

# **The Uniting Church in Australia Synod of Victoria and Tasmania**

**ABN 39 703 442 583**

For the year ended 31 December 2021

This financial report covers The Uniting Church in Australia - Synod of Victoria and Tasmania as an individual entity.

The Uniting Church in Australia - Synod of Victoria and Tasmania is a non-profit entity, created under The Uniting Church in Australia Act - Victoria No. 9021 and The Uniting Church in Australia Act - Tasmania No. 38

The Uniting Church in Australia - Synod of Victoria and Tasmania.

Level 2 & 3 130 Lonsdale Street

Melbourne VIC 3000

A description of the nature of the Synod's operations and its principal activities is included in the Standing Committee report on page 2.



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# Organisation Particulars

## Standing Committee:

### Chairperson/Moderator

Rev. Denise Liersch

## Managers:

### General Secretary

Rev. Dr. Mark Lawrence

### Secretariat

### Associate General Secretary

Ms. Isabel Thomas Dobson

### Mission Resourcing Unit

### Executive Officer

Mr. Sam Nicholas

### Equipping Leadership for Mission

### Executive Director

Rev. Dr. Jenny Byrnes

## Synod Office:

Level 2 & 3

130 Lonsdale Street

Melbourne VIC 3000

## Auditors:

Grant Thornton Audit Pty Ltd

Collins Square Tower 5

727 Collins St

Docklands VIC 3008

## Bankers:

Westpac Banking Corporation

Melbourne Office

360 Collins St

Melbourne VIC 3000



# Standing Committee Report

The Standing Committee presents their report together with the financial statements for The Uniting Church in Australia Synod of Victoria and Tasmania (the "Synod") for the year ended 31 December 2021. The units of the Synod include:

- General Secretary office
- Mission Resource Unit
- Equipping Leadership for Mission
- Uniting Aboriginal and Islanders Christian Congress in Victoria and Tasmania
- Bequests and trusts under the management of The Uniting Church in Australia Property Trust (Victoria) and The Uniting Church in Australia Property Trust (Tasmania).

## Standing Committee Members

Ms Anna Harrison	Mrs Jen Shields	Rev Stan Clarke
Rev Carlyne Nunn	Ms Adara Liersch	Rev Berlin Guerrero
Dr Jessica Hateley-Browne	Lindsay Oates	Alison Overeem (UAICC Tasmania)
Karen Eller	Rev John Clarke	Dr Mark Lawrence (Gen Sec)
Belinda Clear	Ron Gowland	Rev Denise Liersch (Moderator)
Cameron Shields	Lisa Carey	Rev Sharon Hollis (Ex-Moderator)
Rev Sani Vaeluaga	Rev Ikani Vaitohi	Rev David Fotheringham (Moderator-Elect)

## Principal Activities

The Synod's principal activity is to have general oversight, direction and administration of the Uniting Church's worship witness and service within its bounds.

There have been no significant changes in the nature of these activities during the year.

## Review of Operations

In summary, the operating result for the year is a surplus of \$37.83m which compares to a surplus of \$24.04m in 2020. Major contributing items to the 2021 surplus were:

- Receipts of various bequests of \$8.48m.
- Investment income of \$12.43m from investment in U Ethical Australian Equities Trust, U Ethical Diversified Income Trust and U Ethical Enhanced Income Trust.
- A gain of \$34.23m relating to fair value increase of investments in U Ethical Australian Equities Trust. This was due to the rebound in the financial market in 2021. This impact is also reflected in the value of the investments held on balance sheet.

## Review of Financial Position

The overall net asset position of the Synod increased from \$356.43m (2020) to \$394.26m (2021). Most of the Synod's assets are held in investments in U Ethical Enhanced Income Trust, U Ethical Diversified Income Trust and U Ethical Australian Equities Trust.

Investments have increased primarily due a boost in financial markets towards the end of 2021, which is reflected by higher investment values.

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## Auditor's Independence Declaration

### To the Standing Committee of The Uniting Church in Australia Synod of Victoria and Tasmania

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of The Uniting Church in Australia Synod of Victoria and Tasmania for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd  
Chartered Accountants



A C Pitts  
Partner – Audit & Assurance

Melbourne, 4 June 2022

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## Independent Auditor's Report

### To the Standing Committee of The Uniting Church in Australia Synod of Victoria and Tasmania

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of The Uniting Church in Australia Synod of Victoria and Tasmania (the "Synod"), which comprises the statement of financial position as at 31 December 2021, and 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, and notes to the financial statements, including a summary of significant accounting policies and the Standing Committee declaration.

In our opinion, the financial report of The Uniting Church in Australia Synod of Victoria and Tasmania has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Synod's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits *Commission Regulation 2013*.

