Glebe Administration Board as trustee for the Diocesan Endowment

Audited Accounts for 2009

These Audited Accounts should be read in conjunction with the GAB Annual Report for 2009.

Independent auditor's report to the members of Glebe Administration Board as trustee for the Diocesan Endowment

Report on the financial report

We have audited the accompanying financial report [as set out on pages 490 to 560] of Glebe Administration Board as trustee for the Diocesan Endowment (the Board) which comprises the balance sheets as at 31 December 2009, and the statements of comprehensive income, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the members' declaration for both Glebe Administration Board as trustee for the Diocesan Endowment (the Board) and the Glebe Administration Board (the consolidated entity). The consolidated entity comprises the Board and the entities it controlled at the year's end or from time to time during the financial year.

Members' responsibility for the financial report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001, and the provisions of the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the members also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian

Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion –

(a) the financial report of Glebe Administration Board as trustee for the Diocesan Endowment is in accordance with the Corporations Acts 2001, including –

    (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2009 and of their performance for the year ended on that date; and

    (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001, and the provisions of the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney, and

(b) the consolidated financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

PricewaterhouseCoopers

Kristin Stubbins
Partner

Sydney 24 March 2010

Statutory Report of the members of the Glebe Administration Board as trustee for the Diocesan Endowment

For the year ended 31 December 2009

In accordance with a resolution of the Board, the members of the Glebe Administration Board submit herewith the financial reports as at 31 December 2009 –

Scope

This financial report covers both Glebe Administration Board as trustee for the Diocesan Endowment as an individual entity and the consolidated entity consisting of Glebe Administration Board and its controlled entities. The Glebe Administration Board as trustee for the Diocesan Endowment will be referred to as the Board, within this financial report.

Glebe Administration Board is an incorporated body created by the Glebe Administration Ordinance 1930 in accordance with the Anglican Church of Australia (Bodies Corporate) Act 1938, domiciled in Australia. Its registered office and principal place of business is –

Glebe Administration Board
Level 2, St Andrew's House
Sydney Square NSW 2000

Principal activities

The object of the Glebe Administration Board is to act as trustee of church trust property vested in it or in respect of which it may be appointed trustee and to do so in a way which both –

(a) preserves the real value of that property; and

(b) provides a reasonable income there from.

To achieve this, the principal activities of the Board have been to own, manage, develop, let, buy and sell real estate and securities as Trustee for the Diocesan Endowment, and to receive money on deposit or loan and the borrowing of money upon charge of such real estate in order to manage wealth and create income.

There were no significant changes in the nature of the Board's activities during the year.

Results for the year

The consolidated total changes in equity before distributions and capital transactions, after adjusting the equity and fixed interest portfolio to market value and equity accounting for the beneficial interest in St Andrew's House, is a surplus of $11,349,109 (2008: $160,028,192 deficit).

Distributions

Dividends are not paid by the Board, but the Board has made distributions of $10,770,925 (2008: $10,571,346) from the provision for distribution account.

A review of the operations of the Board and commentary on any significant changes in the state of affairs of the Board is contained in the report by the Chief Executive Officer.

Members

The Standing Committee of the Diocese of Sydney appoints members, for terms of three years. Standing Committee has the power to remove any member before the expiration of their term. The non-executive members receive no remuneration. The Chief Executive Officer attends Board meetings.

The following members were in office at 31 December 2009.

Canon Bruce Ballantine-Jones OAM (Chairman), age 68

Canon Ballantine-Jones was first appointed to the Board in September 1993 and was elected Chairman on 16 December 2009. He is an Honorary Associate Minister at Caringbah Anglican Church and is a Diocesan Representative on General Synod.

Mr Mark Ballantyne BE, MBA, FIAA, age 41

Mr Ballantyne is a qualified Actuary and Director level executive with over 20 years experience in all facets of financial services. He attends East Lindfield Anglican Church. Appointed to the Board 7 December 2009.

Bishop Robert Forsyth, age 60

Bishop of South Sydney, Chairman of Anglican Media Council, Archbishop's Liturgical Panel and EU Graduates Fund. Member of the Standing Committee of the Diocese of Sydney and Standing Committee of General Synod, Member of Doctrine Commission and a member of the St Andrew's Cathedral Chapter. First appointed to the Board in May 2000.

Mr Ben Koo, BCom, BEc, age 33

Mr Koo is a Bank Analyst with Goldman Sachs JBWere, with 2 years experience in Corporate Restructuring, 2 years experience in Corporate Finance and the last 8 years as a research analyst. He attends Narrabeen Anglican Church. Previously he was a warden at the Anglican Church at Annandale. Appointed to the Board 7 December 2009.

Mr Andrew McLoughlin, BBus, CPA, MTax, age 47

Mr McLoughlin is Deputy Inspector-General of Taxation, with 20 years in banking, financial services and taxation. He has held executive level positions. He attends East Lindfield Anglican Church. Appointed to the Board 7 December 2009.

Mr Ian Miller BA, LLM, ThL, GAICD, age 57

Mr Miller is a partner in Hunt and Hunt Lawyers with 33 years legal experience. He is a Director of Hope Healthcare, Hammond Care, Church Missionary Society Trust Ltd, Pentel Australia Pty Ltd, Consultant Editor of CCH Australia and a member of Ethics Committee of Royal Rehabilitation Centre of Sydney. He is also Chairman of Barker College Council, member of Standing Committee, Board of Enquiry, Sydney Diocesan Representative on General Synod and Provincial Synod and serves on the Ordinance Review panel of the Standing Committee and Parish Relationships Ordinance panel. He attends Beecroft Anglican Church. First appointed to the Board in August 1999

Mr John Pascoe, FCA, BEc, age 49

Mr Pascoe is a partner of Pascoe Whittle Chartered Accountants, which has extensive experience in the not-for-profit sector. He is a member of Standing Committee, and its Finance Committee, Finance and Loans Board, the Mission Board Strategy Committee and the Ordinance Review panel. He and his family are partners in the ministry at St Andrews Cathedral. Appointed to the Board 7 December 2009.

Dr Laurie Scandrett, ME, PhD, MAICD, SAFin, AAIM, JP, (Deputy Chairman), age 53

Dr Scandrett is the CEO of Sydney Anglican Schools Corporation. He is a member of the Standing Committee and St Andrew's House Corporation and is a Diocesan Representative on General Synod and Provincial Synod. He and his family attend St Matthias Anglican Church Centennial Park. First appointed to the Board in November 1990. Appointed Chairman of ALCO on 16 December 2009.

The following Members resigned or retired from the Board during the year –

Mr Peter Berkley, Mr Phillip Driscoll and **Mr Neil Lewis** resigned from the Board on 9 November 2009.

Dr Stephen Judd resigned from the Board on 17 November 2009.

Mr Warwick Olson resigned from the Board on 26 November 2009.

Mr Matthew Todd resigned from the Board on 27 November 2009**.**

Mr Richard Lambert resigned from the Board on 4 December 2009.

