

ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LTD

BACKGROUND

In September 2017, at the Seventeenth Session, the General Synod passed the *Redress for Survivors of Abuse Canon 2017* which authorised the registration of a company to co-ordinate and manage redress for survivors of child sexual abuse through participation in a Commonwealth redress scheme.

The National Redress Scheme [“the Scheme”] was established by the Commonwealth Government and commenced on 1 July 2018. The Scheme will run for 10 years.

The Anglican Church of Australia General Synod has established Anglican Representative (National Redress Scheme) Limited [“ARNRSL”] to act as the representative entity to enable all Anglican dioceses, schools and agencies to join the Scheme as part of a national participating group.

ARNRSL is a company limited by guarantee which provides a single point of engagement with the Scheme to co-ordinate the provision of redress under the Scheme by Anglican participating institutions for survivors of institutional child sexual abuse.

DIRECTORS

The ARNRSL Constitution allows for not less than five and not more than seven directors. The Directors of ARNRSL are responsible for carrying out the company’s purposes and for managing the affairs of the company.

The current Directors of ARNRSL are:

- | | |
|------------------------------------|--|
| • Mr Garth Blake AM SC (Chair) | Appointed 31 July 2018 |
| • Mr Greg Hammond OAM | Appointed 31 July 2018, Resigned 23 March 2022 |
| • Mr Doug McCluskey | Appointed 1 January 2019 |
| • Mrs Margo Purcell | Appointed 22 May 2019, Resigned 30 November 2021 |
| • Mrs Lynn Smith | Appointed 24 October 2018 |
| • Mr Keith Stephens | Appointed 31 July 2018 |
| • The Right Reverend Alison Taylor | Appointed 25 September 2018 |
| • Ms Tamasin Jonker | Appointment pending (expected April 2022) |

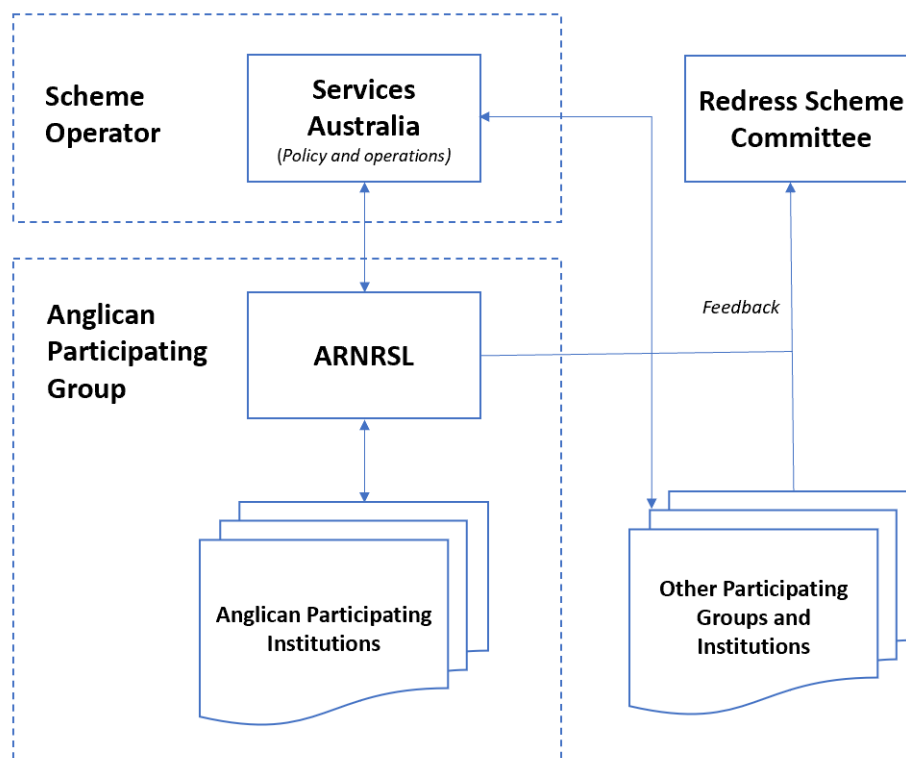
ACTIVITIES

ARNRSL was registered as a company on 31 July 2018 and was registered as a charity with the Australian Charities and Not-for-profits Commission on 1 August 2018. ARNRSL was declared by the Minister for Family and Social Services as the representative entity for the Anglican Participating Group on 4 December 2018.

As the representative entity, ARNRSL provides a coordinating role in liaising with the Scheme Operator on behalf of the members of the Anglican Participating Group. ARNRSL also

represents the interests of its members as a member of Redress Scheme Committee established by the Scheme Operator. ARNRSL provides its members administrative support in receiving and responding to redress applications through the Scheme and liaising with the Scheme Operator on operational issues.

This is diagrammatically represented as follows:



Since its establishment in July 2018, the key activities of ARNRSL have been to:

- Promote participation of Anglican institutions in the Scheme through membership of the Anglican Participating Group;
- Support Anglican institutions in the application for admission as a participating member of ARNRSL and onboarding as a participating institution in the Scheme;
- Support participating institutions with operational issues in responding to redress claims and determinations;
- Liaise with the Scheme Operator on operational issues, and advocate for policy and process improvements on behalf of the Anglican Participating Group;
- Establish and document operational guidelines for participating members of ARNRSL;
- Establish internal policies and procedures to ensure appropriate governance structures are in place and ongoing compliance with regulatory authorities and the Scheme;
- Represent the interests of the Anglican Participating Group to the Minister for Families and Social Services, at the Redress Scheme Committee and other Government-led forums;
- Liaise with other non-government participating institutions on the operations of the Scheme and other matters in relation to their participation in the Scheme; and
- Report to internal (e.g. Standing Committee, participating members) and external stakeholders (e.g. Services Australia, ACNC) as required.

As at 24 March 2022, all 23 Anglican dioceses have been declared as participating institutions. Of the 155 Anglican schools in Australia, 128 have joined through the Anglican group or have applications pending, and 22 schools have joined independently. Of the 30 Anglicare Australia members, 21 have joined through the Anglican group, and 3 have joined independently. All Anglican institutions named in the Royal Commission into Institutional Child Sexual Abuse have joined the Scheme.

A current list of all members of the Anglican participating group can be accessed on the General Synod Office website at: <https://anglican.org.au/our-work/professional-standards-commission/national-redress-scheme/>

As the representative entity, ARNRSL continues to provide feedback to and raise concerns with the Scheme Operator on behalf of its members in efforts to improve the operations of the Scheme.

Following the Scheme's second anniversary, an independent review was conducted with Ms Robyn Kruk AO appointed to conduct the review. In June 2020 the Chair of the Board and the General Secretary were able to meet with Ms Kruk and provide feedback on the experience of Anglican institutions participating in the Scheme. The National Redress Scheme Second Anniversary Review Report was published on 23 June 2021 and is available to view on the National Redress Scheme website: <https://www.nationalredress.gov.au/document/1386>.

An Interim Australian Government response is also available to view at this link: <https://www.nationalredress.gov.au/document/1391>. The Minister for Social Services has advised that the Government is taking immediate action on 25 of the 38 recommendations. Legislation amending the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (Cth) has been passed implementing initial action arising from recommendations in the National Redress Scheme Second Anniversary Review Report and the Government's interim response to the Review.

Membership

As at 24 March 2022, the Minister for Families and Social Services has declared 160 institutions as participating institutions in the Scheme and members of the Anglican Participating Group. One further institution has been accepted as a member of the Anglican Participating Group and are expected to be declared as a non-government participating institution shortly.

ARNRSL continues to promote participation in the Scheme as part of the Anglican Participating Group, and Anglican schools and agencies continue to progressively join the Scheme.

Anglican Institutions	Declared Institutions	Institutions with applications pending
Diocesan	23	-
Schools¹	75	1
Agencies & Other	62	-
Total	160	1

¹ 60 schools are participating as part of the Anglican Schools Commission, the Anglican Schools Corporation and Anglican Dioceses.

On 27 November 2020, the Minister for Families and Social Services announced that the Australian Charities and Not-for profits Commission (ACNC) would be given the power to

deregister a charity which did not take all reasonable steps to join the Scheme if a redress claim has been made, or is likely to be made, against the charity.

On 25 February 2021 the new Governance Standard 6 came into effect requiring a registered charity to take all reasonable steps to join the National Redress Scheme for Institutional Child Sexual Abuse if a redress claim has been, or is likely to be, made against it. The ACNC will investigate any breaches of Governance Standard 6 when it is brought to their attention, including by the National Redress Scheme Operator (the Secretary of the Department of Social Services), that a registered charity is, or is likely to be, identified as being involved in the abuse of a person and does not appear to be taking reasonable steps to participate in the Scheme.

A deadline for institutions to join the National Redress Scheme was extended to 31 December 2020. While the Scheme Operator advised that applications for participation in the NRS would close on 31 December 2020, they are still accepting applications and arranging declarations of participating institutions by the Minister. We have not been advised of any firm deadline for submitting applications and expect DSS to receive new applications on an ongoing basis.

Requests for Information

Since commencing operations in December 2018, ARNRSL has received 988 Requests for Information (RFIs), which are applications for redress. Of these, 59 have been returned by ARNRSL or withdrawn by the Scheme Operator as the incorrect institution was identified.