##### Basis for opinion

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

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

### **Information other than the financial report and auditor's report thereon**

The Standing Committee of the Synod is responsible for the other information. The other information comprises the information included in the Synod's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Standing Committee for the financial report**

The Standing Committee of the Synod are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Standing Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Standing Committee is responsible for assessing the Synod'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 the Standing Committee either intend to liquidate the Synod or to cease operations, or have no realistic alternative but to do so.

The Standing Committee is responsible for overseeing the Synod's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd  
Chartered Accountants



A C Pitts  
Partner – Audit & Assurance

Melbourne, 4 June 2022

# Standing Committee Declaration

The Standing Committee declares that the financial statements and notes set out on pages 8 to 35.

- a. comply with Accounting Standards in Australia and other mandatory professional reporting requirements; and
- b. give a true and fair view of the Synod's financial position as at 31 December 2021 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date.

In the Standing Committee's opinion:

- a. there are reasonable grounds to believe that the Synod will be able to pay its debts as and when they become due and payable.
- b. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

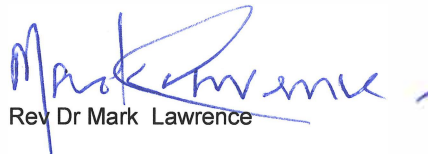
Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

This statement is made in accordance with a resolution of the Standing Committee.



Rev. Denise Liersch

Standing Committee  
Chairperson/Moderator



Rev Dr Mark Lawrence

General Secretary

Melbourne

Dated this 4<sup>th</sup> day of June 2022



# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021	Notes	2021	2020
Revenue		\$'000	\$'000
Mission & service giving		2,881	2,767
Grants		176	471
Gifts, donations & bequests		8,778	13,929
Sales, fees & tariffs	4	15,532	12,329
Net proceeds from insurance activities		799	2,799
		<b>28,166</b>	<b>32,295</b>
<b>Other income</b>			
Investment income		12,429	9,675
Proceeds from the sale of Church properties		1,255	4,653
Other income	5	3,103	7,085
		<b>16,787</b>	<b>21,413</b>
<b>Total income</b>		<b>44,953</b>	<b>53,708</b>
<b>Expenses</b>			
Employee benefits expense		18,607	19,489
Depreciation and amortisation expense		3,878	2,695
Grants expense		10,952	8,079
Cost of goods sold and conference expense		1,099	940
Consulting and legal fee expense		1,352	1,181
Motor vehicle and travelling expense		253	262
Repairs, maintenance, property expenses		3,158	2,188
Postage, telephone, printing and stationery expense		379	366
Borrowing costs		692	385
Other expenses		2,635	2,210
<b>Total expenses</b>		<b>43,005</b>	<b>37,795</b>
<b>Operating profit</b>		<b>1,948</b>	<b>15,913</b>
Gain on sale of office premises and other properties		1,647	3,482
Increment of fair value of financial assets		34,230	4,643
<b>Profit for the year</b>		<b>37,825</b>	<b>24,038</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>37,825</b>	<b>24,038</b>

This statement should be read in conjunction with the notes to the financial statements

# Statement of Financial Position

As at 31 December 2021	Notes	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	6	1,410	6,799
Trade and other receivables	7	10,979	9,416
Inventories		144	175
Investments	8	120,570	118,799
Other current assets	10	1,432	5,339
<b>Current assets</b>		<b>134,535</b>	<b>140,528</b>
<b>Non-current</b>			
Investments	9	271,311	231,563
Trade and other receivables	11	2,930	6,935
Property, plant and equipment	12	29,582	31,739
Intangible assets	13	837	1,256
Right-of-use assets	14.1	22,515	24,468
<b>Non-current assets</b>		<b>327,175</b>	<b>295,961</b>
<b>Total assets</b>		<b>461,710</b>	<b>436,489</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	15	9,668	11,962
Short-term provisions	16,21	8,608	8,678
Short-term borrowings	17	22	98
Lease liability	14.2	1,595	1,484
Other liabilities	18	24,975	33,375
<b>Current liabilities</b>		<b>44,868</b>	<b>55,597</b>
<b>Non-current</b>			
Long-term borrowings	19	264	669
Other liabilities	19	259	279
Long-term provisions	19,21	113	175
Lease liability	14.2	21,950	23,338
<b>Non-current liabilities</b>		<b>22,586</b>	<b>24,461</b>
<b>Total liabilities</b>		<b>67,454</b>	<b>80,058</b>
<b>Net assets</b>		<b>394,256</b>	<b>356,431</b>
<b>Equity</b>			
Synod Funds	20	394,256	356,431
<b>Total equity</b>		<b>394,256</b>	<b>356,431</b>

This statement should be read in conjunction with the notes to the financial statement