Mr Philip Shirriff retired from the Board in December 2009 and did not seek re-election.

Non Director Committee members

Mr Michael Monaghan, BA (Actuarial Studies), FAICD, FIAA, age 55

Mr Monaghan was appointed by the Board to ALCO on 26 March 2008. He has extensive experience in investment management and is a partner of Deloitte Actuaries and Consultants. Former CEO Deutsche Asset Management Australia and CEO of Intech Investment Consultants. Mr Monaghan attends Lindfield Anglican Church.

Mr Peter Berkley BEc, LLB, MAICD, age 46

Mr Berkley was appointed by the Board to ALCO on 9 November 2009. He is Managing Director of Chronomos Advisers and has extensive experience in finance and investment. Mr Berkley is a parish councillor at St Ives Anglican Church and a Synod representative.

Chief Executive Officer

Mr Steve McKerihan B Com (Hons), CPA, MBA, age 53

Mr McKerihan was appointed Chief Executive Officer in July 2007. He is the former CFO of St George Bank, and has 30 years experience in banking. He is not a Board member. He is a member of the Standing Committee and the Mission Board. He attends Caringbah Anglican Church.

Secretary

Mr John Chapman, B Com, FCPA, GradDipACG, age 61

Mr Chapman was appointed Secretary to the Board in 2005 after a career in finance and accounting and a period as CFO of a major public company. He is not a Board member. He attends Bobbin Head Anglican Church and is Treasurer of the Church Missionary Society in NSW.

Details of attendance at Members' meetings and Committee meetings are detailed below:

Year Ended 31 December 2009	Members Meetings		Meetings of Committees							
			ALCO		Audit		Risk and Compliance		Remuneration / Nomination	
	A	B	A	B	A	B	A	B	A	B
Non Executive members										
B Ballantine-Jones	13 C*	13 C*							2	0
M Ballantyne	0	0								
P Berkley	11	10	10	10						
P Driscoll	11	9	8	6	3	2			2	2
R Forsyth	13	12					3	3	2	2
S Judd	11	8					3	2		
B Koo	1	0								
R Lambert	12	9	9	7	3 C	3 C				
N Lewis	11	8					3 C	3 C		
A McLoughlin	1	1								
I Miller	13	10							2	2
M Monaghan			10	10						
W Olson	12	10					3	1		
J Pascoe	1	1								

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Year Ended 31 December 2009	Members Meetings		Meetings of Committees							
			ALCO		Audit		Risk and Compliance		Remuneration / Nomination	
	A	B	A	B	A	B	A	B	A	B
L Scandrett	13	11	1 C*	1 C*	3	3	3	1		
P Shirriff	12 C	11 C	9 C	9 C	3	3			2 C	2 C
M Todd	12	9								
Executive members										
S McKerihan			10	10						

A = meetings eligible to attend
B = meetings attended
C = Chairman, C* = Chairman from December 2009

Continuation in office of Members

Canon B Ballantine-Jones, the Very Rev R Forsyth, Mr I Miller and Dr L Scandrett were re-elected by the Standing Committee in December 2009 for a further term.

Board Delegation

The Board has delegated to the CEO, and through the CEO to other senior executives, responsibility for the everyday management of the business. The scope of and limitations to that delegated authority is documented.

Board Committees

The Board had four Committees that operated during the year, namely:

- Asset and Liability Committee (ALCO)
- Audit Committee
- Remuneration and Nomination Committee
- Risk and Compliance Committee

The Committees, as they operated in the year 2009, had the following responsibilities as delegated by the Board:

ALCO

The function of the Committee is to assist the Board in achieving the objectives set forth in the Glebe Administration Ordinance 1930 with respect to the Diocesan Endowment and the business plans as adopted by the Board. The Committee is expected to assist the Board by making appropriate recommendations with respect to reviewing investment policies, strategies, transactions and performance; credit and market risk policies, procedures and reporting; and balance sheet management policies, procedures and reporting. The Committee has oversight for the design, approval and evaluation of the investment strategies, policies and other business initiatives of the Board.

Audit Committee

The function of the Committee is to assist in ensuring, by overseeing the audit and financial reporting function, that the Board maintains its established policy of adequate, reliable and high quality financial reporting and internal controls.

Remuneration and Nominations Committee

The function of the Committee is to ensure that the Board maintains its established policy of developing and implementing competitive and effective remuneration practices and senior management processes that comply with the law, regulations, internal policies and the requirements of statutory authorities.

Risk and Compliance Committee

The function of the Committee is to assist in ensuring the Board and its subsidiaries maintain its established policy of effective and informed policies including meeting the requirements of statutory authorities and church ordinances.

The Governance structure of the Board is currently under review and it is expected that the Committees will be restructured in the early part of 2010.

Identifying significant business risks

The Board regularly monitors the operational and financial performance of its activities. It monitors and receives advice on areas of operational and financial risk, and considers strategies for appropriate risk management arrangements.

Independent professional advice

The Board has resolved that members do not have the right to seek independent professional advice at the expense of the Board, other than with prior approval by the Board.

Insurance of officers

During the year insurance premiums totalling $7,248 (2008: $7,878) were paid for directors' and officers' liability insurance in respect of the members of the Glebe Administration Board as trustee for The Diocesan Endowment and its controlled entities. The policies do not specify the premium for individual members.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from liability to persons incurred in their position as a member unless the conduct involves a wilful breach of duty or an improper use of inside information to gain advantage.

Matters subsequent to the end of the year

No matter or circumstance has arisen since 31 December 2009 that has significantly affected, or may significantly affect, the operations of the Board, the results of those operations or the state of affairs of the Board in future years.

Environmental regulation

The operations of the Board are not subject to any particular and significant environmental regulation under any law of the Commonwealth of Australia or of any State or Territory thereof.

The Board has not incurred any liability (including rectification costs) under any environmental legislation.

Likely developments and expected result of operations

The members have excluded from this report any information on the likely developments in operations of the Board and the expected results of those operations in future years, as the members have reasonable grounds to believe that it would be likely to result in unreasonable prejudice to the Board.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 366.

Signed in accordance with a resolution of the members of Glebe Administration Board.

John Pascoe
L A Scandrett
Members 24 March 2010

Auditor's Independence Declaration

As lead auditor for the audit of Glebe Administration Board as trustee for the Diocesan Endowment for the year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been –

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Glebe Administration Board and the entities it controlled during the period.

K Stubbins
Partner
PricewaterhouseCoopers

Sydney
24 March 2010

Liability limited by a scheme approved under Professional Standards Legislation.

Corporate Governance Statement for the year ended 31 December 2009

The Australian Stock Exchange Listing Rule 4.10.3 requires that the annual report of a listed company must include a statement of the main corporate governance practices. Whilst the Glebe Administration Board as trustee for the Diocesan Endowment is not listed and not subject to the above rule, nevertheless it is considered best practice for such a statement to be included with the annual financial report.

The Board was involved in corporate governance practices during the year through the continuation of its various committees and sub-committees and through its internal control framework and delegation authorities.