A summary of RFIs received by Anglican institutions as at 24 March 2022:

Anglican Institutions	RFIs Received
Dioceses	723
Schools	49
Agencies & Other	187
Non-ARNRSL	29
Total	988

476 RFIs (48%) have been priority applications where the applicant is above 75 years of age or has a terminal illness.

Institutions are required to respond to RFIs within the required timeframes (4 weeks for priority applications, 8 weeks for non-priority applications), with some extensions available at the discretion of the Scheme Operator.

Redress Determinations and Offers

As at 24 March 2022, there have been 743 determinations by the Scheme Operator. Of these, there have been 167 determinations where an Independent Decision Maker has determined that the institution is not responsible for the abuse and therefore not liable for providing redress.

Applicants have 6 months to respond to redress offers. Applicants are able to request a review of the determination.

A summary of redress offers as at 24 March 2022:

Anglican Institutions	Number of Offers	Value of Offers ¹	Number of Offers Accepted	Number of Offers Declined
Dioceses	439	\$22,853,890	372	6
Schools	30	\$1,934,691	25	-
Agencies & Other	99	\$3,952,929	85	1
Total	568	\$28,741,510	482	7

¹ Value of offers payable by Anglican institutions after consideration of prior payments of redress

Range	Number of Offers
\$0	58
Between \$1 and \$50,000	327
Between \$50,001 and \$100,000	153
Greater than \$100,000	30
Total	568

The Scheme has a maximum redress amount of \$150,000. The average value of offers payable by Anglican institutions is \$50,072 incl \$0 payments, and \$56,246 excluding \$0 payments. A support service payment ranging between \$1,250 - \$5,000 is also payable by Anglican institutions in conjunction with each redress offer.

There have been delays in determinations since the commencement of the Scheme, however the appointment of additional Independent Decisions Makers by the Scheme Operator has seen material improvements in the timing of determinations.

Number of days between Due Date for Responding to an RFI and Date of Determination	Number of Determinations
1 to 60 days	63
61 to 120 days	169
121 to 180 days	165
181 to 240 days	126
Greater than 240 days	225
Total	748

Direct Personal Responses

Direct personal response (DPR) is an important component of redress available to survivors under the Scheme. As at 24 March 2022, of the 482 offers of redress accepted, 181 survivors had accepted an offer of a DPR from the responsible institution, however the actual number of applicants who have accessed DPR has been very low. As at 30 June 2021, being the last date of DPR reporting, there were 15 DPRs which had commenced or had been completed.

Financial

ARNRSL charges its members the following fees:

- Application Fee – a one-off fee for non-diocesan members, payable on joining the Scheme
- Annual Fee – a recurring fee for every participating member payable each year
- Service Fee – a fee for each redress application received by a participating institution payable each quarter in arrears

The Directors of ARNRSL have appointed the General Synod Office to provide management and administrative support services to ARNRSL and its members.

For the year ended 31 December 2019, 31 December 2020 and 31 December 2021, ARNRSL have paid the General Synod Office an Administration Fee of \$89,840, \$80,800 and \$85,800 respectively in relation to services provided. The Directors of ARNRSL approved and paid an additional Administration Fee of \$29,925 in relation to services provided in 2018.

The audited Annual Financial Reports for ARNRSL as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 are included in this report as Annexure 1, Annexure 2, Annexure 3, and Annexure 4.

Annexure 1: Annual Financial Report at 31 December 2018

Annexure 2: Annual Financial Report at 31 December 2019

Annexure 3: Annual Financial Report at 31 December 2020

Annexure 4: Annual Financial Report at 31 December 2021



ANNEXURE 1

Anglican Church of Australia

Anglican Representative (National Redress Scheme) Limited

**ANGLICAN REPRESENTATIVE (NATIONAL REDRESS
SCHEME) LIMITED**

ABN 34 627 850 828

Annual Financial Report

31 December 2018

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Directors' Report

The Directors of Anglican Representative (National Redress Scheme) Limited ("ARNRSL") present their report together with the financial report of ARNRSL for the period ended 31 December 2018 and the independent auditor's report thereon.

The Directors during the period ended 31 December 2018 were:

Name	Position	Appointment Date
Mr Garth Blake AM SC	Chair	Appointed 31 July 2018
Mr Greg Hammond OAM		Appointed 31 July 2018
Mr Doug McCluskey		Appointed 1 January 2019
Mrs Lynn Smith		Appointed 24 October 2018
Mr Keith Stephens		Appointed 31 July 2018
The Right Reverend Alison Taylor		Appointed 25 September 2018

Principal activities

ARNRSL was incorporated on 31 July 2018. The company has been established to support the purposes of the Anglican Church of Australia by acting as a representative for Anglican dioceses, schools and agencies under the National Redress Scheme for Institutional Child Sexual Abuse Act 2018.

As outlined in its constitution, the principal activities of ARNRSL are coordinating the provision of redress under the National Redress Scheme for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the Scheme and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

On 4 December 2018 the Minister for Social Services declared ARNRSL to be the representative entity of the Anglican Participating Group, and the first group of ten Anglican entities to be non-government participating institutions, in the National Redress Scheme.

Operating and financial review

The deficit from ordinary activities amounted to \$18,441.

The deficit is a result of bank fees and insurances paid in setting up the company. As the company has been newly incorporated on 31 July 2018, no income has been generated in respect to membership of Anglican entities.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of ARNRSL that occurred during the financial year under review.

Environmental Regulation

ARNRSL is not subject to any significant environmental regulations under either Commonwealth or State legislation.

Australian Charities and Not-for-profits Commission

ARNRSL was registered as a charity with the Australian Charities and Not-for-profits Commission on 1 August 2018.

Likely Developments

The Directors know of no event that will significantly impact on the activities of the ARNRSL in 2019.

Indemnification and Insurance of Officers

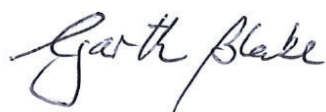
The Directors have agreed to indemnify various insured persons against all liabilities to another person that may arise from their position with ARNRSL.

For 2018, ARNRSL has paid insurance premiums of \$2,977 in respect of the insured persons.

Since the end of the 2018 financial year, ARNRSL has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an auditor of the ARNRSL.

Signed in accordance with a resolution of the Board of Directors:

Dated at Sydney this 22 May 2019.



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director

Statement of Profit and Loss and Other Comprehensive Income for the period ended 31 December 2018

	2018
	\$
Revenue	<u>-</u>
Expenses	
Bank Fees	(15,464)
Insurance	<u>(2,977)</u>
Total Expenses	<u>(18,441)</u>
Deficit for the Period	<u>(18,441)</u>

The notes on pages 9 to 15 are an integral part of these statements.

Statement of Financial Position as at 31 December 2018

	Note	2018 \$
Assets		
Cash and Cash Equivalents	5	1,261
Other Receivables	7	298
Other Financial Assets	6	<u>1,000,000</u>
Total Assets		<u>1,001,559</u>
Liabilities		
Current Liabilities		
Other Financial Liabilities	8	<u>20,000</u>
Total Current Liabilities		20,000
Non-Current Liabilities		
Other Financial Liabilities	8	<u>1,000,000</u>
Total Non-Current Liabilities		<u>1,000,000</u>
Total Liabilities		<u>1,020,000</u>
Net Liabilities		<u>(18,441)</u>
Equity		
Accumulated Losses		<u>(18,441)</u>
Total Equity		<u>(18,441)</u>

The notes on pages 9 to 15 are an integral part of these statements.

Statement of Cash Flows for the period ended 31 December 2018

	2018
	\$
Cash Flows From Operating Activities	
Cash Payments in the Course of Operations	<u>(18,739)</u>
Net Cash Used in Operating Activities	<u>(18,739)</u>
Cash Flows From Investing Activities	
Payments and Receipts to Investments	<u>(1,000,000)</u>
Net Cash Used in Investing Activities	<u>(1,000,000)</u>
Cash Flows from Financing Activities	
Receipts from Financing Activities	<u>1,020,000</u>
Net Cash from Financing Activities	<u>1,020,000</u>
Net Increase in Cash Held	1,261
Cash and Cash Equivalents at beginning of the period	<u>-</u>
Cash and Cash Equivalents at end of the period	<u>1,261</u>

The notes on pages 9 to 15 are an integral part of these statements.

Statement of Changes in Equity for the period ended 31 December 2018

	2018
	\$
Opening Balance	-
Deficit for the period	(18,441)
Closing Balance	<u>(18,441)</u>

The notes on pages 9 to 15 are an integral part of these statements.

Notes to the Financial Statements for the period ended 31 December 2018

The financial report was authorised for issue by the Directors at their meeting on 22 May 2019.

1. Reporting Entity

ARNRSL is domiciled in Australia. The principal activities of ARNRSL during the course of the financial year were coordinating the provision of redress under the National Redress Scheme (“NRS”) for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the NRS and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

In the opinion of the Directors, ARNRSL is not a reporting entity. The financial report of ARNRSL has been drawn up as a special purpose financial report for distribution to the members.

2. Basis of Preparation**(a) Statement of compliance**

The special purpose financial report has been prepared in accordance with all the recognition and measurement aspects of applicable Australian Accounting Standards (“AASBs”) (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the reporting requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012*.

The notes to the Financial Statements of the ARNRSL have been prepared on the basis that the Directors choose to exclude all disclosures except the minimum requirements.