# Statement of Changes in Equity

For the year ended 31 December 2021	Notes	Synod Funds \$'000	Total equity \$'000
<b>Balance at 1 January 2020</b>		<b>332,393</b>	<b>332,393</b>
Surplus for the year		24,038	24,038
<b>Total comprehensive income for the year</b>		<b>24,038</b>	<b>24,038</b>
<b>Balance at 31 December 2020</b>		<b>356,431</b>	<b>356,431</b>
<b>Balance at 1 January 2021</b>		<b>356,431</b>	<b>356,431</b>
Surplus for the year		37,825	37,825
<b>Total comprehensive income for the year</b>		<b>37,825</b>	<b>37,825</b>
<b>Balance at 31 December 2021</b>	20	<b>394,256</b>	<b>394,256</b>

This statement should be read in conjunction with the notes to the financial statements

# Statement of Cash Flows

For the year ended 31 December 2021	Notes	2021 \$'000	2020 \$'000
<b>Operating services</b>			
Receipts from presbytery/congregation contributions		2,881	2,767
Receipts from operations and activities		34,961	43,443
Payment of grants to organisations and individuals		(10,952)	(8,079)
Payments to suppliers and employees		(32,703)	(37,077)
Interest received		10,075	9,675
<b>Net cash provided by/(used in) operating activities</b>		<b>4,262</b>	<b>10,729</b>
<b>Investing activities</b>			
Payment for property, plant and equipment	12	(583)	(1,552)
Payment for intangible assets	13	(82)	(190)
Payments for investments		(62,911)	(96,907)
Proceeds from sale of property, plant and equipment		3,163	2,592
Proceeds from sale of investments		59,640	80,281
Proceeds from sale of Church properties		1,256	4,654
<b>Net cash provided by / (used in) investing activities</b>		<b>483</b>	<b>(11,122)</b>
<b>Financing activities</b>			
Funds received from/(advanced of) related parties		223	(422)
Proceeds from/(payment of) loan advances		(481)	(270)
Inflow/(outflow) of funds held in trust		(8,400)	8,355
Repayment of lease liability		(1,476)	(711)
<b>Net cash from / (used in) financing activities</b>		<b>(10,134)</b>	<b>6,952</b>
Net change in cash and cash equivalents		(5,389)	6,559
Cash and cash equivalents, beginning of year		6,799	240
<b>Cash and cash equivalents, end of year</b>	<b>6</b>	<b>1,410</b>	<b>6,799</b>

This statement should be read in conjunction with the notes to the financial statements

# Notes to the Financial Statements

## 1 General Information and statement of compliance

This financial report is a general purpose financial report and has been prepared in accordance with Accounting Standards-Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profit Commission Act 2012. All amounts are stated in Australian Dollars, which is the functional and presentational currency of the Synod. Amounts are presented to the nearest thousand dollars unless otherwise stated.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at fair value. Unless otherwise stated the accounting policies adopted are consistent with those of the previous year.

The financial statements comprise the following operations controlled by the Synod:

- General Secretary office
- Mission Resourcing Unit (Formerly Department of Administration and Finance)
- The Synod's Equipping Leadership for Mission (Formerly Commission for Mission, Centre for Theology & Ministry and Camping)
- The results for Uniting Aboriginal and Islander and Christian Congress in Victoria and Tasmania
- Bequests and trusts under the management of The Uniting Church in Australia Property Trust (Victoria) and The Uniting Church in Australia Property Trust (Tasmania)

Control has been determined to exist on the basis that the Synod has the power to govern the financial and operating policies of those operations and exposed to variable returns.

The financial statements include all controlled operations from the date the control commences until the date that control ceases.

All balances and transactions from activities within the operations the Synod controls have been eliminated.

The financial report does not include the operations of the following entities for which the Synod does not have direct control or is exposed to variable returns.

- Uniting Ethical Investors Limited (previously known as UCA Funds Management)
- Uniting AgeWell Limited
- Uniting Church congregations and Presbyteries
- Uniting Church schools and University Colleges
- Uniting agencies (formerly UnitingCare agencies)
- Uniting Church Parish Missions
- Epworth Hospital
- Uniting Housing

Where appropriate, comparative information has been restated or reclassified to ensure comparability with the current reporting period.

The financial report was approved by the Standing Committee as at 4<sup>th</sup> June 2022.

## 2 Changes in accounting policies

### 2.1 New standards adopted as at 1 January 2021

IFRIC agenda decision on Software-as-a-Service (SaaS) arrangements has been adopted during the year. The IFRIC has issued two final agenda decisions which impact SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The adoption of the above agenda decisions has not had a material impact on the Synod.

Other accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on Synod's financial results or position.

### 2.2 Standards that are not effective and have not been early adopted

Certain new and revised accounting standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period. The Synod does not plan to adopt the standards early. Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements.

## 3 Summary of accounting policies

### 3.1 Revenue

The Synod recognises revenue as follows:

#### Sale of merchandise

Revenue from sale of goods is recognised at the amount that reflects the consideration to which the Synod is expected to be entitled in exchange for transferring goods.