Members of the Board

The Board is responsible for the overall corporate governance of the consolidated entity and as such provides the strategic direction, the establishment of goals for management and the monitoring and achievement of these goals. Responsibility for achieving these goals has been delegated to the Chief Executive Officer, the senior management team and the various committees.

Composition of the Board

Details of the composition of the Board and the Board Committees are included in the Statutory Report.

The Board members are nominated and appointed by the Standing Committee of Synod as members of the Sydney Diocesan Secretariat and as such become members of this Board. One third of the membership retires each year and may be re-elected. The non-executive members receive no remuneration. The Chief Executive Officer attends Board meetings.

Ethical standards

The Board has adopted standards for the staff of the Sydney Diocesan Secretariat to ensure that the highest ethical standards are maintained in their work and in their dealings with each other, the general public and clients.

The Sydney Diocesan Secretariat has issued a policy in relation to dealing with conflicts of interest.

Corporate policies

The Sydney Diocesan Secretariat has issued policies on the following subjects in order to provide guidance for staff on proper governance and management of the organisation –

- Developing and approving governance documentation
- Commercially significant contracts

- Managing conflicts of interest
- Sensitive external communications
- Obtaining external legal advice
- Privacy
- Data management
- Email usage
- Information technology security

Five year financial summary – consolidated

$'000 (unless otherwise indicated)	2005	2006	2007	2008	2009
Consolidated income statement for the year ended 31 December					
Investment income/(loss)	79,679	96,462	55,682	(149,183)	32,747
Borrowing costs	(14,823)	(16,555)	(18,996)	(18,442)	(6,921)
(Surplus)/deficit attributable to minority interests	(16,278)	(13,407)	(6,002)	17,326	(8,145)
Net investment income/(loss)	48,578	66,500	30,684	(150,299)	17,681
Fee and other income	3,375	3,582	1,634	751	649
Net operating income/(loss)	51,953	70,082	32,318	(149,548)	18,330
Operating expenses	(11,514)	(12,377)	(9,558)	(10,480)	(6,981)
Total income/(loss) and expense before tax	40,439	57,705	22,760	(160,028)	11,349
Income tax expense	-	-	-	-	-
Total income/(loss) and expense after tax	40,439	57,705	22,760	(160,028)	11,349
Distributions provided for	10,564	11,109	29,921	10,913	5,439
Consolidated balance sheet as at 31 December					
Investments, loans and mortgages	607,800	582,204	583,993	240,067	234,773
Cash and other assets	38,404	76,503	50,515	70,266	55,142
Total assets	646,204	658,707	634,508	310,333	289,915

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Payables	2,144	41,383	2,988	1,447	1,798
Interest bearing liabilities	279,447	274,822	295,487	168,486	143,752
Other liabilities	20,897	21,671	22,887	11,605	6,191
Share of net assets attributable to minority interest	116,426	48,421	47,943	23,881	27,333
Total liabilities	418,914	386,297	369,305	205,419	179,074
Net assets	227,290	272,410	265,203	104,914	110,841
Ratios					
Total liabilities to net assets (%)	184.3%	141.8%	139.3%	195.8%	161.6%
Investment income/(loss) on average investment assets (%)	14.3%	16.2%	9.5%	(36.2)%	13.8%
Surplus/((deficit) after income tax on net assets (%)	17.8%	21.2%	8.6%	(152.5)%	10.2%
Operating expense to net operating income/(loss) (%)	22.2%	17.7%	29.6%	(7.0)%	38.1%
Operating expenses less fee income to total assets (%)	1.3%	1.3%	1.2%	3.1%	2.2%

a) 2007 includes a special distribution of $20,000,000 to Anglican Church Property Trust Mission Property Fund.

b) Distribution provided	10,913
Less write-back of provision for distribution	(10,632)
Net provision per accounts	281

As a result of the change in the Ordinance governing the distribution to Synod, the provision for 2008 and 2009 have only been made for payment in the succeeding year. Under the previous Ordinance provision was made for two succeeding years.

Statement of comprehensive income for the year ended 31 December 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue/(loss) from continuing operations	4	**38,059,344**	**(142,688,803)**	**23,308,266**	**(130,776,012)**
Share of net (loss) of St Andrew's House Corporation (SAHC) accounted for using the equity method	14	(4,663,884)	(5,743,596)	-	-
Borrowing costs	5(a)	(6,920,934)	(18,442,309)	(6,924,689)	(18,466,669)
(Surplus)/deficit attributable to minority interests		(8,144,838)	17,326,333	-	-
Other expenses	5(b)	(6,980,579)	(10,479,817)	(5,631,180)	(10,293,683)
Surplus/(deficit) from continuing operations before income tax		**11,349,109**	**(160,028,192)**	**10,752,397**	**(159,536,364)**
Income tax expense	6	-	-	-	-
Surplus/(deficit) from continuing operations after income tax		**11,349,109**	**(160,028,192)**	**10,752,397**	**(159,536,364)**
Other comprehensive income		-	-	-	-
Income tax relating to other comprehensive income		-	-	-	-
Other comprehensive income after tax		-	-	-	-
Total comprehensive income/(loss)		**11,349,109**	**(160,028,192)**	**10,752,397**	**(159,536,364)**

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

Balance sheets as at 31 December 2009

	Notes	Consolidated		Parent Entity	
		2009	**2008**	**2009**	**2008**
		$	**$**	**$**	**$**
Current assets					
Cash and cash equivalents	7	53,285,656	69,147,625	50,863,761	67,013,163
Receivables	8	1,856,782	1,118,029	2,994,872	2,285,453
Loans and mortgages	9	3,326,612	12,425,434	3,326,612	11,450,578
Other financial assets at fair value through profit or loss	11	95,136,358	83,344,937	19,496,663	13,874,593
Investments in controlled entities	12	-	-	45,173,719	42,455,243
Total current assets		153,605,408	166,036,025	121,855,627	137,079,030
Non-current assets					
Loans and mortgages	10	109,139,430	110,888,976	113,536,471	114,581,093
Investments in controlled entities	13	-	-	-	-
Investment in St Andrew's House	14	27,169,999	33,407,721	27,169,999	33,407,721
Total non-current assets		136,309,429	144,296,697	140,706,470	147,988,814
Total assets		289,914,837	310,332,722	262,562,097	285,067,844

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Current liabilities					
Payables	15	1,797,684	1,446,621	707,667	1,042,959
Interest bearing liabilities	16	138,537,593	165,497,955	141,107,485	165,503,096
Provisions	18	6,190,791	11,604,652	5,400,000	10,731,723
Share of net assets attributable to minority interests		27,333,027	23,881,343	-	-
Total current liabilities		173,859,095	202,430,571	147,215,152	177,277,778
Non-current liabilities					
Interest bearing liabilities	17	5,215,196	2,988,038	5,215,196	2,988,038
Total non-current liabilities		5,215,196	2,988,038	5,215,196	2,988,038
Total liabilities		179,074,291	205,418,609	152,430,348	180,265,816
Net assets		**110,840,546**	**104,914,113**	**110,131,749**	**104,802,028**
EQUITY					
Capital	19	33,661,933	33,645,407	33,661,933	33,645,407
Reserves	20	103,629	-	-	-
Accumulated surplus	21	77,074,984	71,268,706	76,469,816	71,156,621
Total equity		**110,840,546**	**104,914,113**	**110,131,749**	**104,802,028**

The above balance sheets should be read in conjunction with the accompanying notes.

