

Supporting the mission of the Anglican Church in the Diocese of Sydney

Our Vision for 2015

Our Vision

SDS will be a **HIGHLY REGARDED** service organisation of the Diocese which –

- demonstrates leadership across the Diocesan network and beyond
- encourages positive relationships to enhance the effectiveness of the network
- is a sustainable long term partner in the mission of the Diocese

SDS will be **VALUED** by the organisations we serve by –

- understanding their mission
- meeting their service expectations in a cost efficient manner
- anticipating and responding to their needs with effective solutions

SDS will provide a **CARING AND PROFESSIONAL** Christian environment where our staff are –

- empowered to serve and engaged for service
 - continuously learning
 - making effective use of their skills and experience
 - widely recognised for their contribution
-

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2012 Highlights

As a service provider to central diocesan organisations Sydney Diocesan Secretariat (“SDS”) seeks to enhance the performance of those organisations and their contribution to the Mission of the Diocese. The success of those organisations reflects our performance.

Some of the key outcomes of diocesan organisations served by SDS during 2012 were as follows.

Synod and Standing Committee



- ◆ Successful session of the Synod in 2012.
- ◆ Effectively managing the Parish Cost Recoveries program
- ◆ Considering 56 ordinances
- ◆ Facilitating legal and risk management seminars for parishes
- ◆ Responding to more than 300 parish requests for legal and related support.
- ◆ Liaising with Government about its not-for-profit reform agenda and managing the transition of more than 600 diocesan entities to the new regulatory framework.

Anglican Church Property Trust Diocese of Sydney



- ◆ Overseeing the completion of the rebuilding of St Barnabas' Broadway.
- ◆ Negotiating new head lease arrangements for N^o. 1 York Street – resulting in a substantially increased income stream.
- ◆ Successfully promoting the NSW Government Community Building Partnership Grants Program – with the result that grants totalling \$1.25 million in 2012 were received for 62 parishes.
- ◆ Project managing the valuation of all church trust property in the Diocese for insurance replacement purposes.
- ◆ Over the period 1 July 2010 to 31 December 2012 the real value of a unit in the Long Term Pooling Fund was maintained.

Glebe Administration Board as trustee of the Diocesan Endowment



- ◆ Surplus of \$10.7 million, being a return on capital of 9.4%.
- ◆ Net assets increased to \$122 million from \$114.4 million.
- ◆ Distributions of \$3.64 million made for spending by the Synod.
- ◆ Over the period 1 July 2010 to 31 December 2012 the real value of the net assets of the Diocesan Endowment was maintained.
- ◆ Undertaking an extensive review of the financial services policies dealing with capital adequacy, liquidity and credit to better manage risk.

St Andrew's House Corporation



- ◆ Operating surplus of \$6.545 million.
- ◆ Net assets of the fund increased to \$83.1 million from \$81.9 million.
- ◆ Leasing of levels 3, 4 and 5 of the commercial office tower.
- ◆ Facilitating the outsourcing the management of the car park.
- ◆ Completing major capital expenditure projects.
- ◆ Developing the long term financial model for St Andrew's House to ensure adequate provisioning for future capital expenditure needs.

Mission Property Committee



- ◆ Constructing the rectory at Oran Park and completing plans for the new ministry centre.
- ◆ Obtaining development approval for the new Stanhope Gardens ministry centre.
- ◆ Undertaking searches and negotiations to purchase a new ministry centre in the north west growth sector.
- ◆ Obtaining State Government exemption from the special infrastructure growth levy, saving about \$250,000 for each new ministry centre project.

Key Outcomes

Key outcomes of our own performance in 2012 were as follows –

- ◆ Surplus of \$147,000
- ◆ Preparation of the strategic plan for 2013 – 2015 (which was finalised in March 2013)
- ◆ Performance in accordance with the service level agreements



Chairman's report

It is my privilege to serve as the chairman of SDS, with fellow board members who are committed and engaged, and with a professional staff team led by Mark Payne, the Chief Executive Officer. I gratefully acknowledge the leadership of my predecessor as chairman, Bruce Ballantine-Jones, who in recent years led SDS through a period of substantial reform.

In accordance with our charter, our focus is to provide professional services to the diocesan organisations we support and, by so doing, assist those organisations to be more effective in their mission.

SDS exists only to assist diocesan organisations to meet their objectives and mission. The fees received from providing services to those organisations are the only source of income from which SDS can meet the expenses of those services. SDS reviews its expenses on an ongoing basis to ensure that its services are provided in as cost effective manner as possible. Since 2008, SDS has reduced its expenses by more than 50%, and its staff numbers by 50%.

