West (Deputy Chair)

Management of the Hall is the responsibility of the Wardens from time to time of St James' Church. In 2021, these were:

Mr Christopher Lock
Dr Sidney Blairs
Ms Harriet Raiche

The Wardens are advised by a Board of Management established by agreement between the Wardens and the ACPT. Membership comprises between four and six voting members appointed by the Parish Council and up to four ex officio members. Voting members of the Board of Management in 2021 were:

Mr Christopher Breach
Mr Timothy Edwards
Mr Robert Koch
Mr Graham Millet (from 25 May 2021)
Mr Stuart Westgarth (Chair)
Mr Ian Williams

Ex officio non-voting members were:

The Rector of St James' Church (Fr Andrew Sempell)
The Wardens of St James' Church
A representative of the ACPT (Mr Greg Ellem)

The Secretary of the Board of Management was Mr James Balfour.

ST JAMES' HALL – TRUST ACCOUNT
ABN: 19 824 140 879

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2021

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2021 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

National Audits Group Pty Ltd
Authorised Audit Company



Steven Watson
Managing Director

Dated **3 March 2022**

Sydney

Statement of comprehensive income For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Revenue from continuing operations			
Rental income		3,998,187	3,308,699
Other Income		12,676	-
Gain on investment		138,850	-
Interest		2,312	83,366
Total revenue from continuing operations		4,152,025	3,392,065
Expenses from continuing operations			
Interest & finance charges		29,801	17,114
Professional fee		127,934	48,468
SDS Management fee		45,435	43,967
Property expenses	3	991,601	957,704
Audit fees		9,000	8,000
Total expenses from continuing operations		1,203,771	1,075,253
Surplus for the year		2,948,254	2,316,812
Other comprehensive income			
Net gain on revaluation of land and building		3,980,500	3,625,540
Total comprehensive income for the year		6,928,754	5,942,352

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

Statement of financial position As at 31 December 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	906,812	1,056,992
Loan to Parish Church St James'	7	1,689,739	-
Receivables	8	529,778	429,479
Total current assets		3,126,329	1,486,471
Non-current assets			
Investment property	9	50,244,804	46,228,419
ACPT Long Term Pooling Fund (LTPF)		2,930,804	1,389,642
Total non-current assets		53,175,608	47,618,061
Total assets		56,301,937	49,104,532
LIABILITIES			
Current liabilities			
Payables	10	257,571	212,178
Loan – Westpac Loan Account	12	1,689,839	100
Income distribution payable	11a	100,714	-
Total current liabilities		2,048,124	212,278
Non-current liabilities			
Provision COVID19 Office & Retails Abatement		130,000	212,785
Total non-current liabilities		130,000	212,785
Total liabilities		2,178,124	425,063
Net assets		54,123,813	48,679,469
EQUITY			
Reserve Fund	13	4,000,000	2,700,000
Accumulated surplus		50,123,813	45,979,469
Total equity		54,123,813	48,679,469

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

Statement of changes in equity

For the year ended 31 December 2021

	Notes	Reserve Fund	Accumulated surplus	Total
		\$	\$	\$
Balance at 1 January 2020		1,750,000	42,337,117	44,087,117
Surplus for the year		-	2,316,812	2,316,812
Refurbishment reserve	13	950,000	(950,000)	-
Distributions provided for or paid	11	-	(1,350,000)	(1,350,000)
Net Movement in Land and Building Valuation		-	3,625,540	3,625,540
Balance at 31 December 2020		2,700,000	45,979,469	48,679,469
Surplus for the year		-	2,948,254	2,948,254
Distributions provided for or paid	11	-	(1,510,714)	(1,510,714)
Net Movement in Land and Building Valuation			3,980,500	3,980,500
Redevelopment reserve	13	1,300,000	(1,300,000)	-
Prior year accounting error			26,304	26,304
Balance at 31 December 2021		4,000,000	50,123,813	54,123,813