The financial report does not include disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048	Interpretation of Standards
AASB 1054	Australian Additional Disclosures
AASB 1057	Application of Australian Accounting Standards

Basis of Preparation (continued)

(b) Basis of measurement

The financial report has been prepared on the basis of historical costs.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is also ARNRSL's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Purpose

The financial report reflects the operations of ARNRSL established by its Constitution.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Revenue

(i) Application Fees

The directors may resolve from time to time that any person applying to become a Participating Member must pay an application fee. The Standing Committee of General Synod must approve any application fee determined by the Directors before it comes into effect. Fee Income is taken into the income statement when the Participating Member is invoiced.

(ii) Annual Fees

Fees are payable by 31 December and recognised as income when the Participating Member is invoiced.

(iii) Service Fees

The Directors may establish and vary service fees payable by each Participating Member or each member of a class of Participating Members. Service fees are to be determined on a cost-recovery basis unless otherwise authorised by a 2/3 majority of

votes cast by members of the Standing Committee of General Synod. The Standing Committee must approve any service fee established or varied by the Directors. Fee Income is taken into the income statement when the Participating Member is invoiced.

(iv) Interest Income

Interest income is recognised as and when received in relation to the current period.

(b) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(d) Trade and other receivables

Trade and other receivables are measured at their amortised cost less impairment losses. Trade debtors are generally settled within 30 days.

(e) Trade and other payables

Trade and other payables are measured at amortised cost. Trade accounts payable are normally settled within 30 days.

(f) Provisions

A provision is recognised in the balance sheet when the organisation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(g) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

Reversals of impairment

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

(h) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

	2018 \$
5. Cash and Cash Equivalents	
Cash at Bank	1,261
Total Cash & Cash Equivalents	<u>1,261</u>

6. Other Financial Assets

Term Deposit for Bank Guarantee	1,000,000
Total Other Financial Assets	<u>1,000,000</u>

- (a) Under the terms of the National Redress Scheme, ARNRSL was required to provide the Commonwealth of Australia a Bank Guarantee for the value of \$1.0m. This has been secured from Westpac Banking Corporation, and requires the value of the guarantee to be placed on deposit as security for the term of the bank guarantee.
- (b) The interest earned on the term deposit offsets the cost of the bank guarantee.

7. Other Receivables

Current	
GST Receivable	298
Total Other Current Receivables	<u>298</u>

	2018 \$
8. Other Financial Liabilities	
Current	
Current Loan from Anglican Church of Australia Trust Corporation	20,000
Total Current Financial Liabilities	<u>20,000</u>
Non-Current	
Non-Current Loan from Anglican Church of Australia Trust Corporation	1,000,000
Total Non-Current Financial Liabilities	<u>1,000,000</u>
Total Financial Liabilities	<u>1,020,000</u>

- (a) The Current Loan from Anglican Church of Australia Trust Corporation is an unsecured interest free loan. This is repayable once the company earns fee income.
- (b) The Non-Current Loan from Anglican Church of Australia Trust Corporation:
- i) The Company entered into a loan of \$1.0m from the Anglican Church of Australia Trust Corporation (the "Lender") on 26th September 2018. The loan is a non-cumulative, subordinated, unsecured loan.
 - ii) The loan principal was deposited with Westpac Banking Corporation as security for a guarantee, in favour of the Commonwealth of Australia (Department of Social Services), to enable the Company to participate as the representative of the Anglican Participating Group in the National Redress Scheme (NRS).
 - iii) The payment of interest on the loan is subject to the absolute discretion of the Company. The Company has no liability to pay interest on the loan and the Lender has no claim or entitlement in respect of non-payment of interest.
 - iv) Unless the Company is wound up, the Company has in its absolute discretion an option, but no obligation to repay the loan.
 - v) In the event of the Company winding-up, the rights and claims of the Lender will be subordinate to any Senior Creditors, but senior to Members of the Company.
 - vi) The \$1.0m guarantee to the Commonwealth of Australia, is backed by the cash from the Loan, deposited with Westpac and may be applied to discharge obligations of the Company, following a claim by the Commonwealth under the NRS.
 - vii) The \$1.0m guarantee represents the current value of the agreed surety provided by the Company under the NRS. It is not implied nor intended to represent the quantum of any, or all future claims against the Anglican Church of Australia, under the NRS.
 - viii) The Board consider the Loan is a liability as it is intended to be repaid in full to the Anglican Church of Australia Trust Corporation (the Lender), and that there are sufficient internal controls and alternative funding available that will not require the Commonwealth to draw on the \$1,000,000 bank guarantee.

9. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2018 \$
Cash Assets	5	<u>1,261</u>
Reconciliation of surplus from ordinary activities to net cash provided by operating activities		
Deficit from ordinary activities		(18,441)
Less non-cash items:		<u>-</u>
Net cash provided by operating activities before change in assets and liabilities		<u>(18,441)</u>
Change in assets and liabilities during the financial year:		
(Increase)/decrease in trade debtors		<u>(298)</u>
Net cash provided by operating activities		<u>(18,739)</u>

10. Commitments

The General Synod Office (“GSO”) provides management and administrative support services to ARNRSL as required for the operation of the company as the representative entity of the Anglican Participating Group in the National Redress Scheme.

For the period ended 31 December 2018, the GSO has not charged a fee for the provision of services. The Directors of ARNRSL have indicated that they may elect to make a payment to the GSO in relation to the provision of services in 2018, but are not obliged to do so.

The fees for the provision of services for 2019 are yet to be agreed.

Statement by the Directors of Anglican Representative (National Redress Scheme) Limited

The Directors declare that in the Directors' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (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*, with a resolution at a duly constituted meeting:



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director

Dated at Sydney this 22 May 2019.



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED

ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2018

Report on the Financial Statements

Opinion

We have audited the financial statements of Anglican Representative (National Redress Scheme) Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

In our opinion, the accompanying financial statements of Anglican Representative (National Redress Scheme) Limited have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (I) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the period then ended; and
- (II) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commissions 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 Statements* section of our report. We are independent of the Company 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 statements 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 Accounting

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Those Charged with Governance

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commissions Act 2012*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 statement.

As a 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 statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company.



- Conclude on the appropriateness of the Directors' 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 Company'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 statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial Statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Directors 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.

National Audits Group Pty Ltd
Authorised Audit Company

A handwritten signature in black ink, appearing to be 'S. Watson', written over a horizontal line.

Steven Watson
Managing Director

Dated 22 May 2019

Sydney



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED
ABN: 34 627 850 828

**AUDITOR'S INDEPENDENCE DECLARATION TO THE RESPONSIBLE PERSONS OF
ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED**

FOR THE PERIOD ENDED 31 DECEMBER 2018

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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 22 May 2019

Sydney



ANNEXURE 2

Anglican Church of Australia

Anglican Representative (National Redress Scheme) Limited

**ANGLICAN REPRESENTATIVE (NATIONAL REDRESS
SCHEME) LIMITED**

ABN 34 627 850 828

Annual Financial Report

31 December 2019

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Directors' Report

The Directors of Anglican Representative (National Redress Scheme) Limited ("ARNRSL") present their report together with the financial report of ARNRSL for the period ended 31 December 2019 and the independent auditor's report thereon.

The Directors during the period ended 31 December 2019 were:

Name	Position	Appointment Date
Mr Garth Blake AM SC	Chair	Appointed 31 July 2018
Mr Greg Hammond OAM		Appointed 31 July 2018
Mr Doug McCluskey		Appointed 1 January 2019
Mrs Margo Purcell		Appointed 22 May 2019
Mrs Lynn Smith		Appointed 24 October 2018
Mr Keith Stephens		Appointed 31 July 2018
The Right Reverend Alison Taylor		Appointed 25 September 2018

Principal activities

ARNRSL was incorporated on 31 July 2018. The company has been established to support the purposes of the Anglican Church of Australia by acting as a representative for Anglican dioceses, schools and agencies under the National Redress Scheme for Institutional Child Sexual Abuse Act 2018.

As outlined in its constitution, the principal activities of ARNRSL are coordinating the provision of redress under the National Redress Scheme for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the Scheme and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

On 4 December 2018 the Minister for Social Services declared ARNRSL to be the representative entity of the Anglican Participating Group. As at 31 December 2019, there were 90 institutions that had been declared as part of the Anglican Participating Group, consisting of 21 dioceses, 31 agencies and 38 schools (a further 56 schools are included through diocesan membership and school associations).

Operating and financial review

The surplus from ordinary activities amounted to \$56,144 (2018: Deficit \$18,441).

ARNRSL operated and earned \$191,250 from Application, Annual and Service Fees. ARNRSL also earned \$26,027 of Bank Interest, whilst no income was generated in 2018.

ARNRSL incurred \$116,865 (2018: nil) in General Synod Office ("GSO") management fees, representing the largest expense of the organisation, followed by bank fees of \$22,589 (2018: \$15,377) and Audit Fees of \$11,555 (2018: nil).

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of ARNRSL that occurred during the financial year under review.

Environmental regulation

ARNRSL is not subject to any significant environmental regulations under either Commonwealth or State legislation.

Australian Charities and Not-for-profits Commission

ARNRSL was registered as a charity with the Australian Charities and Not-for-profits Commission on 1 August 2018.

Likely developments

The COVID-19 outbreak in early 2020 has the potential to significantly impact the Company's operation in 2020.

The exact financial impact is yet to be quantified as at the date of the issuance of the financial statements. Management and those charged with governance will monitor the ongoing impacts of the COVID-19 outbreak. Those charged with governance believe the Company will be able to continue as a going concern for the next twelve months.

Except for the above, the Directors know of no event that will significantly impact on the activities of the ARNRSL in 2020.