#### Government grant income without sufficiently specific and enforceable performance obligations

Government grant funds received by the Synod that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds.

#### Government grant revenue with sufficiently specific and enforceable performance obligations

Government grant funds received by the Synod that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Synod satisfies its performance obligations.

#### Sales fees & tariffs

Fees charged for care or services provided to clients are recognised when and as the care or service is provided. Rendering of fees and tariffs revenue is recognised over time on the basis that the Synod's performance does not create an asset with an alternative use to the Synod and the Synod has an enforceable right to payment for performance completed to date.

#### Gifts donations and bequests

Gifts and donations income is recognised when the Synod gains control of the funds and are recognised as income when the funds have been provided to further the Synod's objectives for no consideration and when the funds provided do not give rise to a sufficiently specific performance obligation.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Synod becomes legally entitled to the shares or property.

#### Interest and investment income

Interest income is recognised on an accrual basis using the effective interest method. Investment income is recognised at the time the right to receive payment is established.

#### Mission and service giving

The Synod accrues mission & service giving by congregations relating to the reporting period which are received after year end and before the books of account are closed.

#### Proceeds from sale of Church property

Income for the Synod's share of proceeds of congregational property is recognised according to the application of Property Sale Proceeds policy.

This policy applies a tiered application of sharing between the congregation and the wider Church (the Synod). Funds are recognised after settlement provided no exemptions apply.

#### Insurance activities

Net proceeds from insurance activities is recognised on the basis of insurance premiums income net of premiums paid to insurers. Income is recognised when the right to receive the insurance premium has been established and there are no other performance obligations.

All income is stated net of the amount of Goods and Service Tax (GST).

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

#### JobKeeper government grants

The JobKeeper government grants is recognised as income when Synod is reasonably assured that it will comply with the conditions attaching to it and the grant will be received.

### 3.2 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

### 3.3 Intangible assets

#### Recognition of intangible assets

Data warehouse is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Synod intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

#### Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.7. The following useful lives are applied:

- Data Warehouse: 4 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of data warehouse are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

### 3.4 Property, plant and equipment

#### Land

Land is measured at cost less any impairment losses.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

#### Buildings, plant and other equipment

Buildings, plant and other equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Synod

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- Buildings: 50 years
- Infrastructure: 20 - 50 years
- Equipment, fixture & fittings: 5 - 20 years
- Computer equipment: 3 - 5 years
- Motor vehicles: 4 - 10 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.



## 3.5 Leased assets

### Synod as lessee

Synod makes the use of leasing arrangements principally for the provision of office space, and IT equipment and motor vehicles.

Synod assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

### Measurement and recognition of leases as a lessee

At lease commencement date, Synod recognises a right-of-use asset and a lease liability in its statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by Synod, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Synod depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Synod also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, Synod measures the lease liability at the present value of the lease payments unpaid at that date, discounted using Synod's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that Synod would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of Synod.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on a rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

### Synod as lessor

As a lessor Synod classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Synod classifies the sublet of office space as an operating lease.

## 3.6 Property settlement in trust

Property settlements in trust represent sale proceeds received from the sale of church property where a decision on the distribution of proceeds is yet to be determined or the settlement is incomplete.

### 3.7 Impairment of assets

Assets subject to annual depreciation or amortisation are reviewed for impairment when events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use. For a not-for-profit entity, value in use is determined based on the depreciated replacement cost of the asset.

Assets with indefinite life are tested annually for impairment.

### 3.8 Financial instruments

#### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Synod becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

Classifications are determined by both:

- Synod's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

#### Subsequent measurement financial assets

##### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Synod's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

***Financial assets at fair value through profit or loss (FVPL)***

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. Funds invested in U Ethical Diversified Income Trust, U Ethical Enhanced Cash Trust, U Ethical Growth Portfolio and U Ethical Australian Equities fall into this category.

***Impairment of Financial assets***

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and trade receivables that are not measured at fair value through profit or loss.

The Synod considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

***Trade and other receivables***

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for credit losses.

The collectability of the trade and other receivables are reviewed on an ongoing basis. Individual debts which are known to be uncollectable are written off when identified. The Synod recognises an allowance for credit losses based upon anticipated lifetime losses of trade receivables. The anticipated lifetime losses are determined with reference to historical experience and are regularly reviewed and updated.

***Classification and measurement of financial liabilities***

The Synod's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are reported in profit or loss are included within finance costs or finance income.

### 3.9 Inventories

Inventories are measured at the lower of cost or net realisable value. Costs are assigned on a first-in first-out basis for stationery stock and on an average cost basis for other inventories.

### 3.10 Tax exemption

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

### 3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, working capital cash account, and operating cash accounts for other agencies such as Narana.