Statements of changes in equity for the year ended 31 December 2009

Consolidated	**Notes**	**Capital**	**Reserves**	**Accumulated surplus**	**Total**
		$	**$**	**$**	**$**
Balance 1 January 2008		**33,624,888**	**586,981**	**230,990,607**	**265,202,476**
Total comprehensive loss		-		(160,028,192)	(160,028,192)
Share of SAHC's movement in maintenance reserve	20	-	(586,981)	586,981	-
Provision for distribution during the year	18	-	-	(280,690)	(280,690)
Gifts received	19	20,519	-	-	20,519
Balance 31 December 2008		**33,645,407**	**-**	**71,268,706**	**104,914,113**
Total comprehensive income		-	-	11,349,109	11,349,109
Share of SAHC's movement in maintenance reserve	20	-	103,629	(103,629)	-
Provision for distribution during the year	18	-	-	(5,439,202)	(5,439,202)
Gifts received	19	16,526	-	-	16,526
Balance 31 December 2009		**33,661,933**	**103,629**	**77,074,984**	**110,840,546**

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

Statement of changes in equity for the year ended 31 December 2009

Parent entity	Notes	Capital $	Reserves $	Accumulated surplus $	Total $
Balance 1 January 2008		**33,624,888**	**-**	**230,973,675**	**264,598,563**
Total comprehensive loss		-	-	(159,536,364)	(159,536,364)
Provision for distribution during the year	18	-	-	(280,690)	(280,690)
Gifts received	19	20,519	-	-	20,519
Balance 31 December 2008		**33,645,407**	**-**	**71,156,621**	**104,802,028**
Total comprehensive income		-	-	10,752,397	10,752,397
Provision for distribution during the year	18	-	-	(5,439,202)	(5,439,202)
Gifts received	19	16,526	-	-	16,526
Balance 31 December 2009		**33,661,933**	**-**	**76,469,816**	**110,131,749**

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

Cash flow statements for the year ended 31 December 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Cash flows from operating activities					
Management and service fees		654,245	775,852	647,311	747,202
Interest received		9,419,235	11,699,763	8,409,594	10,820,552
Dividends and distributions		7,616,194	17,034,108	4,130,580	8,696,066
Other revenue		414,277	505,789	277,404	305,665
Finance costs		(2,926,795)	(12,180,004)	(2,930,550)	(12,204,364)
Payments to suppliers		(6,978,772)	(9,428,536)	(5,636,908)	(7,253,656)
Net cash inflow from operating activities	23	**8,198,384**	**8,406,972**	**4,897,431**	**1,111,465**
Cash flows from investing activities					
Refund for 'The Edge' project cost		-	55,090	-	55,090
Proceeds from sale of investments		80,165,888	318,440,618	24,485,999	249,134,247
Payments for investments		(70,305,796)	(120,850,763)	(17,272,647)	(47,807,240)
Net decrease/(increase) in loans provided		10,848,368	(28,577,206)	9,168,588	(28,289,771)
Net cash inflow from investing activities		**20,708,460**	**169,067,739**	**16,381,940**	**173,092,326**

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	Note				
Cash flows from financing activities					
Distributions to Synod		(10,630,000)	(10,123,000)	(10,630,000)	(10,123,000)
Distributions to other Anglican organisations		(140,925)	(448,346)	(140,925)	(448,346)
Distributions to minority interests		(1,261,181)	(898,750)	-	-
Repayments of borrowings		(14,000,000)	(126,000,000)	(14,000,000)	(126,000,000)
Net (decrease) in Glebe Income Accounts		(15,239,125)	(8,658,706)	(12,674,374)	(8,676,350)
Gifts received		16,526	20,519	16,526	20,519
Units issued to minority interests		2,210,755	8,931,985	-	-
Redemptions paid to minority interests		(5,724,863)	(15,760,852)	-	-
Net cash (outflow) from financing activities		**(44,768,813)**	**(152,937,150)**	**(37,428,773)**	**(145,227,177)**
Net (decrease)/increase in cash held		**(15,861,969)**	**24,537,561**	**(16,149,402)**	**28,976,614**
Cash and cash equivalents at the beginning of the year		69,147,625	44,610,064	67,013,163	38,036,549
Cash and cash equivalents at the end of the year	7	**53,285,656**	**69,147,625**	**50,863,761**	**67,013,163**

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the annual financial report for the year ending 31 December 2009

1. Purpose

The Glebe Administration Board (the Board) was created under the Glebe Administration Ordinance 1930. The object of the Board is to act as trustee of church trust property vested in it or in respect of which it may be appointed trustee and to do so in a way which both –

(a) preserves the real value of that property and

(b) provides a reasonable income there from.

This financial report records the financial aspect of the Board's activities and responsibilities to own, manage, develop, let, buy and sell real estate and securities as trustee for and on behalf of the Anglican Church of Australia, Diocese of Sydney to receive money on deposit or loan and to borrow money upon the charge of such real estate. Distributions are made to the Synod of the Anglican Church of Australia, Diocese of Sydney in accordance with the Diocesan Endowment Ordinance 1984 and are used for the many purposes of Christian Ministry and for activities which provide services and assistance for those in need in the community. The Synod is entitled to the income of the Board and the income is reinvested by the Board. The Board has no employees and no amounts are paid or allocated to or on behalf of members of the Board. The Board acts only in the capacity of Trustee for the Anglican Church of Australia, Diocese of Sydney. It does not own any assets nor carry out any activities on its own behalf.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the Board as an individual entity and the consolidated entity consisting of the Board and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Diocesan Endowment Ordinance 1984, the Accounts, Audits and Annual Reports Ordinance 1995 as amended by the Synod of the Anglican Church of Australia Diocese of Sydney, Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

At 31 December 2009 the parent entity and consolidated group had an excess of current liabilities over current assets. This financial report has been prepared on the basis of the group being a going concern. In arriving at this position the Board has taken into account a number of factors including –

- Historical analysis and experience of redemptions from at call Glebe Income accounts of $138,537,593 (2008:$151,497,955) shows low levels of net redemptions. That is, the deposits in total display characteristics of being non current liabilities.
- Cash flow projections prepared for financial budgeting purposes reveal the ability to pay all the group's debts as and when they fall due, on the basis of the group operating as a going concern.
- Availability of $50,000,000 of bank finance.

Compliance with IFRSs

Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the consolidated financial statements and notes of Glebe Administration Board as trustee for The Diocesan Endowment comply with International Financial Reporting Standards (IFRSs). The parent entity financial statements and notes also comply with IFRSs.

The accounting policies adopted are consistent with those of the previous financial year.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are mandatory for 31 December 2009 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.