Indemnification and insurance of officers

The Directors have agreed to indemnify various insured persons against all liabilities to another person that may arise from their position with ARNRSL.

For 2019, ARNRSL has paid insurance premiums of \$3,319 (2018: \$2,977) in respect of the insured persons.

Since the end of the 2019 financial year, ARNRSL has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an auditor of the ARNRSL.

Signed in accordance with a resolution of the Board of Directors:

Dated at Sydney this 14th day of June 2020.



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED
ABN: 34 627 850 828

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE PERIOD ENDED 31 DECEMBER 2019

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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

A handwritten signature in black ink, appearing to read 'Steven Watson', is written over a horizontal line.

Steven Watson
Managing Director

Dated: 29 June 2020

Sydney

Statement of Profit or Loss and Other Comprehensive Surplus for the period ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue	5	217,277	-
Less: Expenses			
Audit Fees		(11,555)	-
Interest Paid		(22,589)	(15,377)
Insurance		(3,319)	(2,977)
Members Meetings		(3,692)	-
GSO Management Fee - 2018		(29,925)	-
GSO Management Fee - 2019		(86,940)	-
Board - Travel		(1,658)	-
Board - Expenses		(1,454)	-
Other Expenses		-	(88)
Surplus before income tax		56,144	(18,441)
Income tax expense		-	-
Total comprehensive surplus / (deficit) for the year		56,144	(18,441)

The notes on pages 10 to 17 are an integral part of these statements.

Statement of Financial Position as at 31 December 2019

	Note	2019 \$	2018 \$
Assets			
Cash and Cash Equivalents	6	32,744	1,261
Trade and Other Receivables	8	46,985	298
Other Financial Assets	7	1,000,000	1,000,000
Total Assets		1,079,730	1,001,559
Liabilities			
Current Liabilities			
Trade and Other Payables	9	42,026	-
Other Financial Liabilities	10	-	20,000
Total Current Liabilities		42,026	20,000
Non-Current Liabilities			
Other Financial Liabilities	10	1,000,000	1,000,000
Total Non-Current Liabilities		1,000,000	1,000,000
Total Liabilities		1,042,026	1,020,000
Net Assets		37,703	(18,441)
Accumulated Surplus			
Current Year Surplus		56,144	(18,441)
Accumulated Deficit		(18,441)	-
Total Accumulated Surplus / (Deficit)		37,703	(18,441)

The notes on pages 10 to 17 are an integral part of these statements.

Statement of Cash Flows for the period ended 31 December 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Cash Receipts and Payments in the Course of Operations	11	51,483	(18,739)
Net Cash Provided by / (Used in) Operating Activities		<u>51,483</u>	<u>(18,739)</u>
Cash Flows from Investing Activities			
Receipts and Payments to Investments		-	(1,000,000)
Net Cash Used in Investing Activities		<u>-</u>	<u>(1,000,000)</u>
Cash Flows from Financing Activities			
Receipts from Financing Activities		-	1,020,000
Payments from Financing Activities		(20,000)	-
Net Cash Provided by / (Used in) Financing Activities		<u>(20,000)</u>	<u>1,020,000</u>
Net Increase in Cash Held		31,483	1,261
Cash and Cash Equivalents at beginning of the period		<u>1,261</u>	-
Cash and Cash Equivalents at end of the period	6	<u>32,744</u>	<u>1,261</u>

The notes on pages 10 to 17 are an integral part of these statements.

Statement of Changes in Equity for the period ended 31 December 2019

2019	Accumulated Surplus / (Deficit)	Total
	\$	\$
Balance at 1 January 2019	(18,441)	(18,441)
Surplus (Deficit) for the year	<u>56,144</u>	<u>56,144</u>
Balance at 31 December 2019	<u>37,703</u>	<u>37,703</u>
2018	Accumulated Surplus / (Deficit)	Total
	\$	\$
Balance at 31 July 2018 (on incorporation)	-	-
Surplus (Deficit) for the period	<u>(18,441)</u>	<u>(18,441)</u>
Balance at 31 December 2018	<u>(18,441)</u>	<u>(18,441)</u>

The notes on pages 10 to 17 are an integral part of these statements.

Notes to the Financial Statements for the period ended 31 December 2019

The financial report was authorised for issue by the Directors at their meeting on 14 June 2020.

1. Reporting Entity

ARNRSL is domiciled in Australia. The principal activities of ARNRSL during the course of the financial year were coordinating the provision of redress under the National Redress Scheme (“NRS”) for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the NRS and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

In the opinion of the Directors, ARNRSL is not a reporting entity. The financial report of ARNRSL has been drawn up as a special purpose financial report for distribution to the members.

The comparatives included in the year ended 31 December 2019 financial statements cover the period from 31 July 2018 to 31 December 2018.

2. Basis of Preparation**(a) Statement of compliance**

The special purpose financial report has been prepared in accordance with all the recognition and measurement aspects of applicable Australian Accounting Standards (“AASBs”) (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the reporting requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012*.

The notes to the Financial Statements of the ARNRSL have been prepared on the basis that the Directors choose to exclude all disclosures except the minimum requirements.

The financial report does not include disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048	Interpretation of Standards
AASB 1054	Australian Additional Disclosures
AASB 1057	Application of Australian Accounting Standards

Basis of Preparation (continued)**(b) Basis of measurement**

The financial report has been prepared on the basis of historical costs.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is also ARNRSL's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Purpose

The financial report reflects the operations of ARNRSL established by its Constitution.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Revenue**(i) Application Fees**

The directors may resolve from time to time that any person applying to become a Participating Member must pay an application fee. The Standing Committee of General Synod must approve any application fee determined by the Directors before it comes into effect. Fee income is taken into the income statement when the Participating Member is invoiced.

(ii) Annual Fees

Fees are payable by 31 December and recognised as income when the Participating Member is invoiced.

(iii) Service Fees

The Directors may establish and vary service fees payable by each Participating Member or each member of a class of Participating Members. Service fees are to be determined on a cost-recovery basis unless otherwise authorised by a 2/3 majority of votes cast by

members of the Standing Committee of General Synod. The Standing Committee must approve any service fee established or varied by the Directors. Fee income is taken into the income statement when the Participating Member is invoiced.

(iv) Interest Income

Interest income is recognised as and when received in relation to the current period.

(b) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(d) Trade and other receivables

Trade and other receivables are measured at their amortised cost less impairment losses. Trade debtors are generally settled within 30 days.

(e) Trade and other payables

Trade and other payables are measured at amortised cost. Trade accounts payable are normally settled within 30 days.

(f) Provisions

A provision is recognised in the balance sheet when the organisation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(g) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

Reversals of impairment

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

(h) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(i) Critical accounting estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Anglican Representative (National Redress Scheme) Limited

Annual Financial Report 2019

	2019	2018
5 Revenue and other income	\$	\$
Application Fee	61,000	
Annual Fee	20,000	
Service Fee	110,250	
Bank Interest	26,027	
	<u>217,277</u>	<u>-</u>
	\$	\$
6 Cash and Cash Equivalents		
Cash at Bank	32,744	1,261
Total Cash and Cash Equivalents	<u>32,744</u>	<u>1,261</u>
7 Other Financial Assets		
Term Deposit for Bank Guarantee	1,000,000	1,000,000
Total Other Financial Assets	<u>1,000,000</u>	<u>1,000,000</u>

Under the terms of the National Redress Scheme, ARNRSL was required to provide the Commonwealth of Australia a Bank Guarantee for the value of \$1.0m. This has been secured from Westpac Banking Corporation, and requires the value of the guarantee to be placed on deposit as security for the term of the bank guarantee. The interest earned on the term deposit offsets the cost of the bank guarantee. The difference between interest earned and interest expense in the current year is a timing difference.

	2019	2018
8 Trade and Other Receivables	\$	\$
Trade Debtors	45,500	-
GST Paid	1,485	298
Total Trade and Other Receivables	<u>46,985</u>	<u>298</u>
9 Trade and Other Payables	\$	\$
Trade Creditors	33,575	-
Accrued Expenses	6,250	-
GST Collected	2,201	-
Total Trade and Other Payables	<u>42,026</u>	<u>-</u>

Anglican Representative (National Redress Scheme) Limited

Annual Financial Report 2019

	2019 \$	2018 \$
10 Other Financial Liabilities		
Current		
Current Loan from Anglican Church of Australia Trust Corporation	-	20,000
Total Current Financial Liabilities	-	20,000
Non-Current		
Non-current Loan from Anglican Church of Australia Trust Corporation	1,000,000	1,000,000
Total Non-Current Financial Liabilities	1,000,000	1,000,000
Total Financial Liabilities	1,000,000	1,020,000

- (a) The Current Loan from Anglican Church of Australia Trust Corporation is an unsecured interest free loan. This was repaid on 3rd September 2019.
- (b) The Non-Current Loan from Anglican Church of Australia Trust Corporation:
- i) The Company entered into a loan of \$1.0m from the Anglican Church of Australia Trust Corporation (the "Lender") on 26th September 2018. The loan is a non-cumulative, subordinated, unsecured loan.
 - ii) The loan principal was deposited with Westpac Banking Corporation as security for a guarantee, in favour of the Commonwealth of Australia (Department of Social Services), to enable the Company to participate as the representative of the Anglican Participating Group in the National Redress Scheme (NRS).
 - iii) The payment of interest on the loan is subject to the absolute discretion of the Company. The Company has no liability to pay interest on the loan and the Lender has no claim or entitlement in respect of non-payment of interest.
 - iv) Unless the Company is wound up, the Company has in its absolute discretion an option, but no obligation to repay the loan.
 - v) In the event of the Company winding-up, the rights and claims of the Lender will be subordinate to any Senior Creditors, but senior to Members of the Company.
 - vi) The \$1.0m guarantee to the Commonwealth of Australia, is backed by the cash from the Loan, deposited with Westpac and may be applied to discharge obligations of the Company, following a claim by the Commonwealth under the NRS.
 - vii) The \$1.0m guarantee represents the current value of the agreed surety provided by the Company under the NRS. It is not implied nor intended to represent the quantum of any, or all future claims against the Anglican Church of Australia, under the NRS.
 - viii) The Board consider the Loan is a liability as it is intended to be repaid in full to the Anglican Church of Australia Trust Corporation (the Lender), and that there are sufficient internal controls and alternative funding available that will not require the Commonwealth to draw on the \$1,000,000 bank guarantee.