### 3.12 Insurance fund operations

Insurance Fund Operations, as included in Synod Funds and Reserves, arranges the following major insurance covers for the Church in Victoria and Tasmania:

- Property (Industrial Special Risks)
- Public and Products Liability
- Professional Indemnity
- Fidelity
- Directors/Officers/Employment practices liability

The Synod carries a significant level of self-insurance (deductibles). The deductibles are funded by the Insurance Reserve as designated by Synod in Synod funds, refer to Note 20.

### 3.13 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

#### Long-term employee benefits

Long-term employee benefits are the employee benefits arising from annual leave and long service leave which are not to be settled within 12 months after the end of the period in which the employees rendered the related service. The benefits are measured at the present value of the expected future payments to be made to employees. The expected future payments include anticipated future salary inflation, experience of employee departures, periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

### 3.14 Project receivables

Project receivables are amounts to be collected by the Synod, which resulted from funds provided by the Synod to assist with property projects.

The property projects relate to the following;

- a. Expenses incurred for the development of property held by the Synod and amounts are to be refunded by development partners; or
- b. The funds provided to congregations to assist with the development of the congregation's properties, and the amounts will be returned to the Synod upon successful development of the properties.

### 3.15 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 Taxation 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 components of investing and financing activities, which are disclosed as operating cash flows.

### 3.16 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### Allowance for credit losses

The allowance for credit losses assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the ageing of receivables, historical collection rates and specific knowledge of the individual parties' financial position.

#### Estimation of useful lives of assets

The Synod determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### Impairment of non-financial assets

The Synod assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Synod and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to

extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to Synod's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. Synod reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### **Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Synod estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

#### **Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Synod based on known information. This consideration extends to the nature of the products and services offered, supply chain, staffing and geographic regions in which the Synod operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Synod unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### **Basis of consolidation for accounting purposes**

Judgement has been exercised in determining which entities the Synod has control over, and thus are included in the consolidation for accounting purposes.

The entities disclosed in note 1 of the financial statements are not deemed to be controlled entities of the Synod for the purposes of consolidation in the financial statements. Whilst the Synod provides limited general oversight, direction and administration, operational management responsibility and control rests with the individual entities. The standing committee has applied judgement and determined that the Synod does not control the aforementioned entities.

## 4 Revenue from contracts with customers

	2021	2020
	\$'000	\$'000
<b>Sales, fees and tariffs</b>		
Institutional contribution	2,853	1,650
Sales of merchandise	674	561
Commercial accommodation	2,882	1,926
Professional services	9,123	8,192
	<b>15,532</b>	<b>12,329</b>

## 5 Other income

In response to the Coronavirus (COVID-19) pandemic, the government introduced the JobKeeper scheme. The JobKeeper scheme provides eligible employers with a wage subsidy of \$1,500 per fortnight for wages paid to eligible employees during the six-month period starting on 30 March 2020. The JobKeeper scheme was extended to 28 March 2021 and introduced a two-tiered reduced fortnightly JobKeeper payment based on the number of hours worked.

Synod was eligible for the JobKeeper Scheme and the extended JobKeeper scheme. Synod benefited from the JobKeeper scheme until March 2021 and received \$1.09m under the scheme during 2021. Synod presents the JobKeeper subsidy as 'other income' in the statement of profit or loss and other comprehensive income.

	2021	2020
	\$'000	\$'000
<b>Other income</b>		
Rent	1,593	1,166
JobKeeper government grant	1,086	5,518
Other	424	401
	<b>3,103</b>	<b>7,085</b>

## 6 Cash and cash equivalents

Cash and cash equivalents consist the following:

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	1,410	6,799
<b>Cash and cash equivalents</b>	<b>1,410</b>	<b>6,799</b>

### Deposits at call

The deposits are bearing nil return on Westpac trading account. (2020 at an average of between 0.00% and 0.05%).

## 7 Current assets - receivables

Trade and other receivables consist of the following:

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Trade receivables, gross	4,088	2,359
Allowance for expected credit losses	(318)	(337)
	<b>3,770</b>	<b>2,022</b>
Other receivables	7,209	7,394
	<b>10,979</b>	<b>9,416</b>

The carrying amounts disclosed above are the Synod's maximum possible credit risk exposure in relation to these instruments.

The movement in the allowance for credit losses can be reconciled as follows:

	2021	2020
	\$'000	\$'000
<b>Reconciliation of allowance for credit losses</b>		
<b>Balance 1 January</b>	337	200
Debt recovered	(19)	(4)
Allowance for expected credit losses	-	141
<b>Balance 31 December</b>	<b>318</b>	<b>337</b>



## 8 Current assets - investments

	2021	2020
	\$'000	\$'000
<b>Financial assets at amortised cost</b>		
Investments in U Ethical Cash Management Trust	4,999	-
Investments in U Ethical Enhanced Income Trust	87,304	90,532
Investments in U Ethical Diversified Income Trust	28,267	28,267
	<b>120,570</b>	<b>118,799</b>