(ii) AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. This standard will not affect any of the amounts recognised in the financial reports and is not expected to have a material impact on the financial reports disclosures of the group.

(iii) Revised AASB 101 Presentation of Financial statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.

The revised AASB 101 that was issued in September 2007 is applicable for annual reporting periods beginning on or after 1 January 2009. It required the presentation of a statement of comprehensive income and made changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial reports.

(iv) AASB 123 *Borrowing costs* (Revised, June 2007) and AASB 2007-6 *Amendments arising from the revisions to* AASB 123 *Standards arising from AASB 123* (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the entity, as the entity already capitalises borrowing costs relating to qualifying assets.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2009 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

(v) AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. It is not expected to have a material impact on the group's financial reports.

(vi) AASB 2009-4 and AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 8, 101, 107, 117, 118, 136 and 139)* (effective 1 July 2009)

The objective of this Standard is to make amendments to –

AASB 5 Non-current Assets Held for Sale and Discontinued Operations;

AASB 8 Operating Segments;

AASB 101 Presentation of Financial Statements;

AASB 107 Statement of Cash Flows;

AASB 117 Leases;

AASB 118 Revenue;

AASB 136 Impairment of Assets; and

AASB 139 Financial Instruments: Recognition and Measurement;

It is not expected to have a material impact on the group's financial reports.

(vii) AASB 2009-7 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 7, 107, 112, 136, 139 and Interpretation 17)* (effective 1 July 2009)

The objective of this Standard is to make amendments to –

AASB 5 Non-current Assets Held for Sale and Discontinued Operations;

AASB 7 Financial Instruments: Disclosures;

AASB 107 Statement of Cash Flows;

AASB 112 Income Taxes;

AASB 136 Impairment of Assets;

AASB 139 Financial Instruments: Recognition and Measurement; and

Interpretation 17 Distributions of Non-cash Assets to Owners.

It is not expected to have a material impact on the group's financial reports.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

There are no material areas of the financial statements where assumptions or estimates are used.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Glebe Administration Board as trustee for The Diocesan Endowment as at 31 December 2009 and the results of all subsidiaries for the year then ended. Glebe Administration Board as trustee for The Diocesan Endowment and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are fully consolidated from 1 January 2008. Transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the statements of comprehensive income and balance sheets (as a current liability) respectively.

Investments in wholly owned subsidiaries are accounted for at cost in the individual financial statements of the Board. Investments in other subsidiaries are accounted for at market value.

(c) Investment in St Andrew's House Corporation

Glebe Administration Board as trustee for The Diocesan Endowment has a 50% beneficial interest in St Andrew's House Corporation (SAHC), of which the principal activities are to manage and control St Andrew's House. The St Andrew's House Site Ordinance of 1976 provides that one half of the land and buildings known as St Andrew's House be held "upon the Trust to apply the income in accordance with Clause 14 of the Glebe Administration Ordinance 1930 (as amended)".

Glebe Administration Board's investment is accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the surplus of St Andrew's House Corporation is recognised as revenue in the consolidated income statements and its share of movements in reserves is recognised in consolidated reserves.

In the parent entity financial statements the Glebe Administration Board as trustee for The Diocesan Endowment has resolved to value its beneficial interest in SAHC at fair value, measured as 50% of the Corporation's accumulated funds and provision for distribution. Revaluation increments/decrements are credited/debited directly to the income statement. Distributions received by the Board are recognised in the income statements as trust income when declared.

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Group's functional and presentation currency.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid.

Dividends and distributions

Dividends and distributions from unlisted trusts are brought to account as revenue when equities and units are quoted "ex distribution".

In the parent entity financial statements, distributions from St Andrew's House Corporation are recorded as revenue in the period in which they are received. The Board's proportion of the unpaid surplus is included in the value of the beneficial interest owned.

Franking credits

Franking credits refundable by the Australian Taxation Office are brought to account on an accruals basis. In prior years it was brought to account as revenue when received.

Other revenue

Other revenue is brought to account on an accruals basis, except as otherwise disclosed.

Interest income

Interest revenue is recognised on a time proportion basis using the effective interest method.

(f) Income tax

Glebe Administration Board, as Trustee for the Diocesan Endowment, is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997 and no provision has been made in respect thereof. Where appropriate, provision has been made for income tax in relation to the controlled entities of the Board.

Tax effect accounting procedures are followed by the controlled entities of Glebe Administration Board whereby the income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Glebe Australia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2004. The head entity, Glebe Australia Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Glebe Australia Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group. Details about the tax funding agreement are disclosed in note 6.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(g) Cash and cash equivalents

For cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Accounts receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(i) Investments and other financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, derivatives, loans and mortgages. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets which are at fair value through profit or loss are designated at initial recognition. Their performance is evaluated on a fair value basis and managed in accordance with the group's investment strategy.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(ii) Loans and mortgages

Loans and mortgages are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. All known bad debts are written off against the provision in the year in which they are identified.

(j) Fair value estimation

Financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and mortgages are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same and discounted cash flow analysis.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(k) Other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Borrowings and borrowing costs

Borrowings are initially recognised at fair value. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include interest on deposits and long-term borrowings.

(m) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(n) Distributions

Provision is made for the amount of any distribution required, determined or recommended by the members of the Board on or before the end of the year but not distributed at balance date. In previous years the distribution was calculated at 5.4% of the average net assets of the previous 3 years. The distributions for 2010 and beyond were anticipated to be based on a new formula taking 30% of 4.2% of net assets of the previous 3 years plus 70% of prior year’s distribution adjusted for CPI. Transitional formulas applied for 2008 and 2009.

Due to the exceptional decline in net assets in 2008 the Glebe Administration Board recommended to the Standing Committee that the operation of this formula be altered for 2010 and thereafter. The Standing Committee has approved a distribution of $5,400,000 for 2010 and $5,250,000 for each of the two succeeding years.

(o) Goods and services tax (GST)

The Board is a member of the Sydney Diocesan Secretariat GST group.

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

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

(p) Deposits at amortised cost

Deposits at amortised cost include deposits and interest bearing deposits. They are measured at amortised cost. When deposits are for a period greater than 12 months they are classified as non-current liabilities.

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and maturities analysis for liquidity risk.

Prime responsibility for financial risk management is with the Board Asset Liability Committee (ALCO) under policies approved by the Glebe Administration Board. ALCO identifies, evaluates and mitigates financial risks. ALCO provides written principles for overall financial risk management, as well as written policies and limits covering specific areas, such as financial instruments and non-derivative financial instruments, credit risk and investment of excess liquidity. Other risk management is carried out by the Board Risk & Compliance Committee.