11. Notes to the Statement of Cash Flows**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2019 \$	2018 \$
Cash Assets	32,744	1,261
Reconciliation of surplus from ordinary activities to net cash provided by / (used in) operating activities		
Surplus / (deficit) from ordinary activities	56,144	(18,441)
Less non cash items:	-	-
Net Cash provided by / (used in) operating activities before change in assets and liabilities	56,144	(18,441)
Change in Assets and Liabilities		
Increase in Trade and Other Receivables	(46,688)	-
Increase in Trade and Other Payables	42,026	-
Total	(4,661)	-
Net Cash Provided by / (used in) Operating Activities	51,483	(18,441)

12. Commitments

The General Synod Office ("GSO") provides management and administrative support services to ARNRSL as required for the operation of the company as the representative entity of the Anglican Participating Group in the National Redress Scheme.

13. Events Occurring after reporting date

The COVID-19 outbreak in early 2020 has the potential to significantly impact the Company's operation in 2020.

The exact financial impact is yet to be quantified as at the date of the issuance of the financial statements. Management and those charged with governance will continue to monitor ongoing impacts of the COVID-19 outbreak. Those charged with governance believe the Company will be able to continue as a going concern for the next twelve months.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company the results of those operations or the state of affairs of the Company in the future financial years.

14. Contingent Liability

Claims against a member of the Anglican Participating Group under the National Redress Scheme are referred by the Company to the responsible institution. The Company has a joint and several liability in respect of these claims. Should an individual institution be unable to meet their redress liabilities under the National Redress Scheme, ARNRSL would ultimately be the responsible entity.

The Directors are not aware of any institution who is unable to meet their redress obligations under the National Redress Scheme at this time.

Statement by the Directors of Anglican Representative (National Redress Scheme) Limited

The Directors declare that in the Directors' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (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*, with a resolution at a duly constituted meeting:



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director

Dated at Sydney this 14th day of June 2020.



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED
ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

Report on the Financial Statements

Opinion

We have audited the financial statements of Anglican Representative (National Redress Scheme) Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

In our opinion, the accompanying financial statements of Anglican Representative (National Redress Scheme) Limited have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (I) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the period then ended; and
- (II) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commissions 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 Statements* section of our report. We are independent of the Company 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 statements 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 Accounting

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commissions Act 2012*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED

ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

Responsibilities of Management and Those Charged with Governance (Continued)

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 statement.

As a 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 statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company.
- Conclude on the appropriateness of the Directors' 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 Company'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 statements 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 Company to cease to continue as a going concern.

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**ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED**

ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT**FOR THE PERIOD ENDED 31 DECEMBER 2019****Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- Evaluate the overall presentation, structure and content of the financial Statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Directors 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.

National Audits Group Pty Ltd
Authorised Audit Company

A handwritten signature in black ink, appearing to be 'Steven Watson', written over a horizontal line.

Steven Watson
Managing Director

Dated: 29 June 2020

Sydney



ANNEXURE 3

Anglican Church of Australia

Anglican Representative (National Redress Scheme) Limited

**ANGLICAN REPRESENTATIVE (NATIONAL REDRESS
SCHEME) LIMITED**

ABN 34 627 850 828

Annual Financial Report

31 December 2020

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Directors' Report

The Directors of Anglican Representative (National Redress Scheme) Limited ("ARNRSL") present their report together with the financial report of ARNRSL for the period ended 31 December 2020 and the independent auditor's report thereon.

The Directors during the period ended 31 December 2020 were:

Name	Position	Appointment Date
Mr Garth Blake AM SC	Chair	Appointed 31 July 2018
Mr Greg Hammond OAM		Appointed 31 July 2018
Mr Doug McCluskey		Appointed 1 January 2019
Mrs Margo Purcell		Appointed 22 May 2019
Mrs Lynn Smith		Appointed 24 October 2018
Mr Keith Stephens		Appointed 31 July 2018
The Right Reverend Alison Taylor		Appointed 25 September 2018

Principal activities

ARNRSL has been established to support the purposes of the Anglican Church of Australia by acting as a representative for Anglican dioceses, schools and agencies under the National Redress Scheme for Institutional Child Sexual Abuse Act 2018.

As outlined in its constitution, the principal activities of ARNRSL are coordinating the provision of redress under the National Redress Scheme for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the Scheme and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

As at 31 December 2020, all 23 Anglican dioceses have been declared as participating institutions. 147 of 155 Anglican schools are participating or have applications pending in the National Redress Scheme. The majority of Anglican mission and community service agencies which provide services to children are participating and ARNRSL continues to support many others in their application process. All Anglican institutions named in the Royal Commission into Institutional Child Sexual Abuse have joined the Scheme.

Operating and financial review

The surplus from ordinary activities amounted to \$50,961 (2019: Surplus \$56,144).

ARNRSL operated and earned \$148,500 (2019: \$191,250) from Application, Annual and Service Fees. ARNRSL also earned \$16,146 (2019: \$26,027) of Bank Interest.

ARNRSL incurred \$80,800 (2019: \$116,865) in General Synod Office ("GSO") management fees, representing the largest expense of the organisation, followed by bank fees of \$25,000 (2019: \$22,589) and Audit Fees of \$5,500 (2019: \$11,555).

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of ARNRSL that occurred during the financial year under review.

Environmental regulation

ARNRSL is not subject to any significant environmental regulations under either Commonwealth or State legislation.

Australian Charities and Not-for-profits Commission

ARNRSL was registered as a charity with the Australian Charities and Not-for-profits Commission on 1 August 2018.

Likely developments

The COVID-19 outbreak in early 2020 has not significantly impacted the Company's operation in 2020.

Management and those charged with governance will monitor the ongoing impacts of the COVID-19 outbreak. Those charged with governance believe the Company will be able to continue as a going concern for the next twelve months.

Except for the above, the Directors know of no event that will significantly impact on the activities of the ARNRSL in 2021.

Indemnification and insurance of officers

The Directors have agreed to indemnify various insured persons against all liabilities to another person that may arise from their position with ARNRSL.

For 2020, ARNRSL has paid insurance premiums of \$2,381 (2019: \$3,319) in respect of the insured persons.

Since the end of the 2020 financial year, ARNRSL has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an auditor of the ARNRSL.

Signed in accordance with a resolution of the Board of Directors:

Dated at Sydney this 21st day of April 2021.



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED
ABN: 34 627 850 828

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2020

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commissions 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

A handwritten signature in black ink, appearing to read 'DN', is positioned above the name of the auditor.

Danielle Nye
Registered Company Auditor

Dated: 22 April 2021

Wagga Wagga

*Anglican Representative (National Redress Scheme) Limited**Annual Financial Report 2020***Statement of Profit or Loss and Other Comprehensive Surplus for the period ended 31 December 2020**

	Note	2020 \$	2019 \$
Revenue	5	164,646	217,277
Less: Expenses			
Audit Fees		(5,500)	(11,555)
Bank Guarantee Fees		(25,000)	(22,589)
Insurance		(657)	(3,319)
Members Meetings		-	(3,692)
GSO Management Fee	6	(80,800)	(116,865)
Board - Travel		(984)	(1,658)
Board - Expenses		(500)	(1,455)
Other Expenses	7	(244)	-
Surplus before income tax		50,961	56,144
Income tax expense	4h	-	-
Total comprehensive surplus for the year		50,961	56,144

The notes on pages 10 to 18 are an integral part of these statements.

Statement of Financial Position as at 31 December 2020

	Note	2020 \$	2019 \$
Assets			
Cash and Cash Equivalents	8	78,406	32,744
Trade and Other Receivables	9	27,470	46,985
Prepayments		1,724	-
Other Financial Assets	10	1,014,841	1,000,000
Total Assets		1,122,441	1,079,729
Liabilities			
Current Liabilities			
Trade and Other Payables	11	33,777	42,026
Total Current Liabilities		33,777	42,026
Non-Current Liabilities			
Other Financial Liabilities	12	1,000,000	1,000,000
Total Non-Current Liabilities		1,000,000	1,000,000
Total Liabilities		1,033,777	1,042,026
Net Assets		88,664	37,703
Accumulated Surplus			
Current Year Surplus / (Deficit)		50,961	56,144
Accumulated Surplus / (Deficit)		37,703	(18,441)
Total Accumulated Surplus / (Deficit)		88,664	37,703

The notes on pages 10 to 18 are an integral part of these statements.