Our Strategic Plan for 2013-2015 commits us to enhance further our contribution to the mission of the Diocese by meeting the service expectations of these organisations in a cost effective manner and by anticipating and responding to their needs with effective solutions. The reforms undertaken by SDS in recent years, particularly in relation to governance, risk management and service delivery, give us great confidence that SDS will continue to be an organisation which demonstrates leadership across the Diocese and is a sustainable long term partner in mission.

I thank my fellow members of SDS for their contribution to the work of the board, particularly for their contribution to the high standard of debate at board meetings. I also thank Mark Payne for his commitment and servant-hearted approach to the development and execution of strategy and policy, and to the other members of the management team for their professional and committed approach.

Above all we thank God for His continued blessing. We pray that our work, and the work of the organisations we support, will bring glory to His name in the Diocese and beyond.

ROSS SMITH
Chairman



Chief Executive Officer's report

INTRODUCTION

SDS is a service provider to the main central diocesan organisations, including the Synod and the Standing Committee, Anglican Church Property Trust Diocese of Sydney, Glebe Administration Board, St Andrew's House Corporation, the Endowment of the See Committee and the Sydney Church of England Finance and Loans Board.

In accordance with its charter set out in the *Sydney Diocesan Secretariat Ordinance 1973*, SDS provides finance, administrative, management and secretarial services to those organisations. An important part of our administrative and management role is to co-ordinate and oversee the provision of other services by external service providers.

In recent years, SDS has undergone significant change to enhance our contribution to the work of the organisations we serve and, through them, the ministry of the Diocese. This change has focussed on enhancing governance and risk management, and service delivery. In addition, during 2012, considerable work was undertaken to prepare our Strategic Plan for 2013-2015, which was completed early in 2013.

Our governance statement, which is summarised elsewhere in this Annual Report, reflects our desire to ensure the highest standards of corporate governance are adopted and maintained. The governance statement and each of the standards it refers to are reviewed each year in light of changes to generally accepted standards of corporate governance.

Monitoring and managing risk remains a key priority. SDS has a risk register which outlines the key business risks, and the key controls for managing those risks. Further information about the way in which risk is monitored and managed is provided later in this report.

SERVICE DELIVERY

SDS has written service levels standards with each of the organisations it serves. These standards specify the services to be provided by SDS, and the required service levels. They form the basis of the fees charged by SDS for the services provided. The service level standards for a calendar year are agreed with the relevant organisation before the start of that calendar year.

Effectively, members of staff of SDS are the executive managers of each organisation served by SDS since, generally, those organisations do not themselves employ any staff. Acting in that executive capacity, the staff of SDS are accountable to the board of each organisation for the achievement of the organisation's objectives, compliance with board policies and processes and the implementation of other board decisions. The main achievements of each organisation served by SDS are summarised elsewhere in this Annual Report. SDS, through its staff, had a significant input into those achievements.

The performance by SDS against the service level standards agreed for an organisation is formally reviewed by SDS in consultation with the relevant organisation every 6 months. No material issue of non-performance with our service obligations was identified during 2012.

In recent years SDS has reviewed the nature of the services it provides, in consultation with the organisations it serves. As a consequence, in a number of situations services previously provided by SDS have been outsourced to external service providers. Examples include the outsourcing of investment management and accounting services for Glebe Administration Board and Anglican Church Property Trust Diocese of Sydney, and the property management and car park management services for St Andrew's House Corporation. In so far as these services have now been outsourced, the role of SDS has changed so that it is no longer the service provider but is the manager of the external service providers for the organisations concerned.