The Group and the parent entity hold the following financial instruments –

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	53,285,656	69,147,625	50,863,761	67,013,163
Loans and mortgages	112,466,042	123,314,410	116,863,083	126,031,671
Receivables	1,856,782	1,118,029	2,994,872	2,285,453

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Equity investments	75,488,425	68,280,540	-	-
Property related investments	1,304,878	10,841,734	1,304,878	10,424,309
Interest related investments	18,343,055	4,022,624	18,191,785	3,250,245
Other investments	-	200,039	-	200,039
Investments in controlled entities	-	-	45,173,719	42,455,243
	262,744,838	276,925,001	235,392,098	251,660,123
Financial liabilities				
Payables	1,797,684	1,446,621	707,667	1,042,959
Interest bearing liabilities and loans	143,752,789	168,485,993	146,322,681	168,491,134
Provision for income distribution	6,190,791	11,604,652	5,400,000	10,731,723
Share of net assets attributable to minority interests	27,333,027	23,881,343	-	-
	179,074,291	205,418,609	152,430,348	180,265,816
Net financial assets/(liabilities)	83,670,547	71,506,392	82,961,750	71,394,307

(i) Price risk

The Group and the parent entity are exposed to equity securities price risk. This arises from investments held by the Group for which prices in the future are uncertain. They are classified on the balance sheet as a fair value through profit or loss. The Group is not exposed to commodity price risk. All securities investments present a risk of loss of capital.

To manage its price risk arising from investments in equity securities, the Group uses managed unit trusts to diversify its portfolio. Investment and allocation of the portfolio is done in accordance with the limits and ranges set by ALCO.

The majority of the Group's equity investments are publicly traded.

The tables below summarises the impact of increases/decreases of the ASX indexes on the Group's and parent entity's (deficit)/surplus for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 10% (2008: +/- 10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Impact on surplus/(deficit)		**Impact on equity**	
Index	**2009**	**2008**	**2009**	**2008**
	+/- $	**+/- $**	**+/- $**	**+/- $**
Australian equities - ASX	4,695,979	4,376,023	4,695,979	4,376,023
Australian property securities - ASX	-	41,743	-	41,743
	4,695,979	4,417,766	4,695,979	4,417,766

Parent Entity

Index	**Impact on surplus/(deficit)**		**Impact on equity**	
	2009	**2008**	**2009**	**2008**
	+/- $	**+/- $**	**+/- $**	**+/- $**
Australian equities - ASX	4,517,372	4,245,524	4,517,372	4,245,524

Surplus/(deficit) for the year would increase/decrease as a result of losses/gains on equity securities classified as at fair value through profit or loss.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from its short/long-term borrowing and mortgages and loans receivable. Borrowing, issued at variable rates, expose the Group to cash flow interest rate risk. Borrowings and loans and mortgages receivable, issued at fixed rates expose the Group to fair value interest rate risk. The Group also holds cash and cash equivalent deposits which expose the Group to interest rate risk from impacts on interest income.

As at the reporting date, the Group had the following variable rate borrowings, cash and cash equivalents, interest related investments and mortgages and loans outstanding:

	2009		**2008**	
Index	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Cash and cash equivalents	4.54	53,285,656	5.53	69,147,625
Loans and mortgages	5.64	112,466,042	6.57	123,314,410
Interest related investments	4.73	18,343,055	6.32	4,022,624
Interest bearing liabilities	4.03	(143,752,789)	5.96	(168,485,993)
Net exposure to cash flow interest rate risk		40,341,964		27,998,666

An analysis by maturities is provided in (b) below.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift.

Group interest rate sensitivity

At 31 December 2009, if interest rates had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, (deficit)/surplus for the year and equity would have been $329,471 lower/higher (2008 – change of 100 bps: $279,987 lower/higher), mainly as a result of lower/ higher interest expense on interest bearing liabilities.

Parent entity interest rate sensitivity

At 31 December 2009, if interest rates had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, (deficit)/surplus for the year and equity would have been $267,946 lower/higher (2008 – change of 100 bps: $278,039 lower/higher), mainly as a result of lower/ higher interest expense on interest bearing liabilities.

(a) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with financial institutions, loans and mortgages receivable as well as credit exposures to outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of Standard and Poors A-2 are accepted. For investments in Corporate Paper only issuers with a minimum rating of Standard and Poors A-2 or better is accepted. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. If available and considered required, the credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to specific board approval.

As at 31 December 2009 there are no receivables, mortgages and loans that are impaired or past due but not impaired.

Majority of loans to diocesan organisations including Anglican Church Property Trust as trustee for parishes and Endowment of the See are unsecured with appropriate negative pledge provisions incorporated into the loan documentation. Total consolidated collateral held against mortgages and loans is $198,470,000 (2008 : $176,000,000). Collateral held by the parent entity is $198,470,000 (2008: $78,000,000).

	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Receivables				
Not rated	1,856,782	1,118,029	2,994,872	2,285,453
Cash and cash equivalents				
Not rated - no defaults in the past. Includes Sydney Diocesan Secretariat current account.	1,425,136	1,115,172	883,529	846,760
Better than Standard and Poors A-2 rating	51,860,520	68,032,453	49,980,232	66,166,403
	53,285,656	69,147,625	50,863,761	67,013,163
Loan and mortgages				
Not rated - no defaults in the past	112,466,042	123,314,410	116,863,083	126,031,671

Included in other financial assets at fair value through profit or loss are investments in convertible notes in Vitality Care Pty Ltd and Flinders Trustee Ltd shares totaling $3,383,393 which have been assessed as impaired. These have been fully provided for in previous years based on analysis of the financial position of these entities.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the Group it aims at maintaining flexibility in funding by keeping committed credit lines available. The Group manages liquidity risk by regularly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

The Group and the parent entity had access to undrawn borrowing facilities at the reporting date as shown in note 16.

Maturities of financial liabilities

The table below analyses the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cashflows, except for interest rate swaps where the cash flows have been estimated using forward interest rates applicable at the reporting date.

Group 31 December 2009	**Less than 6 months $**	**6-12 months $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Carrying amount $**
Non-derivatives							
Non-interest bearing	1,797,684	-	-	-	-	1,797,684	1,797,684
Provisions	3,290,791	2,900,000	-	-	-	6,190,791	6,190,791
Variable rate	101,190,397	-	-	-	-	101,190,397	101,190,397
Fixed rate	30,419,821	7,485,551	3,368,448	2,441,398	-	43,715,218	42,562,392

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Bank guarantee (note 16)	1,200,000	-	-	-	-	1,200,000	-
Share of net assets attributable to minority interests	27,333,027	-	-	-	-	27,333,027	27,333,027
	165,231,720	10,385,551	3,368,448	2,441,398	-	181,427,117	179,074,291

Group **31 December 2008**	**Less than 6 months** **$**	**6-12 months** **$**	**Between 1 and 2 years** **$**	**Between 2 and 5 years** **$**	**Over 5 years** **$**	**Total contractual cash flows** **$**	**Carrying amount** **$**
Non-derivatives							
Non-interest bearing	1,446,621	-	-	-	-	1,446,621	1,446,621
Provisions	6,474,652	5,130,000	-	-	-	11,604,652	11,604,652
Variable rate	123,767,706	-	-	-	-	123,767,706	123,548,945
Fixed rate	33,577,582	9,167,728	1,717,524	1,718,701	-	46,181,535	44,937,048
Bank guarantee (note 16)	1,200,000	-	-	-	-	1,200,000	-
Share of net assets attributable to minority interests	23,881,343	-	-	-	-	23,881,343	23,881,343
	190,347,904	14,297,728	1,717,524	1,718,701	-	208,081,857	205,418,609