## 9 Non-current assets – investments

	2021	2020
	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>		
Investments in U Ethical Growth Portfolio	-	695
Investments in U Ethical Australian Equities Trust	271,311	230,868
	<b>271,311</b>	<b>231,563</b>

## 10 Current assets - other

	2021	2020
	\$'000	\$'000
<b>Current assets - other</b>		
Prepayments	1,432	5,339
	<b>1,432</b>	<b>5,339</b>

## 11 Non-current assets – receivables

	2021	2020
	\$'000	\$'000
<b>Interest bearing</b>		
Loans to ministers, students and Church Institutions - unsecured (a)	1,143	1,558
<b>Non-interest bearing</b>		
Loans to Church Institutions - unsecured	7	9
Project receivables - unsecured	1,780	5,368
	<b>2,930</b>	<b>6,935</b>

- (a) Loans to ministers and students - These loans are provided to assist with purchase of motor vehicle, houses or to assist while students undertake education at Centre for Theology and Ministry. Interest rates vary between 1.6% and 4.3% depending on the type of loan. Loan terms are between 3 and 10 years.

## 12 Property, plant and equipment

	2021	2020
	\$'000	\$'000
<b>Land and buildings</b>		
<b>Land</b>		
At cost	10,762	11,549
	<b>10,762</b>	<b>11,549</b>
<b>Building</b>		
At cost	20,126	20,517
Less: Accumulated depreciation	(5,804)	(5,459)
	<b>14,322</b>	<b>15,058</b>
<b>Total Land And Buildings</b>	<b>25,084</b>	<b>26,607</b>
<b>Plant and equipment</b>		
<b>Infrastructure</b>		
At cost	3,127	3,243
Less: Accumulated depreciation	(1,314)	(1,241)
	<b>1,813</b>	<b>2,002</b>
<b>Equipment, Fixture &amp; Fittings</b>		
At cost	3,280	3,293
Less: Accumulated depreciation	(2,342)	(2,232)
	<b>938</b>	<b>1,061</b>
<b>Computer equipment</b>		
At cost	4,046	3,803
Less: Accumulated depreciation	(2,372)	(1,825)
	<b>1,674</b>	<b>1,978</b>
<b>Motor Vehicles</b>		
At cost	83	91
Less: Accumulated depreciation	(61)	(74)
	<b>22</b>	<b>17</b>
<b>Capital WIP</b>		
At cost	51	74
	<b>51</b>	<b>74</b>
<b>Total Plant And Equipment</b>	<b>4,498</b>	<b>5,132</b>
<b>Total Property, Plant And Equipment</b>	<b>29,582</b>	<b>31,739</b>

<b>Asset Category - 2021</b>	<b>Balance at 1 Jan 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Transfer</b>	<b>Balance at 31 Dec 2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Land	11,549	-	(787)	-	-	<b>10,762</b>
Building	15,058	-	(560)	(413)	237	<b>14,322</b>
Infrastructure	2,002	-	(96)	(100)	7	<b>1,813</b>
Equipment, Fixture & Fittings	1,061	-	(73)	(161)	111	<b>938</b>
Computer equipment	1,978	-	-	(547)	243	<b>1,674</b>
Motor Vehicles	17	-	-	(3)	8	<b>22</b>
Capital WIP	74	583	-	-	(606)	<b>51</b>
<b>Total</b>	<b>31,739</b>	<b>583</b>	<b>(1,516)</b>	<b>(1,224)</b>	<b>-</b>	<b>29,582</b>

<b>Asset Category - 2020</b>	<b>Balance at 1 Jan 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Transfer</b>	<b>Balance at 31 Dec 2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Land	12,109	-	(560)	-	-	<b>11,549</b>
Building	16,289	-	(193)	(416)	(622)	<b>15,058</b>
Infrastructure	1,233	-	-	(96)	865	<b>2,002</b>
Equipment, Fixture & Fittings	1,032	10	(17)	(167)	203	<b>1,061</b>
Computer equipment	346	114	(2)	(359)	1,879	<b>1,978</b>
Motor Vehicles	21	-	-	(4)	-	<b>17</b>
Capital WIP	1,007	1,428	-	-	(2,361)	<b>74</b>
<b>Total</b>	<b>32,037</b>	<b>1,552</b>	<b>(772)</b>	<b>(1,042)</b>	<b>(36)</b>	<b>31,739</b>

During 2020, the Synod modified the classification of fixed asset to reflect more appropriately the way in which economic benefits are derived from use.