Statement of Cash Flows for the period ended 31 December 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		184,255	170,589
Cash payments in the course of operations		<u>(98,752)</u>	<u>(96,518)</u>
Cash generated from operations		85,503	74,072
Bank guarantee fees paid		<u>(25,000)</u>	<u>(22,589)</u>
Net Cash Provided by Operating Activities	13	<u>60,503</u>	<u>51,483</u>
Cash Flows from Investing Activities			
Increase in Investments		<u>(14,841)</u>	-
Net Cash Used in Investing Activities		<u>(14,841)</u>	-
Cash Flows from Financing Activities			
Payments from Financing Activities		-	<u>(20,000)</u>
Net Cash Provided by / (Used in) Financing Activities		<u>-</u>	<u>(20,000)</u>
Net Increase in Cash Held		45,662	31,483
Cash and Cash Equivalents at beginning of the period		<u>32,744</u>	<u>1,261</u>
Cash and Cash Equivalents at end of the period	8	<u>78,406</u>	<u>32,744</u>

The notes on pages 10 to 18 are an integral part of these statements.

Statement of Changes in Equity for the period ended 31 December 2020

2020	Accumulated Surplus / (Deficit) \$	Total \$
Balance at 1 January 2020	37,703	37,703
Surplus / (Deficit) for the year	50,961	50,961
Balance at 31 December 2020	<u>88,664</u>	<u>88,664</u>

2019	Accumulated Surplus / (Deficit) \$	Total \$
Balance at 1 January 2019	(18,441)	(18,441)
Surplus / (Deficit) for the year	56,144	56,144
Balance at 31 December 2019	<u>37,703</u>	<u>37,703</u>

The notes on pages 10 to 18 are an integral part of these statements.

Notes to the Financial Statements for the period ended 31 December 2020

The financial report was authorised for issue by the Directors at their meeting on 21 April 2021.

1. Reporting Entity

ARNRSL is domiciled in Australia. The principal activities of ARNRSL during the course of the financial year were coordinating the provision of redress under the National Redress Scheme ("NRS") for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the NRS and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

In the opinion of the Directors, ARNRSL is not a reporting entity. The financial report of ARNRSL has been drawn up as a special purpose financial report for distribution to the members.

2. Basis of Preparation**(a) Statement of compliance**

The special purpose financial report has been prepared in accordance with all the recognition and measurement aspects of applicable Australian Accounting Standards ("AASBs") (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the reporting requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012*.

The notes to the Financial Statements of the ARNRSL have been prepared on the basis that the Directors choose to exclude all disclosures except the minimum requirements.

The financial report does not include disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048	Interpretation of Standards
AASB 1054	Australian Additional Disclosures
AASB 1057	Application of Australian Accounting Standards

Basis of Preparation (continued)

(b) Basis of measurement

The financial report has been prepared on the basis of historical costs.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is also ARNRSL's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Purpose

The financial report reflects the operations of ARNRSL established by its Constitution.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Revenue

(i) Application Fees

The directors may resolve from time to time that any person applying to become a Participating Member must pay an application fee. The Standing Committee of General Synod must approve any application fee determined by the Directors before it comes into effect. Fee income is taken into the income statement when the Participating Member is invoiced.

(ii) Annual Fees

Fees are payable by 31 December and recognised as income when the Participating Member is invoiced.

(iii) Service Fees

The Directors may establish and vary service fees payable by each Participating Member or each member of a class of Participating Members. Service fees are to be determined on a cost-recovery basis unless otherwise authorised by a 2/3 majority of votes cast by

members of the Standing Committee of General Synod. The Standing Committee must approve any service fee established or varied by the Directors. Fee income is taken into the income statement when the Participating Member is invoiced.

(iv) Interest Income

Interest income is recognised as and when it accrues using the effective interest method.

(b) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

(d) Trade and other receivables

Trade and other receivables are measured at their amortised cost less impairment losses. Trade debtors are generally settled within 30 days.

(e) Trade and other payables

Trade and other payables are measured at amortised cost. Trade accounts payable are normally settled within 30 days.

(f) Provisions

A provision is recognised in the balance sheet when the organisation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(g) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

Reversals of impairment

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

(h) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(i) Critical accounting estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

*Anglican Representative (National Redress Scheme) Limited**Annual Financial Report 2020*

5 Revenue and other income	2020	2019
	\$	\$
Application Fee	54,000	61,000
Annual Fee	37,250	20,000
Service Fee	57,250	110,250
Bank Interest	16,146	26,027
Total	<u>164,646</u>	<u>217,277</u>
6 GSO Management Fee	2020	2019
	\$	\$
GSO Management Fee - 2018		29,925
GSO Management Fee - 2019		86,940
	80,800	
Total	<u>80,800</u>	<u>116,865</u>
7 Other Expenses	2020	2019
	\$	\$
Company Registration Fees	77	
Other Expenses	73	
Bad Debts	94	
Total	<u>244</u>	<u>-</u>
8 Cash and Cash Equivalents	2020	2019
	\$	\$
Cash at Bank	78,406	32,744
Total Cash and Cash Equivalents	<u>78,406</u>	<u>32,744</u>
9 Trade and Other Receivables	2020	2019
	\$	\$
Trade Debtors	26,050	45,500
Allowance for Expected Credit Loss	(69)	
Other Receivables	1,251	
GST Paid	238	1,485
Total Trade and Other Receivables	<u>27,470</u>	<u>46,985</u>

*Anglican Representative (National Redress Scheme) Limited**Annual Financial Report 2020*

10 Other Financial Assets	2020	2019
	\$	\$
Term Deposit for Bank Guarantee	<u>1,014,841</u>	<u>1,000,000</u>
Total Other Financial Assets	<u>1,014,841</u>	<u>1,000,000</u>

Under the terms of the National Redress Scheme, ARNRSL was required to provide the Commonwealth of Australia a Bank Guarantee for the value of \$1.0m. This has been secured from Westpac Banking Corporation, and requires the value of the guarantee to be placed on deposit as security for the term of the bank guarantee. The interest earned on the term deposit offsets the cost of the bank guarantee.

11 Trade and Other Payables	2020	2019
	\$	\$
Trade Creditors	20,200	33,575
Accrued Expenses	10,800	6,250
GST Collected	<u>2,777</u>	<u>2,201</u>
Total Trade and Other Payables	<u>33,777</u>	<u>42,026</u>

12 Other Financial Liabilities	2020	2019
	\$	\$
Non-Current		
Non-current Loan from Anglican Church of Australia Trust Corporation	1,000,000	1,000,000
Total Non-Current Financial Liabilities	<u>1,000,000</u>	<u>1,000,000</u>
Total Financial Liabilities	<u>1,000,000</u>	<u>1,000,000</u>

(a) The Non-Current Loan from Anglican Church of Australia Trust Corporation:

- i) The Company entered into a loan of \$1.0m from the Anglican Church of Australia Trust Corporation (the "Lender") on 26th September 2018. The loan is a non-cumulative, subordinated, unsecured loan.
- ii) The proceeds of the loan principal were deposited with Westpac Banking Corporation as security for a guarantee, in favour of the Commonwealth of Australia (Department of Social Services), to enable the Company to participate as the representative of the Anglican Participating Group in the National Redress Scheme (NRS).
- iii) The payment of interest on the loan is subject to the absolute discretion of the Company. The Company has no liability to pay interest on the loan and the Lender has no claim or entitlement in respect of non-payment of interest.
- iv) Unless the Company is wound up, the Company has in its absolute discretion an option, but no obligation to repay the loan.
- v) In the event of the Company winding-up, the rights and claims of the Lender will be subordinate to any Senior Creditors, but senior to Members of the Company.
- vi) The \$1.0m guarantee to the Commonwealth of Australia, is backed by the cash from the Loan, deposited with Westpac and may be applied to discharge obligations of the Company, following a claim by the Commonwealth under the NRS.
- vii) The \$1.0m guarantee represents the current value of the agreed surety provided by the Company under the NRS. It is not implied nor intended to represent the quantum of any, or all future claims against the Anglican Church of Australia, under the NRS.
- viii) The Board consider the Loan is a liability as it is intended to be repaid in full to the Anglican Church of Australia Trust Corporation (the Lender), and that there are sufficient internal controls and alternative funding available that will not require the Commonwealth to draw on the \$1,000,000 bank guarantee.

13. Notes to the Statement of Cash Flows**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2020	2019
	\$	\$
Cash Assets	78,406	32,744
Reconciliation of surplus from ordinary activities to net cash provided by / (used in) operating activities		
Surplus / (deficit) from ordinary activities	50,961	56,144
Add / (Less) non cash items:		
Accrued interest income	(1,251)	
Bad debts	94	
Net Cash provided by operating activities before change in assets and liabilities	49,804	56,144
Change in Assets and Liabilities		
(Increase) / Decrease in Trade and Other Receivables	20,672	(46,687)
(Increase) in Prepayments	(1,724)	-
Increase / (Decrease) in Trade and Other Payables	(8,249)	42,026
Total	10,699	(4,661)
Net Cash provided by Operating Activities	60,503	51,483

14. Commitments

The General Synod Office ("GSO") provides management and administrative support services to ARNRSL as required for the operation of the company as the representative entity of the Anglican Participating Group in the National Redress Scheme.

15. Events Occurring after reporting date

Management and those charged with governance will continue to monitor any potential impacts of the COVID-19 outbreak.