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

Statement of cash flows

For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Rental income received		3,727,515	3,042,518
Interest received		2,312	599
Interest paid		(12,176)	(1,894)
Payments to suppliers & employees		(918,421)	(2,036,817)
Net cash inflow from operating activities	5	2,799,230	1,004,406
Cash flows from investing activities			
Repayment/(payment) for related party loan		(1,689,739)	549,900
Payment for investments		(1,402,812)	(1,917,532)
Payment for property, plant & equipment		(35,885)	(3,734)
Net cash outflow from investing activities		(3,128,436)	(1,371,366)
Cash flows from financing activities			
Distributions from/(to) Parish		(1,510,714)	967,500
Loans received/(paid)		1,689,739	(549,900)
Net cash inflow from financing activities		179,025	417,600
Net increase/(decrease) in cash and cash equivalents		(150,181)	50,640
Cash and cash equivalents at the beginning of the financial year		1,056,993	1,006,353
Cash and cash equivalents at the end of the year	6	906,812	1,056,993

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

1. General information

The assets of this Trust are held in trust in accordance with the *St James' Sydney Phillip Street Property Ordinance 1962* (the Ordinance), and the income is applied in accordance with the provisions of that Ordinance. On 1 January 2012, the Anglican Church Property Trust Diocese of Sydney (ACPT) was appointed the trustee. St James' Hall is held in trust for the sole benefit of the Parish of St James.

The functional and presentation currency of St James' Hall is Australian dollars (\$AUD). All amounts reported have been rounded to the nearest dollar. The principal accounting policies adopted in the preparation of the financial statement are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. Summary of significant accounting policies

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

(a) Basis of preparation

The Wardens have prepared the financial statements on the basis that the Trust is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements prepared in order to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the Trustee and as required by the Ordinance.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of *AASB 101 Presentation of Financial Statements*, *AASB 107 Statement of Cash Flows*, *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* and *AASB 1054 Australian Additional Disclosures*.

The financial statements have been prepared on an accruals basis and are based on historical costs. Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

While the effects of COVID-19 do not change the significant estimates, judgements and assumptions in the preparation of financial statements, it has resulted in increased estimation uncertainty and application of further judgement within those identified areas.

(b) Revenue Recognition

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Trust expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

- i. Identify the contract with the customer
- ii. Identify the performance obligations
- iii. Determine the transaction price
- iv. Allocate the transaction price to the performance obligations
- v. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the Trust have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Income for Not-for-Profit Entities

Under AASB 1058 Income of Not-for-Profit Entities, the Trust recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories and property, plant and equipment), which have been provided or transferred to the Trust for nil or nominal consideration, is deemed to further the objectives of the Trust, and has no enforceable or sufficiently specific performance obligations attached to the receipt. The revenue recognition policies for the principal revenue streams of the Trust are:

Rental income

Rental income is brought to account on a straight-line basis over the lease term. In all other circumstances, rental income is brought to account on an accrual basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Other income

Other income is recognised on an accruals basis when the Trust has satisfied its performance obligations.

(c) Leases

Lessor accounting

The Trustee is a lessor of multiple operating leases. The lease income earned from the operating lease is recognised as and when received from the property managers Jones Lang LaSalle (JLL).

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Trust classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Trust's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Trust's historical experience and informed credit assessment and including forward looking information.

The Trust uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Trust uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Trust in full, without recourse to the Trust to actions such as realising security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Trust in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Trust has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Trust renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Trust measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Trust comprise trade payables and bank.

(f) Investment property

The investment property principally comprises freehold land and building held for long-term rental and capital appreciation which are not occupied by the Trust. The investment property is initially recognised at cost, including transaction costs, and are subsequently remeasured as per the Valuer General's assessment and building insurance replacement value. The reported value of the investment property is determined by the Wardens at the reporting date. Movements in property value are recognised directly in the Statement of Comprehensive Income.

(g) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(h) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from operating, investing or financing activities, which are recoverable from, or payable to the ATO, are presented as operating cash flow.