Parent entity 31 December 2009	**Less than 6 months $**	**6-12 months $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Carrying amount $**
Non-derivatives							
Non-interest bearing	707,667	-	-	-	-	707,667	707,667
Provisions	2,500,000	2,900,000	-	-	-	5,400,000	5,400,000
Variable rate	103,760,307	-	-	-	-	103,760,307	103,760,289
Fixed rate	30,419,821	7,485,551	3,368,448	2,441,398	-	43,715,218	42,562,392
Bank guarantee (note 16)	1,200,000	-	-	-	-	1,200,000	-
	138,587,795	10,385,551	3,368,448	2,441,398	-	154,783,192	152,430,348

Parent entity 31 December 2008	**Less than 6 months $**	**6-12 months $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Carrying amount $**
Non-derivatives							
Non-interest bearing	1,042,959	-	-	-	-	1,042,959	1,042,959
Provisions	5,601,723	5,130,000	-	-	-	10,731,723	10,731,723
Variable rate	123,772,847	-	-	-	-	123,772,847	123,554,086
Fixed rate	33,577,582	9,167,728	1,717,524	1,718,701	-	46,181,535	44,937,048
Bank guarantee (note 16)	1,200,000	-	-	-	-	1,200,000	-
	165,195,111	14,297,728	1,717,524	1,718,701	-	182,929,064	180,265,816

(c) Fair value estimation

The fair value of financial assets and financial liabilities are estimated for recognition and measurement or for disclosure purposes.

As of 1 January 2009 the group has adopted the amendment to AASB 7 *Financial Instruments : Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets (level 1),

(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's and the parent entity's assets and liabilities measured and recognized at fair value at 31 December 2009. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

Group **31 December 2009**	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Assets				
Financial assets at fair value through profit and loss				
Listed equities	75,488,425	-	-	75,488,425
Unlisted property	-	-	1,304,878	1,304,878
Unlisted interest investment	-	18,343,055	-	18,343,055
	75,488,425	18,343,055	1,304,878	95,136,358

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Parent **31 December 2009**	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Assets				
Financial assets at fair value through profit and loss				
Unlisted property	-	-	1,304,878	1,304,878
Unlisted interest investment	-	18,191,785	-	18,191,785
Investment in controlled entities carried at fair value	-	45,173,719	-	45,173,719
Investment in St Andrew's House carried at fair value	-	-	27,169,999	27,169,999
	-	63,365,504	28,474,877	91,840,381

The fair value of financial instruments traded in active markets (such as listed managed fund securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, investments in unlisted managed funds) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These instruments are included in level 2. In circumstances where valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

The following table presents the changes in level 3 instruments for the year ended 31 December 2009.

Group	**Other**	**Total**
	$	**$**
Balance 1 January 2009	10,424,301	10,424,301
Proceeds from sale	(8,344,284)	(8,344,284)
Net realised and unrealised loss - included in total of $779,440 in note 4	(775,139)	(775,139)
Balance 31 December 2009	1,304,878	1,304,878

Parent	**SAHC**	**Other**	**Total**
	$	**$**	**$**
Balance 1 January 2009	33,407,721	10,424,308	43,832,029
Proceeds from sale	-	(8,344,284)	(8,344,284)
Revaluation of beneficial interest in SAHC	(6,237,722)	-	(6,237,722)
Net realised and unrealised loss - note 4	-	(775,146)	(775,146)
Balance 31 December 2009	27,169,999	1,304,878	28,474,877

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

4. Revenue

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Revenue/(loss) from continuing operations				
Property related investments:				
St. Andrew's House Corporation distribution	-	-	1,573,838	1,503,708
Distributions from other property trusts	563,864	6,303,239	537,542	6,257,361
Revaluation of beneficial interest in SAHC	-	-	(6,237,722)	(7,247,304)
Net realised and unrealised gains and (losses)	(779,440)	(39,184,435)	(775,146)	(38,628,247)
Income/(loss) property related investments	(215,576)	(32,881,196)	(4,901,488)	(38,114,482)
Interest related investments:				
Interest and distributions	2,848,740	1,882,367	2,807,295	1,832,324
Net realised and unrealised gains and (losses)	(254,051)	511,101	(251,935)	499,232
Income from interest related investments	2,594,689	2,393,468	2,555,360	2,331,556
Income from loans and mortgages	7,280,988	9,723,683	6,251,962	8,986,316
Equity related investments:				
Dividends and distributions	5,863,581	19,905,477	4,611,272	13,615,291
Net realised and unrealised gains and (losses)	21,943,817	(142,575,098)	14,201,317	(118,335,915)
Income/(loss) from equity related investments	27,807,398	(122,669,621)	18,812,589	(104,720,624)

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Other investments				
Net realised and unrealised gains and (losses)	(57,498)	(6,066)	(57,498)	(6,066)
Income/(loss) from other investments	(57,498)	(6,066)	(57,498)	(6,066)
Total investment income/(loss)	**37,410,001**	**(143,439,732)**	**22,660,925**	**(131,523,300)**
Fee income:				
Fund administration fees	12,828	148,348	10,826	144,707
Property management fees	636,515	602,581	636,515	602,581
Total fee income	**649,343**	**750,929**	**647,341**	**747,288**
Total revenue/(loss) from continuing operations	**38,059,344**	**(142,688,803)**	**23,308,266**	**(130,776,012)**

Dividends and distributions include franking credits of $2,420,075 (2008: $3,457,187).

5. Surplus from continuing operations

Surplus/(deficit) from continuing operations before income tax includes the following specific net gains and expenses –

(a) Borrowing costs

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Borrowing costs				
Interest on Glebe Income deposits - Churches, Anglican organisations and other Christian organisations	3,545,754	6,575,397	3,549,509	6,599,757
Interest on other Glebe Income Account deposits	2,545,612	3,999,594	2,545,612	3,999,594
Interest on bank loans	712,899	7,867,318	712,899	7,867,318
Amortisation of deferred borrowing costs	116,669	-	116,669	-
	6,920,934	18,442,309	6,924,689	18,466,669

(b) Other expenses

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Management fees from Sydney Diocesan Secretariat	5,684,520	7,331,474	4,918,632	6,453,459
Impairment charge (note 13)	-	-	-	1,700,000
Professional fees	866,071	1,430,467	378,718	533,209
Office operating expenses	310,375	257,638	310,375	255,163
Amortisation - The Edge Project costs (note 26)	-	1,326,726	-	1,326,726
Insurance	115,584	126,200	23,275	24,996
Marketing expenses	3,824	7,182	-	-
Other expenses	205	130	180	130
	6,980,579	10,479,817	5,631,180	10,293,683

6. Income Tax

The income tax expense for the year differs from the prima facie tax charge calculated at current rates on operating surplus/(deficit). The differences are reconciled as follows, recognising that not all income is derived in entities that are subject to income tax –

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Surplus/(deficit) from continuing operations before income tax	11,349,109	(160,028,192)	10,752,397	(159,536,364)
Less surplus/(deficit) from non assessable entities	10,753,346	(158,424,659)	10,752,397	(159,536,364)
Surplus/(deficit) from continuing operations before income tax	595,763	(1,603,533)	-	-
Income tax (expense)/benefit calculated at 30%	(178,729)	481,060	-	-
Permanent differences	14,777	31,171	-	-
Movement of temporary differences not brought to account	363,656	(417,496)	-	-
Tax losses not brought to account	(199,704)	(94,735)	-	-
Current tax	-	-	-	-
Income tax expense comprises				
Tax payable - current year	-	-	-	-
Income tax expense	-	-	-	-

The directors estimate that the potential future income tax benefit at 31 December 2009 in respect of tax losses not brought to account is $493,656 (2008: $293,952).