FUNDING OF SDS

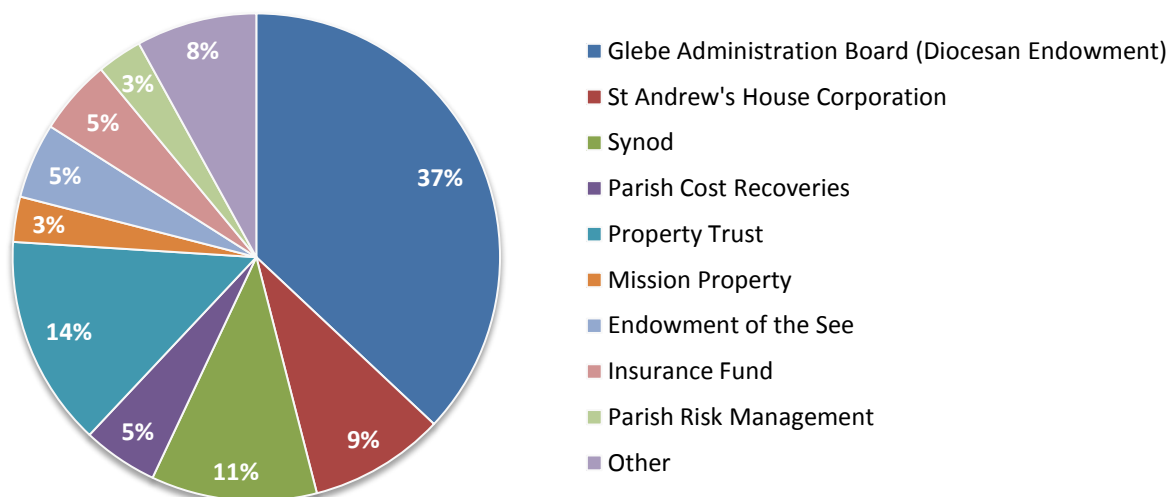
SDS is primarily funded by the fees it charges the organisations it serves. The fees charged are determined on a cost recovery basis. This means that the fee charged by SDS is the amount required to allow SDS to recover the cost of providing the services to an organisation. This principle of SDS recovering the costs it incurs was approved by the Standing Committee in December 2010.

During 2012, all organisations served by SDS paid a fee to recover the costs of providing that service, except the Synod and Standing Committee, and the Endowment of the See Committee. The underrecovery of the costs of serving those organisations was effectively financed by SDS from its capital. This is not a sustainable situation and discussions continue with those organisations to enable SDS to fully recover its costs in future years.

In addition to serving central diocesan organisations, SDS has also provided services directly to parishes. During 2012, a number of these services was reviewed. For example, SDS provided a Parish Activity Management system but it has been determined not to further develop this product because of the costs of further development, and the availability of other systems in the market place (which many parishes had taken up). During 2012, the Parish Planned Giving System was also closed because of the cost to ensure modern systems of data security were maintained.

The total income of SDS during 2012 was \$6.9 million. Of that amount \$6.1 million was recovered by way of fees charged to diocesan organisations served by SDS, and \$800,000 was income from other sources (such as interest and sublease income).

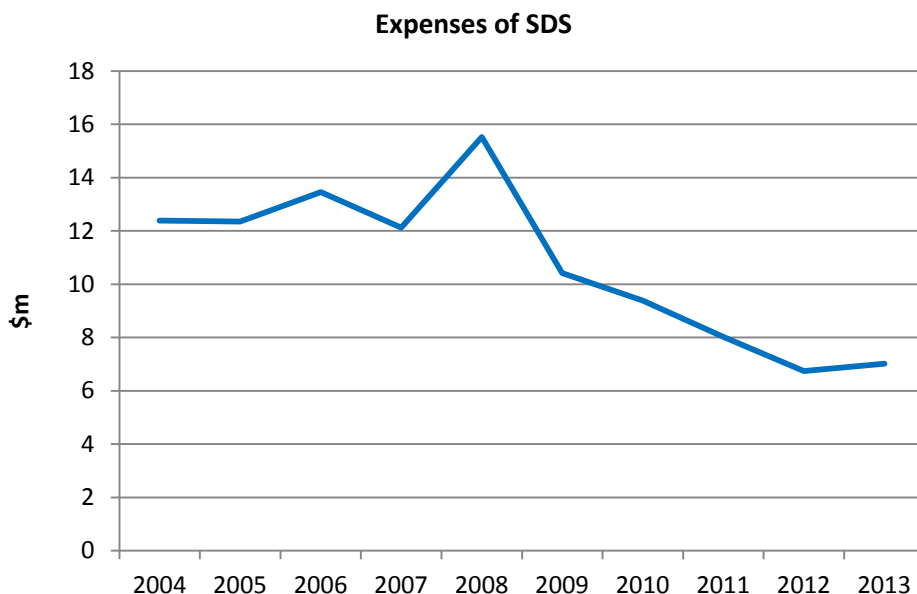
Of the fees charged to the diocesan organisations served by SDS, the source of fees by organisation was as follows –