(i) Income tax

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

Notes to and forming part of the financial statement for the year ended 31 December 2021

3. Property Expenses

	2021	2020
	\$	\$
Airconditioning/ventilation expense	134,445	98,635
Building supervision	66,329	53,140
Cleaning	190,494	167,088
Electricity and gas	113,754	126,549
Lease renewal, legal and other fees	85,627	112,362
Fire protection	83,586	62,217
Insurance	41,919	41,685
Lifts	10,875	50,477
Management fees	18,881	30,487
Rates	137,879	137,333
Repairs and maintenance	89,081	55,325
Security	13,722	14,315
Other	5,009	8,091
	991,601	957,704

4. Distributions

	2021	2020
	\$	\$
The composition of payments during the year were as follows:		
Sydney Diocesan Synod Fund	382,714	270,000
Parish of St James' King Street	1,128,000	1,080,000
	1,510,714	1,350,000

Notes to and forming part of the financial statement for the year ended 31 December 2021

5. Reconciliation of surplus to the net cash inflow from operating activities

	2021 \$	2020 \$
Surplus from ordinary activities	2,948,254	2,316,812
Income of ACPT credited to Investment	(138,350)	(82,767)
Changes in assets and liabilities		
Decrease/ (Increase) in receivables	(283,348)	(266,180)
Decrease/ (Increase) in prepayments	(2,231)	(3,148)
(Decrease)/ Increase in payables	274,905	(960,311)
Net cash inflow from operating activities	2,799,230	1,004,406

6. Current assets - Cash and cash equivalents

	2021 \$	2020 \$
Westpac Income Account - St James Hall Operating Account	906,764	1,056,944
Westpac Income Account -St James Hall Reserve Account	48	48
	906,812	1,056,992

Westpac Income Accounts

The bank accounts currently earn a floating interest rate of 0.01%.

7. Current assets – Loan to the Parish of St.James'

	2021 \$	2020 \$
Loan to the Parish of St James	1,689,739	-

The Wardens, under a Wardens Memorandum, transferred amounts borrowed by the Trust in accordance with the Ordinance for repairs to the church building and replacement of the pipe organ to the Parish as a loan. Under the Warden Memorandum, the Parish pays the interest on the loan. There is no repayment term.

Notes to and forming part of the financial statement for the year ended 31 December 2021

8. Current assets - Receivables

	2021 \$	2020 \$
Trade receivables	413,100	326,319
Other receivables	46,499	33,824
	459,598	360,143
Prepayments	70,179	69,336
	529,778	429,479

Trade receivables are lease income receivable on operating leases of the investment property.

9. Non-current assets – Investment property

	2021 \$	2020 \$
Balance at 1 January	46,228,419	42,599,145
Additions	59,304	3,734
Net gain from revaluation	3,957,081	3,625,540
Balance at 31 December	50,244,804	46,228,419

(a) Valuation basis

The Wardens have determined the value of St James' Hall to be stated in the annual financial report for the year ended 31 December 2021 at \$50,244,804. This balance comprises of the additions \$59,304 and the \$15,580,000 land value per the Valuer General's assessment dated at 1 July 2019 and the \$34,605,000 building insurance replacement value per the Cost Assessment Valuation by Jones Lang LaSalle dated 14 January 2021. Other valuation methods are possible.

(b) Leasing arrangements

	2021 \$	2020 \$
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	2,189,780	3,404,659
Later than one year but not later than 5 years	5,385,027	7,093,505
Later than 5 years	3,274,626	4,143,951
	10,849,433	14,642,115

Notes to and forming part of the financial statement for the year ended 31 December 2021

10. Current liabilities – Payables

	2021	2020
	\$	\$
Trade and Other payables	94,977	73,641
Accrued expenses	117,492	91,323
GST payable	45,102	47,214
	<u>257,571</u>	<u>212,178</u>

11. Current liabilities – Income distribution payable

	2021	2020
	\$	\$
Distribution to Sydney Diocesan Synod Fund	382,714	270,000
Distribution to Parish	1,128,000	1,080,000
	<u>1,510,714</u>	<u>1,350,000</u>

Movements:

a. Distribution to Sydney Diocesan Synod Fund

	2021	2020
	\$	\$
Balance at 1 January	-	232,500
Paid during the year	(282,000)	(502,500)
Provided during the period	382,714	270,000
Balance at 31 December 2021	<u>100,714</u>	<u>-</u>

b. Distribution to the Parish

	2021	2020
	\$	\$
Balance at 1 January	-	930,000
Paid during the year	(1,128,000)	(2,010,000)
Provided during the period	1,128,000	1,080,000
Balance at 31 December 2021	<u>-</u>	<u>-</u>

Notes to and forming part of the financial statement for the year ended 31 December 2021

12. Current Liabilities- Loans payable

	2021	2020
	\$	\$
Secured Loan	1,689,739	100

The Ordinance authorises the Trustee to mortgage the Hall to a maximum of \$3 million for repairs to the church building and replacement of the pipe organ. The Trustee on the direction of the Wardens, drew down on the mortgage.