Those charged with governance believe the Company will be able to continue as a going concern for the next twelve months.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company the results of those operations or the state of affairs of the Company in the future financial years.

16. Contingent Liability

Claims against a member of the Anglican Participating Group under the National Redress Scheme are referred by the Company to the responsible institution. The Company has a joint and several liability in respect of these claims. Should an individual institution be unable to meet their redress liabilities under the National Redress Scheme, ARNRSL would ultimately be the responsible entity.

The Directors are not aware of any institution who is unable to meet their redress obligations under the National Redress Scheme at this time.

Statement by the Directors of Anglican Representative (National Redress Scheme) Limited

The Directors declare that in the Directors' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (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*, with a resolution at a duly constituted meeting:



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director

Dated at Sydney this 21st day of April 2021.

ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED

ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT**FOR THE YEAR ENDED 31 DECEMBER 2020****Report on the Financial Statements****Opinion**

We have audited the accompanying financial report of Anglican Representative (National Redress Scheme) Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive surplus, 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 Directors' declaration.

In our opinion, the accompanying financial report of Anglican Representative (National Redress Scheme) Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year then ended; and
- (ii) complying with the Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commissions Regulation 2013*.

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 Financial Statements* section of our report. We are independent of the Company 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 statements 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 2 of the financial statements, which describes the basis of preparation. The financial statements have been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commissions Act 2012*. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commissions Act 2012*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED

ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT**FOR THE YEAR ENDED 31 DECEMBER 2020****Responsibilities of Management and Those Charged with Governance (Continued)**

In preparing the financial statements, the Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. The Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Company'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 Company to cease to continue as a going concern.



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED
ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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 Directors 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 Directors 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

A handwritten signature in black ink, appearing to read 'Danielle Nye', is written over a thin horizontal line.

Danielle Nye
Registered Company Auditor

Dated: 22 April 2021

Wagga Wagga

ANNEXURE 4



Anglican Church of Australia

Anglican Representative (National Redress Scheme) Limited

**ANGLICAN REPRESENTATIVE (NATIONAL REDRESS
SCHEME) LIMITED**

ABN 34 627 850 828

Annual Financial Report

31 December 2021

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Directors' Report

The Directors of Anglican Representative (National Redress Scheme) Limited ("ARNRSL") present their report together with the financial report of ARNRSL for the period ended 31 December 2021 and the independent auditor's report thereon.

The Directors during the period ended 31 December 2021 were:

Name	Position	Appointment Date
Mr Garth Blake AM SC	Chair	Appointed 31 July 2018
Mr Greg Hammond OAM		Appointed 31 July 2018
Mr Doug McCluskey		Appointed 1 January 2019
Mrs Margo Purcell		Appointed 22 May 2019 Resigned 30 November 2021
Mrs Lynn Smith		Appointed 24 October 2018
Mr Keith Stephens		Appointed 31 July 2018
The Right Reverend Alison Taylor		Appointed 25 September 2018

Principal activities

ARNRSL has been established to support the purposes of the Anglican Church of Australia by acting as a representative for Anglican dioceses, schools and agencies under the National Redress Scheme for Institutional Child Sexual Abuse Act 2018.

As outlined in its constitution, the principal activities of ARNRSL are coordinating the provision of redress under the National Redress Scheme for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the Scheme and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

As at 31 December 2021, all 23 Anglican dioceses have been declared as participating institutions. 150 of 155 Anglican schools are participating or have applications pending in the National Redress Scheme. The majority of Anglican mission and community service agencies which provide services to children are participating and ARNRSL continues to support many others in their application process. All Anglican institutions named in the Royal Commission into Institutional Child Sexual Abuse have joined the Scheme.

Operating and financial review

The deficit from ordinary activities amounted to \$17,317 (2020: Surplus \$50,961).

ARNRSL operated and earned \$98,250 (2020: \$148,500) from Application, Annual and Service Fees. ARNRSL also earned \$5,362 (2020: \$16,146) of Bank Interest.

ARNRSL incurred \$85,800 (2020: \$80,800) in General Synod Office ("GSO") management fees, representing the largest expense of the organisation, followed by bank fees of \$25,137 (2020: 25,000) and Audit Fees of \$7,150 (2020: \$5,500).

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of ARNRSL that occurred during the financial year under review.

Environmental regulation

ARNRSL is not subject to any significant environmental regulations under either Commonwealth or State legislation.

Australian Charities and Not-for-profits Commission

ARNRSL was registered as a charity with the Australian Charities and Not-for-profits Commission on 1 August 2018.

Likely developments

The COVID-19 outbreak in early 2020 has not significantly impacted the Company's operation in 2021.

Management and those charged with governance will monitor the ongoing impacts of the COVID-19 outbreak. Those charged with governance believe the Company will be able to continue as a going concern for the next twelve months.

Except for the above, the Directors know of no event that will significantly impact on the activities of the ARNRSL in 2022.

Indemnification and insurance of officers

The Directors have agreed to indemnify various insured persons against all liabilities to another person that may arise from their position with ARNRSL.

For 2021, ARNRSL has paid insurance premiums of \$3,641 (2020: \$2,381) in respect of the insured persons.

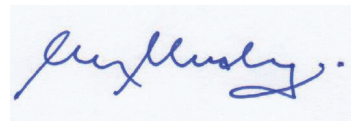
Since the end of the 2021 financial year, ARNRSL has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an auditor of the ARNRSL.

Signed in accordance with a resolution of the Board of Directors:

Dated at Sydney this 23rd day of March 2022.



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED
ABN: 34 627 850 828

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) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commissions 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

A handwritten signature in black ink that reads 'Chang Chow'.

Chang Chow
Registered Company Auditor

Dated 25 March 2022

Wagga Wagga

Statement of Profit or Loss and Other Comprehensive Surplus for the period ended 31 December 2021

	Note	2021 \$	2020 \$
Total Revenue Excluding Investing Activities	5	98,250	148,500
Expenses			
Audit Fees		(7,150)	(5,500)
Insurance		(2,909)	(657)
GSO Management Fee	6	(85,800)	(80,800)
Board - Travel		-	(984)
Board - Expenses		-	(500)
Other Expenses	7	67	(244)
Net Expenses Excluding Investing Activities		(95,792)	(88,685)
Investing Activities			
Investment income		5,362	16,146
Bank Guarantee Fees		(25,137)	(25,000)
Net Investing Activities		(19,775)	(8,854)
Surplus / (Deficit) after investing activities before income tax		(17,317)	50,961
Income tax expense	4h	-	-
Total comprehensive surplus / (deficit) for the year		(17,317)	50,961

The notes on pages 10 to 18 are an integral part of these statements.

Statement of Financial Position as at 31 December 2021

	Note	2021	2020
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents	8	40,730	78,406
Trade and Other Receivables	9	16,933	27,470
Prepayments		2,454	1,724
Total Current Assets		60,117	107,600
Non-Current Assets			
Other Financial Assets	10	1,020,930	1,014,841
Total Non-Current Assets		1,020,930	1,014,841
Total Assets		1,081,047	1,122,441
Liabilities			
Current Liabilities			
Trade and Other Payables	11	9,700	33,777
Total Current Liabilities		9,700	33,777
Non-Current Liabilities			
Other Financial Liabilities	12	1,000,000	1,000,000
Total Non-Current Liabilities		1,000,000	1,000,000
Total Liabilities		1,009,700	1,033,777
Net Assets		71,347	88,664
Accumulated Surplus			
Current Year Surplus / (Deficit)		(17,317)	50,961
Accumulated Surplus		88,664	37,703
Total Accumulated Surplus		71,347	88,664

The notes on pages 10 to 18 are an integral part of these statements.

Statement of Cash Flows for the period ended 31 December 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		108,128	169,413
Cash payments in the course of operations		(120,667)	(98,751)
Cash generated / (used) from operations		(12,539)	70,662
Net Cash Provided / (Used) by Operating Activities	13	(12,539)	70,662
Cash Flows from Investing Activities			
Cash receipts in the course of investing		6,089	14,841
Cash payments in the course of investing		(25,137)	(25,000)
Increase in Investments		(6,089)	(14,841)
Net Cash Used in Investing Activities		(25,137)	(25,000)
Net Increase / (Decrease) in Cash Held		(37,676)	45,662
Cash and Cash Equivalents at beginning of the period		78,406	32,744
Cash and Cash Equivalents at end of the period	8	40,730	78,406

The notes on pages 10 to 18 are an integral part of these statements.

Statement of Changes in Equity for the period ended 31 December 2021

2021	Accumulated Surplus \$	Total \$
Balance at 1 January 2021	88,664	88,664
Deficit for the year	(17,317)	(17,317)
Balance at 31 December 2021	71,347	71,347

2020	Accumulated Surplus \$	Total \$
Balance at 1 January 2020	37,703	37,703
Surplus for the year	50,961	50,961
Balance at 31 December 2020	88,664	88,664

The notes on pages 10 to 18 are an integral part of these statements.

Notes to the Financial Statements for the period ended 31 December 2021

The financial report was authorised for issue by the Directors at their meeting on 23 March 2022.

1. Reporting Entity

ARNRSL is domiciled in Australia. The principal activities of ARNRSL during the course of the financial year were coordinating the provision of redress under the National Redress Scheme (“NRS”) for survivors of institutional child sexual abuse by Anglican dioceses, schools and agencies, promoting participation in the NRS and enabling an appropriate response to survivors by Anglican dioceses, schools and agencies.