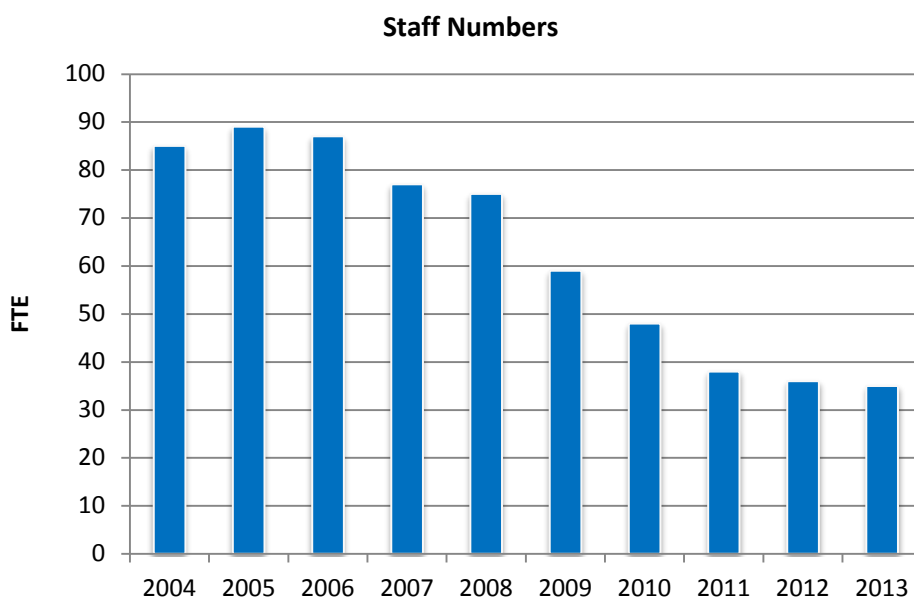
During 2012, SDS consolidated the area it occupies within St Andrew’s House and created about 500 square metres of vacant space which has now been subleased commercially.

EXPENSES OF SDS

SDS has significantly reduced its expenses in recent years. The following table shows the expenses of SDS in 2012, and in prior years.



While all expenses of SDS are periodically reviewed the reduction in total expenses is largely the result of reductions in staff numbers. Generally, staff costs have been between 60-65% of SDS’s total expenses. The change in staff numbers in recent years has been as follows –



A significant factor in the reduction in staff numbers is the outsourcing to external providers of services previously provided by SDS. SDS is conscious of the additional demands that the reduction of staff numbers places on other staff and, with this in mind, has enhanced its policies and procedures for people, learning and culture.

PEOPLE, LEARNING & CULTURE

SDS seeks to enhance the work of its staff and the importance of people, learning and culture has been recognised by the appointment of a full time manager, Sarah Watson, with the status of a senior manager within the organisation.

Policies and processes have been reviewed and enhanced to ensure that SDS adopts appropriate standards in relation to –

- ◆ recruitment
- ◆ induction
- ◆ position descriptions
- ◆ staff conduct
- ◆ learning and development
- ◆ flexible working practices
- ◆ dealing with grievances
- ◆ staff leave
- ◆ performance expectation and review
- ◆ remuneration
- ◆ workplace surveillance
- ◆ work health and safety
- ◆ first aid
- ◆ use of technology
- ◆ separation

Work health and safety is an important focus of SDS and its senior management. SDS has a workplace hazard register which lists key work health and safety risks, current controls and, where necessary, future action. The nature of the risks recorded in the register is formally reviewed annually. Compliance is formally reviewed by the senior managers every quarter, and reports about work health and safety are provided to each meeting of SDS.

Further enhancing people, learning and culture is an important part of SDS's Strategic Plan for 2013-2015.

STRATEGIC PLAN

The development of a strategic plan for 2013 to 2015 was one of our objectives for 2012. Work commenced on the development of a strategic plan in July 2012, and the strategic plan was approved by SDS in April 2013.

The development of our strategic plan was undertaken for 3 main reasons –

- ◆ to enhance the contribution of SDS to the mission of the Diocese, through enhancing the service to the organisations served by SDS, and
- ◆ to further encourage and support our staff by giving them assurance about the future direction of the organisation, and
- ◆ to provide a framework for SDS to make decisions about business development, budgeting and resource allocation.

The Strategic Plan comprises 3 vision statements, 8 key objectives and an action plan covering the years 2013 to 2015.

The Vision Statements are as follows –

Our Vision for 2015
<p><i>SDS will be a highly regarded service organisation of the Diocese which –</i></p> <ul style="list-style-type: none"> ◆ <i>demonstrates leadership across the Diocesan network and beyond</i> ◆ <i>encourages positive relationships to enhance the effectiveness of the network</i> ◆ <i>is a sustainable long term partner in the mission of the Diocese.</i>
<p><i>SDS will be valued by the organisations we serve by –</i></p> <ul style="list-style-type: none"> ◆ <i>understanding their mission</i> ◆ <i>meeting their service expectations in a cost efficient manner</i> ◆ <i>anticipating and responding to their needs with effective solutions.</i>
<p><i>SDS will provide a caring and professional Christian work environment where our staff are –</i></p> <ul style="list-style-type: none"> ◆ <i>empowered to serve and engaged for service</i> ◆ <i>continuously learning</i> ◆ <i>making effective use of their skills and experience</i> ◆ <i>widely recognised for their contribution.</i>

For the purpose of achieving the Vision for 2015, as described by the 3 Vision Statements, the following 8 key objectives have been determined –

- ◆ Demonstrating leadership.
- ◆ Being highly regarded and valued.
- ◆ Being a sustainable long term partner.
- ◆ Meeting the needs of the organisations we serve.
- ◆ Enhancing our support of parishes.
- ◆ Simplifying what we do.
- ◆ Maintaining a caring Christian work environment.
- ◆ Engaging and empowering our staff.