13. Reserve Fund

	2021	2020
	\$	\$
Reserve Fund (Refurbishment and Redevelopment)	4,000,000	2,700,000

Movements:

(a) Reserve Fund

	2021	2020
	\$	\$
Balance at 1 January	2,700,000	1,750,000
Transfer from/(to) accumulated surplus – (Refurbishment and Redevelopment fund)	1,300,000	950,000
Balance at 31 December	4,000,000	2,700,000

The Reserve Fund represents amounts considered by the Wardens to be appropriate to be applied or set aside for the repair, renovation, refurbishment or improvement of the Building in future years. The Ordinance provides for amounts to be set aside in a fund from the income earned from the building.

14. Revenue Reconciliation

	2021	2020
	\$	\$
Rental income	3,999,138	4,024,126
Rental abatement	(950)	(715,427)
Interest	2,312	83,366
Other Income	12,675	-
Gain on investment	138,850	-
Balance at 31 December 2021	4,152,025	3,392,065

15. Related party transactions

Transactions with other related parties

The following other related party transactions occurred during the year:

- (i) During the year distributions of \$1,128,000 (2020: \$1,080,000) were paid to the Parish of St James.
- (ii) During the year distributions of \$382,714 (2020: \$270,000) were paid to the Sydney Diocesan Synod Fund.
- (iii) During the year \$25,434 was paid to Macpherson Kelley, of which Timothy Edwards, a member of the Board of Management, is a principal lawyer, commercial. (2020: \$48,637)
- (iv) The annual management fee charged by Anglican Church Property Trust was \$45,435 (2020: \$43,966).
- (v) The administration fee charged by the Parish for support services was \$18,880 (2020: \$21,695).

16. Contingent liabilities and contingent assets

The Wardens are not aware of any contingent liabilities or contingent assets.

17. Events occurring after the reporting date

There are no significant events occurring after the reporting date.

18. Remuneration of auditors

	2021	2020
	\$	\$
Amounts due and receivable by the auditors for:		
Annual audit (excl GST)	8,500	8,000
	<u>8,500</u>	<u>8,000</u>

ST JAMES' HALL – TRUST ACCOUNT
ABN: 19 824 140 879

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Report on the Financial Report

Opinion

We have audited the accompanying financial report of St James' Hall - Trust Account (the Trust), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other 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 statement by the Wardens.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Trust's financial position as at 31 December 2021 and of its performance for the year then ended; and
- (ii) complying with the *Australian Charities and Not-for-profits Commission Act 2012* and the relevant Australian Accounting Standards.

Basis for Opinion

We have 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* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of 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.

Emphasis of Matter - Basis of Preparation

We draw attention to Note 1 of the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Trust's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Trust and should not be distributed to or used by parties other than the Trust. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The Wardens are responsible for the preparation and fair presentation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the relevant Australian Accounting Standards, and for such internal control as the Wardens determines is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

ST JAMES' HALL – TRUST ACCOUNT
ABN: 19 824 140 879

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Responsibilities of Management and Those Charged with Governance (continued)

In preparing the financial report, the Wardens are responsible for assessing the Trust's ability 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 intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. The Wardens are also responsible for overseeing the Trust'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 auditors' 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 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 the 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Wardens.
- Conclude on the appropriateness of the Wardens' 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 Trust'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 Trust to cease to continue as a going concern.

ST JAMES' HALL – TRUST ACCOUNT
ABN: 19 824 140 879

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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 Wardens 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. We also provide the Wardens with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

National Audits Group Pty Ltd
Authorised Audit Company



Steven Watson
Managing Director

Dated 3 March 2022

Sydney