In the opinion of the Directors, ARNRSL is not a reporting entity. The financial report of ARNRSL has been drawn up as a special purpose financial report for distribution to the members.

2. Basis of Preparation**(a) Statement of compliance**

The special purpose financial report has been prepared in accordance with all the recognition and measurement aspects of applicable Australian Accounting Standards (“AASBs”) (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the reporting requirements of the *Australian Charities and Not-for-Profits Commissions Act 2012*.

The notes to the Financial Statements of the ARNRSL have been prepared on the basis that the Directors choose to exclude all disclosures except the minimum requirements.

The financial report does not include disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048	Interpretation of Standards
AASB 1054	Australian Additional Disclosures
AASB 1057	Application of Australian Accounting Standards

Basis of Preparation (continued)

(b) Basis of measurement

The financial report has been prepared on the basis of historical costs.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is also ARNRSL's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Purpose

The financial report reflects the operations of ARNRSL established by its Constitution.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(a) Revenue

(i) Application Fees

The directors may resolve from time to time that any person applying to become a Participating Member must pay an application fee. The Standing Committee of General Synod must approve any application fee determined by the Directors before it comes into effect. Fee income is taken into the income statement when the Participating Member is invoiced.

(ii) Annual Fees

Fees are payable by 31 December and recognised as income when the Participating Member is invoiced.

(iii) Service Fees

The Directors may establish and vary service fees payable by each Participating Member or each member of a class of Participating Members. Service fees are to be determined on a cost-recovery basis unless otherwise authorised by a 2/3 majority of votes cast by

members of the Standing Committee of General Synod. The Standing Committee must approve any service fee established or varied by the Directors. Fee income is taken into the income statement when the Participating Member is invoiced.

(iv) Interest Income

Interest income is recognised as and when it accrues in relation to the current period.

(b) Goods and services tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

(d) Trade and other receivables

Trade and other receivables are measured at their amortised cost less impairment losses. Trade debtors are generally settled within 30 days.

(e) Trade and other payables

Trade and other payables are measured at amortised cost. Trade accounts payable are normally settled within 30 days.

(f) Provisions

A provision is recognised in the balance sheet when the organisation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(g) Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

Reversals of impairment

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

(h) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(i) Critical accounting estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

(j) Reclassification

In 2021, interest income and bank guarantee fees relating to the term deposit were reclassified to the investing activities in the cash flows statements for enhanced understandability of the financial statements. The respective comparative was updated accordingly.

*Anglican Representative (National Redress Scheme) Limited**Annual Financial Report 2021***5 Revenue**

	2021	2020
	\$	\$
Application Fee	7,000	54,000
Annual Fee	36,250	37,250
Service Fee	55,000	57,250
Total	<u>98,250</u>	<u>148,500</u>

6 GSO Management Fee

	2021	2020
	\$	\$
GSO Management Fee	85,800	80,800
Total	<u>85,800</u>	<u>80,800</u>

7 Other Expenses

	2021	2020
	\$	\$
Company Registration Fees	-	77
Other Expenses	(1)	73
Bad Debts Written Off / (Recovered)	(66)	94
Total	<u>(67)</u>	<u>244</u>

8 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at Bank	40,730	78,406
Total Cash and Cash Equivalents	<u>40,730</u>	<u>78,406</u>

9 Trade and Other Receivables

	2021	2020
	\$	\$
Trade Debtors	16,075	26,050
Expected Credit Loss	(2)	(68)
Other Receivables	525	1,251
GST Paid	335	238
Total Trade and Other Receivables	<u>16,933</u>	<u>27,471</u>

*Anglican Representative (National Redress Scheme) Limited**Annual Financial Report 2021*

	2021	2020
	\$	\$
10 Other Financial Assets		
Term Deposit for Bank Guarantee	1,020,930	1,014,841
Total Other Financial Assets	1,020,930	1,014,841

Under the terms of the National Redress Scheme, ARNRSL was required to provide the Commonwealth of Australia a Bank Guarantee for the value of \$1.0m. This has been secured from Westpac Banking Corporation, and requires the value of the guarantee to be placed on deposit as security for the term of the bank guarantee. The interest earned on the term deposit offsets the cost of the bank guarantee. The difference between interest earned and interest expense in the current year is a timing difference.

	2021	2020
	\$	\$
11 Trade and Other Payables		
Trade Creditors	-	20,200
Accrued Expenses	9,525	10,800
GST Collected	175	2,777
Total Trade and Other Payables	9,700	33,777

	2021 \$	2020 \$
12 Other Financial Liabilities		
Non-Current		
Non-current Loan from Anglican Church of Australia Trust Corporation	1,000,000	1,000,000
Total Non-Current Financial Liabilities	<u>1,000,000</u>	<u>1,000,000</u>
Total Financial Liabilities	<u>1,000,000</u>	<u>1,000,000</u>

- (a) The Non-Current Loan from Anglican Church of Australia Trust Corporation:
- i) The Company entered into a loan of \$1.0m from the Anglican Church of Australia Trust Corporation (the "Lender") on 26th September 2018. The loan is a non-cumulative, subordinated, unsecured loan.
 - ii) The proceeds of the loan principal were deposited with Westpac Banking Corporation as security for a guarantee, in favour of the Commonwealth of Australia (Department of Social Services), to enable the Company to participate as the representative of the Anglican Participating Group in the National Redress Scheme (NRS).
 - iii) The payment of interest on the loan is subject to the absolute discretion of the Company. The Company has no liability to pay interest on the loan and the Lender has no claim or entitlement in respect of non-payment of interest.
 - iv) Unless the Company is wound up, the Company has in its absolute discretion an option, but no obligation to repay the loan.
 - v) In the event of the Company winding-up, the rights and claims of the Lender will be subordinate to any Senior Creditors, but senior to Members of the Company.
 - vi) The \$1.0m guarantee to the Commonwealth of Australia, is backed by the cash from the Loan, deposited with Westpac and may be applied to discharge obligations of the Company, following a claim by the Commonwealth under the NRS.
 - vii) The \$1.0m guarantee represents the current value of the agreed surety provided by the Company under the NRS. It is not implied nor intended to represent the quantum of any, or all future claims against the Anglican Church of Australia, under the NRS.
 - viii) The Board consider the Loan is a liability as it is intended to be repaid in full to the Anglican Church of Australia Trust Corporation (the Lender), and that there are sufficient internal controls and alternative funding available that will not require the Commonwealth to draw on the \$1,000,000 bank guarantee.

13. Notes to the Statement of Cash Flows**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2021	2020
	\$	\$
Cash Assets	40,730	78,406
Reconciliation of surplus from ordinary activities to net cash provided by / (used in) operating activities		
Surplus / (deficit) from ordinary activities	(17,317)	50,961
Add / (Less) non cash items:		
Accrued interest income	(524)	(1,251)
Bad debts written off / (recovered)	(67)	94
Net Cash provided / (used) by operating activities before change in assets and liabilities	(17,908)	49,804
Change in Assets and Liabilities		
(Increase) / Decrease in Trade and Other Receivables	5,040	20,672
(Increase) in Prepayments	(731)	(1,724)
Increase / (Decrease) in Trade and Other Payables	1,060	(8,249)
Total	5,369	10,699
Net Cash provided / (used) by Operating Activities	(12,539)	60,503

14. Commitments

The General Synod Office ("GSO") provides management and administrative support services to ARNRSL as required for the operation of the company as the representative entity of the Anglican Participating Group in the National Redress Scheme.

15. Events Occurring after reporting date

Management and those charged with governance will continue to monitor any potential impacts of the COVID-19 outbreak.

Those charged with governance believe the Company will be able to continue as a going concern for the next twelve months.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company the results of those operations or the state of affairs of the Company in the future financial years.

16. Contingent Liability

Claims against a member of the Anglican Participating Group under the National Redress Scheme are referred by the Company to the responsible institution. The Company has a joint and several liability in respect of these claims. Should an individual institution be unable to meet their redress liabilities under the National Redress Scheme, ARNRSL would ultimately be the responsible entity.

The Directors are not aware of any institution who is unable to meet their redress obligations under the National Redress Scheme at this time.

Statement by the Directors of Anglican Representative (National Redress Scheme) Limited

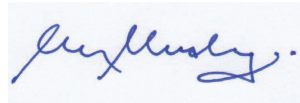
The Directors declare that in the Directors' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (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*, with a resolution at a duly constituted meeting:



Mr Garth Blake AM SC
Chair



Mr Doug McCluskey
Director

Dated at Sydney this 23rd day of March 2022.



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED

ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Anglican Representative (National Redress Scheme) Limited (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive surplus, 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 Directors' declaration.

In our opinion, the accompanying financial statements Anglican Representative (National Redress Scheme) Limited have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the year then ended; and
- (ii) complying with the Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commissions Regulation 2013*.

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 Financial Statements* section of our report. We are independent of the Company 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 statements 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 2 of the financial statements, which describes the basis of preparation. The financial statements have been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commissions Act 2012*. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commissions Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED

ABN: 34 627 850 828

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Responsibilities of Management and Those Charged with Governance (Continued)

In preparing the financial statements, the Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. The Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Company'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 Company to cease to continue as a going concern.

**ANGLICAN REPRESENTATIVE (NATIONAL REDRESS SCHEME) LIMITED**

ABN: 34 627 850 828

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 Directors 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 Directors 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

A handwritten signature in black ink that reads 'Chang Chow'.

Chang Chow
Registered Company Auditor

Dated 25 March 2022

Wagga Wagga