Action plans for each objective have been determined, and consolidated into one overall action plan for SDS. The action plan describes not only the actions to be undertaken but also the timing for undertaking those actions during the years 2013 - 2015. The action plan will be the basis of ongoing reporting to SDS about the progress towards achieving the objectives and the Vision.

The Strategic Plan was developed after wide consultation between the board, senior management, other staff and other stakeholders. In particular, work teams under the leadership of a senior manager and comprising other staff members (and, in some cases, members of SDS and representatives of other stakeholders) were established to consider the key objectives and prepare the action plans for each objective. As mentioned, those action plans were then consolidated into one overall action plan for SDS.

There is a high level of staff engagement with the Vision for 2015. In a survey of staff undertaken at the end of 2012 –

- ◆ 94.3% of staff said they had a good understanding of the Vision.
- ◆ 91.4% of staff said they believed that the Vision clearly defines the future for SDS.
- ◆ 94.3% of staff said they supported the Vision.

CONCLUSION

SDS has undertaken significant reform in recent years, particularly in relation to enhancing governance, risk management and service delivery processes. The results of the reforms to date indicate that SDS has made substantial progress in enhancing its contribution to the work in the organisations we serve and, through them, the ministry of the Diocese. The strategic plan for 2013 – 2015 is designed to enable SDS to further enhance its contribution to the work of the organisations we serve.

Finally, it is appropriate to specifically mention Canon Bruce Ballantine-Jones who retired as a member of SDS in December 2012. Bruce served as a member of SDS for many years, and served as chairman from November 2009 until his retirement. As chairman, Bruce led SDS through the reform undertaken in recent years. Members of SDS and senior management recognised Bruce's contribution at a farewell in December 2012. I am personally grateful for Bruce's foresight, wise counsel and support during my service as Chief Executive Officer under his leadership.

MARK PAYNE
Chief Executive Officer

Constitution and Charter

SDS is constituted by the *Sydney Diocesan Secretariat Ordinance 1973* (the “1973 Ordinance”) and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.

Under clause 3 of the 1973 Ordinance the object of SDS is to advance the purposes of the Anglican Church in the Diocese of Sydney through the regulation of the central administration affairs of the Diocese. The functions of SDS are set out in clause 7 of the 1973 Ordinance. Its principal function is to carry out, perform and provide administration, secretarial and accounting services for the Diocese.

SDS is a registered charity with the Australian Charities and Not-for-Profits Commission.

The organisations served by SDS are the Synod, the Standing Committee and their subcommittees, Glebe Administration Board, Anglican Church Property Trust Diocese of Sydney, St Andrew’s House Corporation, the Endowment of the See Committee, the Mission Property Committee and Sydney Church of England Finance and Loans Board.

SDS has service level agreements with each of the organisations it serves. Those agreements outline the services to be provided by SDS, and the service levels to be provided.

The performance by SDS under its service level agreements is reviewed no less than every 6 months by SDS and the organisations it serves.