## 13 Intangible assets

Detail of the Synod's other intangible assets and their carrying amounts are as follows:

	2021	2020
	\$'000	\$'000
<b>Data Warehouse</b>	<b>837</b>	<b>1,619</b>
<b>Balance 1 January</b>	1,256	1,619
Transfers from Property, plant and equipment	-	36
Additions	82	190
Amortisation	(501)	(589)
<b>Balance 31 December</b>	<b>837</b>	<b>1,256</b>

## 14 Leases

### 14.1 Right-of-use assets

	2021	2020
	\$'000	\$'000
<b>Office spaces</b>	<b>22,515</b>	<b>24,468</b>
<b>Balance 1 January</b>	24,468	-
Additions	199	25,532
Disposal	-	-
Depreciation	(2,152)	(1,064)
<b>Balance 31 December</b>	<b>22,515</b>	<b>24,468</b>

### 14.2 Lease Liability

	2021	2020
	\$'000	\$'000
Current	1,595	1,484
Non-current	21,950	23,338
<b>Total lease liability</b>	<b>23,545</b>	<b>24,822</b>

The Synod has signed a 12-year lease agreement with Charter Hall Wholesale Management Limited for office spaces. The lease agreement includes 8 extension options, each for a further 5 years. The lease

contract commenced in July 2020. At the end of 2021, the Synod is uncertain in regards to exercising the extension options at the end of the lease term.

Future minimum lease payments at 31 December 2021 were as follows:

	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	
31 December 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease payments	2,206	2,280	2,357	2,437	2,520	15,460	27,260
Finance charges	(611)	(567)	(520)	(469)	(415)	(1,133)	(3,715)
<b>Net present values</b>	<b>1,595</b>	<b>1,713</b>	<b>1,837</b>	<b>1,968</b>	<b>2,105</b>	<b>14,327</b>	<b>23,545</b>

## 15 Current liabilities - trade and other payables

Trade and other payables recognised consist of the following:

	2021	2020
	\$'000	\$'000
Trade payables	1,674	6,854
Other creditors and accruals	5,390	2,392
Insurance claims outstanding	1,443	1,638
Income received in advance (contract liability)	1,161	1,078
<b>Total trade and other payables</b>	<b>9,668</b>	<b>11,962</b>

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation fair value.

## 16 Current liabilities – short term provisions

	2021	2020
	\$'000	\$'000
Ministers benefits	5,432	5,599
Employee benefits	2,502	2,405
Other provisions	674	674
<b>Short term provisions</b>	<b>8,608</b>	<b>8,678</b>

## 17 Short-term borrowings

Other liabilities can be summarised as following:

	2021	2020
	\$'000	\$'000
Loan-Camping (South East Water)	-	17
Loan - Development Funding	22	81
<b>Other liabilities – current</b>	<b>22</b>	<b>98</b>

(a) Loans are unsecured loans and interest rate is at an average between 4.99% and 5.5% (2020: 4.99% to 5.5%).

## 18 Current liabilities - other

Other liabilities can be summarised as following:

	2021	2020
	\$'000	\$'000
Property settlements in trust	23,546	27,541
Development margin held in Trust	1,429	5,834
<b>Other liabilities – current</b>	<b>24,975</b>	<b>33,375</b>

## 19 Non-current liabilities

	2021	2020
	\$'000	\$'000
<b>Long-term interest bearing borrowings:</b>		
Loan - Development Funding	264	669
	<b>264</b>	<b>669</b>
<b>Other Liabilities:</b>		
Income received in advance	259	279
	<b>259</b>	<b>279</b>
<b>Provisions:</b>		
Employee entitlements	113	175
	<b>113</b>	<b>175</b>

Loans are unsecured loans and interest rate is at an average between 4.99% and 5.5% (2020: 4.99% to 5.5%).

## 20 Synod funds and reserves

	2021	2020
	\$'000	\$'000
<b>Synod Funds</b>		
Not designated (i)	100,404	93,758
Designated by the Synod (ii)	120,604	108,108
Specified by trust/bequest (iii)	173,248	154,565
<b>Total funds</b>	<b>394,256</b>	<b>356,431</b>

**i) Not Designated** – These are reserves which are unrestricted and include Unearmarked Synod Funds, Bequests received for the Uniting Church in Australia with no restrictions as to their use or investment and the Mission Support Funds.

**ii) Designated by the Synod** – These reserves are for a specific purpose as decided by the Synod or a decision of a commission or board of the Synod.

**iii) Specified by Trust/Bequest** – These are reserves where the purpose is decided by a bequest or a trust. They are given for a specific purpose and the capital may need to be invested in perpetuity. Trust funds include donations received for specific appeals (including the Share Community Appeal).

## 21 Employee entitlements

Employee entitlement liabilities can be summarised as following:

	2021	2020
	\$'000	\$'000
<b>Provision for employee entitlements</b>		
Current (Note 16)	2,502	2,405
Non-current (Note 19)	113	175
<b>Aggregate employee entitlement liability</b>	<b>2,615</b>	<b>2,580</b>



## 22 Related party transactions

Standing committee members are appointed at each ordinary Synod meeting on a rotating basis.

The members listed below were appointed at the Synod meeting held in 2020 for a term up to the next Synod meeting.