Access

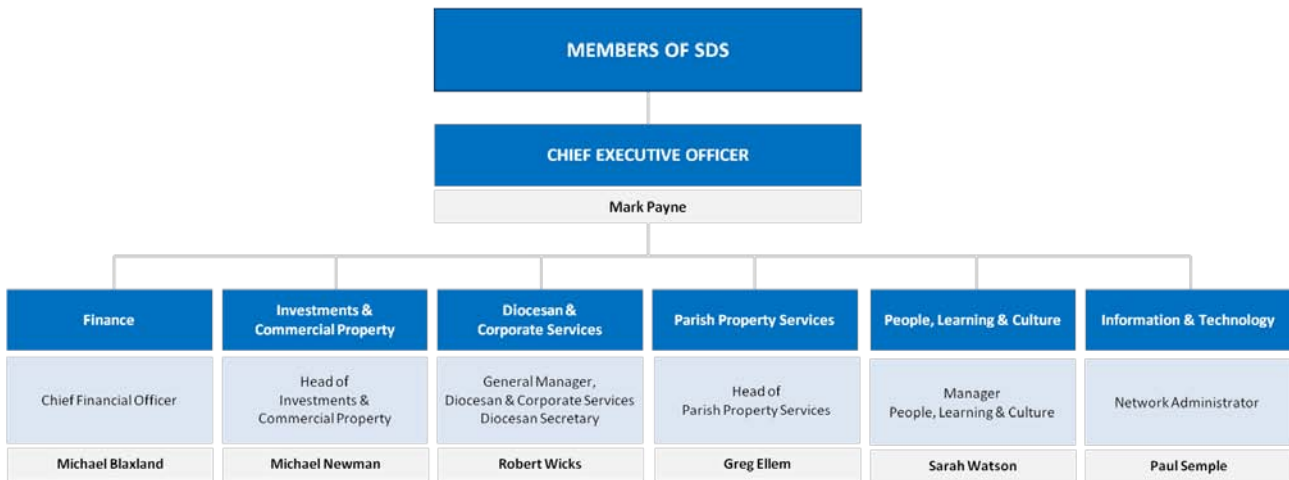
The principal office of SDS is Level 2, St Andrew’s House, Sydney Square (PO Box Q190, QVB Post Office, NSW 1230). Telephone (02) 9265 1555. The hours of access are between 8.30am and 5.30pm.

Structure

Information about the membership of SDS is set out later in this Annual Report.

As at 31 December 2012, SDS had 36 employees.

The following diagram outlines the organisation structure -



Governance Standards

SDS is committed to the highest standards of governance, which are fundamental to its sustainability.

In determining its governance standards, SDS has considered the revised “Corporate Governance Principles and Recommendations” published in August 2007 (amended with effect from January 2011) by the ASX Corporate Governance Council.

While SDS is not a company, it recognises that the principles and recommendations of the ASX Corporate Governance Council are useful guides to determine and administer SDS’s governance standards.

SDS’s governance standards are set out in its Governance Statement which can be found on the SDS website, <http://www.sds.asn.au/site/100686.asp?ph=ab>. They are summarised below.

In early 2012, the Federal Government released governance standards as part of its new regulatory framework under the Australian Charities and Not for Profit Commission. SDS will consider the applicability and implementation of these standards when they are approved by the Commonwealth Parliament.

PRINCIPLE 1 ENSURING CLEAR ROLES AND RESPONSIBILITIES

The respective responsibilities of the members of SDS, its Audit Committee and senior management are as follows –

Roles	Responsibilities
Members of SDS	<ul style="list-style-type: none"> ◆ ensure that SDS fulfils the responsibilities imposed on it by law, and by the applicable ordinances of the Synod and the Standing Committee ◆ provide strategic direction ◆ identify and quantify risk, establish risk limits, and ensure an appropriate risk management strategy and framework ◆ ensure proper systems of internal governance, including delegated authorities ◆ evaluate the performance of the Chief Executive Officer and monitor the performance of the other senior executives
Audit Committee of SDS	<ul style="list-style-type: none"> ◆ monitors, reports and makes recommendations to the members about the financial reporting processes of SDS, the internal control systems, and the independent audit process
Senior Management	<ul style="list-style-type: none"> ◆ executes the organisation strategy approved by the members ◆ undertakes the day to day management of SDS in accordance with the goals approved by the members

PRINCIPLE 2 STRUCTURE THE MEMBERSHIP APPROPRIATELY

SDS seeks to ensure that it has an appropriate number of members with skills and commitment to adequately discharge their responsibilities and duties.

The *Governance Statement* sets out principles relating to –

- ◆ membership of SDS
- ◆ the independence of members
- ◆ the selection of the chairman
- ◆ meetings of members of SDS
- ◆ nomination and appointment of new members
- ◆ terms of office and retirement and re-election of members
- ◆ education of members
- ◆ the access of members to information and advice
- ◆ the review of the performance of members

PRINCIPLE 3 PROMOTE ETHICAL AND RESPONSIBLE CONDUCT

SDS seeks to promote ethical and responsible conduct.

This is reflected in the organisational values of SDS which are –

- ◆ Diligence - Sustainable, dependable and effective performance
- ◆ Integrity - Trustworthy, responsible and honest
- ◆ Service - Serving others
- ◆ Care - Caring for others

These values have been developed by the staff of SDS and are grounded in Biblical principles.

In addition, SDS has a range of policies to assist in promoting ethical and responsible conduct, including –

- ◆ Conflicts of Interests Policy to provide guidelines for recognising and managing potential conflicts of interest
- ◆ Staff Code of Conduct to ensure staff maintain standards of behaviour
- ◆ Staff Grievance Policy to ensure that grievances are dealt with in a manner that is fair, objective and affords natural justice to all people involved.

PRINCIPLE 4 INTEGRITY IN FINANCIAL REPORTING

SDS's approach to financial reporting reflects the following core principles –

- ◆ its financial reports present a true and fair view, and
- ◆ its financial reports fully inform the members as to financial exposures, and
- ◆ its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies, and
- ◆ appropriate internal controls are maintained, and
- ◆ its external auditor is independent.

PRINCIPLE 5 EFFECTIVE COMMUNICATIONS WITH THE ARCHBISHOP, SYNOD AND STANDING COMMITTEE

In accordance with its obligations under the 1973 Ordinance–

- ♦ causes a notice of each meeting to be given to the Archbishop, and
- ♦ causes a copy of the minutes of each meeting to be sent to the Archbishop, and
- ♦ through the Chief Executive Officer, reports to each meeting of the Standing Committee about its operations and tables a copy of the minutes of all meetings of SDS held since the last meeting of, and
- ♦ provides the Standing Committee with such information about the affairs of SDS as the Standing Committee may require from time to time, and
- ♦ primarily through the Chief Executive Officer, answers any question on any matter relating to the affairs of SDS asked by any member of the Standing Committee.

In addition, SDS complies with the provisions of the *Accounts, Audits & Annual Reports Ordinance 1995* which includes reporting obligations.

PRINCIPLE 6 IDENTIFY AND MANAGE RISK

SDS regards identifying and managing risks which affect its operations as key to the performance, reputation and future success of SDS.

SDS has a risk identification and management strategy which is periodically reviewed by the members.

A separate section of this report deals specifically with risk management.

PRINCIPLE 7 REMUNERATE FAIRLY AND RESPONSIBLY

SDS ensures that the level and composition of remuneration of staff is sufficient and reasonable. SDS has a staff *Remuneration Policy*. The members of SDS are not remunerated.

Risk Management

SDS regards identifying and managing the risks which effect its operations as key to the performance, reputation and future success of SDS.

SDS has a systematic way of identifying and managing risk.

The main risks of the business of SDS are –

1. Strategic risks
2. People
3. Service delivery
4. Financial sustainability
5. Regulatory and contractual obligations
6. Operational risk
7. Business continuity
8. Reputation

SDS has a risk register which identifies risk, current controls for managing risks, further action and the plan taking that further action. The risk register is reviewed formally every 12 months. Each quarter, the Chief Executive Officer, on behalf of the management, certifies to the members of SDS about the adequacy of current controls.

The key actions taken by SDS in 2012 to address risk were as follows –

- ◆ Work commenced on preparing the strategic plan for SDS. The strategic Plan was approved by SDS in April 2013.
- ◆ Ongoing policy development in People, Learning & Culture, particularly policies relating to performance expectation and review and learning and development.
- ◆ The development of policies to ensure adequate capital for SDS in future, particularly in relation to the sustainable expenses associated with making good the existing premises when leases expire in 2022.
- ◆ Significant work was undertaken to ensure that SDS, and the organisations it serves, are compliant with the new *Australian Charities and Not-for-Profits Commission* legislation.
- ◆ SDS continues to monitor the nature of services it provides and its performance against service level agreements. Reports are provided to the organisations serviced by SDS no less frequently than every 6 months.
- ◆ SDS periodically engages external organisations to review its operational systems and processes. For example, in 2012, PricewaterhouseCoopers was engaged to review the systems and processes of SDS for treasury management.

Membership of Sydney Diocesan Secretariat

The members of SDS are appointed by the Standing Committee. The 1973 Ordinance provides that the number of members of SDS is to be not less than 8 and not more than 10. As at the date of this report, the members of SDS were –