### Members of standing committee

**The members listed below were appointed at the Synod meeting held in 2020 for a term up to 2021 Synod meeting.**

Ms Anna Harrison	Mrs Jen Shields	Rev Sani Vaeluaga
Rev Carlynne Nunn	Ms Adara Liersch	

**The members listed below were appointed at the Synod meeting held before 2021 for a term up to 2022 Synod meeting.**

Lisa Carey	Dr Jessica Hateley-Browne	Lindsay Oates
Rev Ikani Vaitohi	Karen Eller	

**The members listed below were appointed at the Synod meeting held in 2021 for a term up to 2023 Synod meeting.**

Rev John Clarke	Rev Stan Clarke	Belinda Clear
Ron Gowland	Rev Berlin Guerrero	Cameron Shields

**The ex-officio members are listed below.**

Rev Denise Liersch (Moderator)	Alison Overeem (UAICC Tasmania)	Rev Dr Mark Lawrence (Gen Sec)
Rev David Fotheringham (Moderator-Elect)	Rev Sharon Hollis (Ex-Moderator)	

### 22.1 Remuneration and retirement benefits of key management personnel

Income paid or payable, or otherwise made available, to Standing Committee members by the entity and related parties in connection with the management of affairs of the entity.

	2021	2020
	\$'000	\$'000
<b>Management personnel remuneration</b>	361	324
	<b>361</b>	<b>324</b>

## 22.2 Transactions with related entities

### Related party transactions with Uniting Ethical Investors Limited

	2021 \$'000	2020 \$'000
<b>Income from related party transactions with Uniting Ethical Investors Limited</b>		
Interest received on deposits in U Ethical managed funds	12,429	9,675
Institutional contribution	1,200	775
Information technology service provision	207	176
Leased office space	206	190
Accounting service provision	125	140
People and Culture services	27	27
	<b>14,194</b>	<b>10,983</b>
<b>Balance with Uniting Ethical Investors Limited from related party transactions</b>		
Accounts receivable	181	50
	<b>181</b>	<b>50</b>

### Related party transactions with Uniting AgeWell Limited

	2021	2020
	\$'000	\$'000
<b>Income from related party transactions with Uniting AgeWell Limited</b>		
Information technology service provision	4,822	3,831
Leased office space	459	425
Ground lease	92	-
Legal and property fees	275	-
Institutional contribution	500	438
	<b>6,148</b>	<b>4,694</b>
<b>The Synod's distribution to Uniting AgeWell Limited</b>		
Interest on bequests	10	27
	<b>10</b>	<b>27</b>
<b>Balance with Uniting AgeWell Limited from related party transactions</b>		
Accounts receivable	2,277	1,250
Accounts payable	(31)	-
	<b>2,246</b>	<b>1,250</b>

The Synod leases properties to Uniting AgeWell Limited with lease term of 99 years. An annual rent was \$1.00 in 2019 and 2020 and commencing 1 Jul 2021, rent is charged based discounted market value.

### Related party transactions with Uniting (Victoria and Tasmania) Limited

	2021	2020
	\$'000	\$'000
<b>Income from related party transactions with Uniting (Victoria and Tasmania) Limited</b>		
Institutional contribution	500	438
Leased office space	389	218
Legal and property fees	275	-
	<b>1,164</b>	<b>656</b>
<b>Balance with Uniting (Victoria and Tasmania) Limited from related party transactions</b>		
Accounts receivable	381	357
Accounts payable	(49)	(49)
	<b>332</b>	<b>308</b>

### Other related party transactions

Through the course of its normal operations, the Synod will transact with other bodies within the Uniting Church. These operations will include the following activities for which the value of transactions is as per the amounts included in the statement of comprehensive income:

- Insurances
- Mission & Service Giving
- Grants paid
- Workers Compensation
- Levy for Ministers Long Service Leave, Sick leave and Ministers Awaiting Placement
- Fees for use of campsites
- Sales of books

There were no other related party transactions during the financial year.

## 23 Contingent liabilities

The Assembly and Synod continues to work collaboratively on a single response to the Commonwealth redress model. The organisation and its related entities may have financial exposure to civil and redress claims in the future and at the date of this report it is not possible to reliably estimate the quantum (if any) of additional claims of this nature which may emerge. The Assembly and Synod continues to closely monitor the impact on the organisation and its related parties.

Synod executed a deed of guarantee that underwrites the unsecured loans to congregations and agencies from the Development Fund with total value of \$164,000.

## 24 Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

All financial assets measured at fair value are based on level 2 inputs in the fair value hierarchy. No transfers across levels has occurred.

## 25 Events after the report date

Synod has negotiated a new agreement with the Jesuits regarding the ongoing management and governance of the Dalton McCaughey Library (DML). Synod obtained the effective control of DML on 1 January 2022, which had net assets of \$7.1M for nil consideration.