Name	Brief Biography
Mr Mark Ballantyne BEC, MBA, FIAA	Qualified Actuary; General Manager of Financial Wisdom with the Commonwealth Bank, having over 20 years experience in all facets of financial services. Board member since December 2009.
Bishop Robert Forsyth	Bishop of South Sydney; Chairman of Anglican Media Council and Archbishop's Liturgical Panel and EU Graduates Fund; Member of Standing Committee Diocese of Sydney, Diocesan Doctrinal Commission, Standing Committee of General Synod; Diocesan Representative on General Synod; Corporate Trustee of Anglican Church of Australia; Member of GAB Audit and SDS Audit Committees. Board member since 2000.
Mr Ben Koo BCom BEc Chartered Accountant	Bank Analyst at Goldman Sachs Australia with previous experience in Corporate Restructuring and Corporate Finance and the past decade as a research analyst. Board member since December 2009.
Mr Andrew McLoughlin BBus CPA MTax	Deputy Inspector-General of Taxation. 20 years banking, financial services and taxation experience. Has held executive level positions. Member of GAB Audit and SDS Audit Committees. Board member since December 2009.
Mr Ian Miller BA LL M ThL GAICD	Partner, Hunt and Hunt Lawyers; Member of the Hammond Care Group; Director, Church Missionary Society Trust Ltd, Australian College of Theology Ltd and Pentel Australia Pty Ltd; Chairman of Barker College Council; Consultant Editor of CCH Australia; Member of Ethics Committee of Royal Rehabilitation Centre Sydney, Board of Enquiry and Parish Relationships Ordinance Panels; Diocesan Representative on General Synod and Provincial Synod. Board member since 1999.
Mr John Pascoe BEC, FCA	Principal of Pascoe Whittle; Member of Standing Committee, Finance Committee, St Andrew's House Corporation and Mission Board Strategy Committee; GAB Audit and SDS Audit Committees. Board member since December 2009.
Mr Ross Smith MAppFin, BEc, Chartered Accountant (Chairman)	Director, Corporate Recovery, McGrathNicol with 25 years experience in Accounting, Finance, Corporate Restructuring and Advisory; Member of the Council of St Andrew's House Corporation. Board member since December 2010.
Prof. Peter Wolnizer OAM BEC, MEc PhD, FCA FCPA	Professor Emeritus at The University of Sydney where he served as Dean of the Faculty of Economics and Business from 1999-2010, and as a Professor of Accounting until his retirement at the end of 2011. From 1 January 2012 he has been appointed as Chairman of the International Accounting Education Standards Board. He served on the Council of Moore College from 2000-04. Board member since November 2012 and GAB Audit and SDS Audit Committees since December 2012.

The membership of SDS during 2012 and their meeting attendance follows –

Name	<i>No. of Meetings ELIGIBLE TO ATTEND</i>	<i>No. of Meetings ATTENDED</i>
Bruce Ballantine-Jones OAM	7	6
Mark Ballantyne	7	6
Robert Forsyth	7	6
Ben Koo	7	5
Andrew McLoughlin	7	7
Ian Miller	7	4
John Pascoe	7	6
Ross Smith	7	5
Peter Wolnizer OAM	1	1

Bruce Ballantine-Jones retired as Chairman and as a member of SDS on 6 December 2012.

The membership of Audit Committee during 2012 and their meeting attendance follows –

Name	<i>No. of Meetings ELIGIBLE TO ATTEND</i>	<i>No. of Meetings ATTENDED</i>
Robert Forsyth	3	3
Andrew McLoughlin	3	1
John Pascoe	3	3
Ross Smith	3	2

Upon being appointed as Chairman, Ross Smith resigned from the Audit Committee. Peter Wolnizer was subsequently appointed to the Audit Committee.

5 Year Financial Summary

The income and expenses of SDS for 2012 were as follows (with comparatives for 2008-2011).

Further information about income and expenses can be found in the Financial Accounts of SDS for 2012.

\$'000	2012	2011	2010	2009	2008
Income					
Total Income	6,897	7,751	9,536	11,916	14,677
Expenses					
Staff Expenses	4,257	5,413	6,053	6,640	9,362
Other Expenses	2,493	2,608	3,324	3,772	6,153
Net Surplus	147	(270)	159	1,504	(838)

The balance sheet of SDS as at 31 December 2012 can be summarised as follows (with comparatives for 2008-2011) –

\$'000	2012	2011	2010	2009	2008
Assets					
<i>Current Assets</i>					
Cash	3,594	4,889	4,414	4,304	3,221
Other	95	692	213	238	215
<i>Non-Current Assets</i>					
Investments	-	-	500	500	-
Fixed Assets	1,183	1,071	908	1,370	2,037
Total Assets	4,872	6,652	6,035	6,412	5,473
Liabilities					
<i>Current Liabilities</i>					
Payables	301	625	580	485	884
Interest bearing liabilities	1,418	2,887	1,906	2,585	2,062
Provisions	780	942	971	846	1,472
<i>Non-current Liabilities</i>					
Provisions	185	154	267	346	408
Total Liabilities	2,684	4,611	3,725	4,262	4,826
Net Assets	2,188	2,041	2,310	2,150	647
Equity					
Capital	2,062	2,062	2,062	2,062	2,062
Accumulated Surpluses	126	(21)	248	88	(1,415)
Total Equity	2,188	2,041	2,310	2,150	647