The benefit for tax losses will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and

(ii) the consolidated entity continues to comply with the conditions for tax deductibility imposed by tax legislation, and

(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

Tax consolidation legislation

Glebe Australia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2004. The accounting policy in relation to this legislation is set out in note 2(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Glebe Australia Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Glebe Australia Limited for any current tax payable assumed and are compensated by Glebe Australia Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Glebe Australia Limited under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

7. Current assets – Cash and cash equivalents

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Current				
Cash at bank	2,958,841	2,634,479	536,946	501,175
Deposits at call	4,531,054	19,655,627	4,531,054	19,654,469
Term deposits	45,795,761	46,857,519	45,795,761	46,857,519
	53,285,656	69,147,625	50,863,761	67,013,163

8. Current assets – Receivables

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Distributions receivable	608,681	275,443	1,840,161	1,685,249
Prepayments	183,331	-	183,331	-
Accrued interest	970,147	650,142	970,147	597,858
Amounts owing on investments sold	83,560	165,786	-	-
Other	11,063	26,658	1,233	2,346
	1,856,782	1,118,029	2,994,872	2,285,453

There were no receivables which were past due or impaired.

9. Current assets – Loans and mortgages

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Loans	1,870,612	8,843,402	1,870,612	8,843,402
Mortgages	1,456,000	3,582,032	1,456,000	2,607,176
	3,326,612	12,425,434	3,326,612	11,450,578

10. Non-current assets – Loans and mortgages

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Loans	28,551,488	32,188,127	33,958,029	76,550,799
Mortgages	80,587,942	78,700,849	80,587,942	39,039,794
Provision for doubtful debts	-	-	(1,009,500)	(1,009,500)
	109,139,430	110,888,976	113,536,471	114,581,093
Summary:				
Anglican Diocesan organisations	92,647,986	103,344,210	98,054,527	127,041,171
Other	19,818,056	19,970,200	19,818,056	-
Provision for doubtful debts	-	-	(1,009,500)	(1,009,500)
Total current and non-current loans and mortgages	112,466,042	123,314,410	116,863,083	126,031,671

Repayments on loans and mortgages are generally interest only with the principal payable on maturity with terms between 1 and 23 years. However, in some instances the option of repayments comprising a mixture of principal and interest is available.

Credit risk

Loans are unsecured. Mortgages are secured on properties. It is the Board's policy to perform extensive credit reviews before entering into arrangements and not to exceed a loan-to-value ratio of 70%. All exposures are to entities in Australia.

In addition to the carrying amount of loans and mortgages included within the balance sheets, the consolidated entity has exposure to credit risk for undrawn facilities of $15,040,153 (2008: $15,862,607).

11. Current assets – Other financial assets at fair value through profit or loss

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Current				
Equity investments				
Listed equities (at cost)	67,874,181	100,211,464	-	-
Fair value adjustment	7,614,244	(31,930,924)	-	-
Total listed equities at fair value	75,488,425	68,280,540	-	-
Unlisted equities (at cost)	1,783,393	1,783,393	1,783,393	1,783,393
Fair value adjustment	(1,783,393)	(1,783,393)	(1,783,393)	(1,783,393)
Total unlisted equities at fair value	-	-	-	-
Total equity investments	75,488,425	68,280,540	-	-
Property investments				
Listed property investments (at cost)	-	3,754,055	-	2,713,950
Fair value adjustment	-	(3,336,622)	-	(2,713,949)
Total listed property investments at fair value	-	417,433	-	1

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Other unlisted property investments (at cost)	1,776,208	9,259,989	1,776,208	9,259,989
Fair value adjustment	(471,330)	1,164,312	(471,330)	1,164,319
Total unlisted property investments at fair value	1,304,878	10,424,301	1,304,878	10,424,308
Total property investments	1,304,878	10,841,734	1,304,878	10,424,309
Interest investments				
Unlisted interest investment (at cost)	20,204,753	5,643,694	20,047,674	4,858,735
Fair value adjustment	(1,861,698)	(1,621,070)	(1,855,889)	(1,608,490)
Total unlisted interest investments	18,343,055	4,022,624	18,191,785	3,250,245
Other investments				
Other investments (at cost)	-	206,105	-	206,105
Fair value adjustment	-	(6,066)	-	(6,066)
Total other investments	-	200,039	-	200,039
Summary:				
Equity investments	75,488,425	68,280,540	-	-
Property investments	1,304,878	10,841,734	1,304,878	10,424,309
Interest investments	18,343,055	4,022,624	18,191,785	3,250,245
Other investments	-	200,039	-	200,039
	95,136,358	83,344,937	19,496,663	13,874,593

12. Current assets – Investments in controlled entities

	Principal activity	Ownership interest 2009 %	2008 %	Carrying amount 2009 $	2008 $
Directly controlled by Glebe Administration Board					
Glebe Equities Trust	Investment	60.87%	62.84%	45,173,719	42,455,243
Directly controlled by Glebe Asset Management Limited					
Glebe Equities Trust	Investment	2.41%	1.93%	1,786,074	1,304,992

All controlled entities are incorporated within Australia and the investments represent ordinary units.

13. Non-current assets – Investments in controlled entities

	Principal activity	Ownership interest 2009 %	2008 %	Parent entity carrying amount 2009 $	2008 $
Directly controlled by Glebe Administration Board					
Glebe Australia Limited	Administration	100	100	1,700,000	1,700,000
Provision for impairment of investments					(1,700,000)
				-	-
Directly controlled by Glebe Australia Limited					
Glebe Asset Management Limited	Funds management	100	100	3,070,000	2,800,000
Glebe Investment Company Pty Ltd	Financial services	100	100	2	2
Glebe Mortgage Finance Limited	Mortgage lending	100	100	500,001	500,001
				3,570,003	3,300,003

An impairment charge of $1,700,000 was recognised in respect of the parent entities investment in Glebe Australia Limited in the previous year.

14. Non-current assets – Investment in St Andrew's House

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
50% Beneficial interest in St. Andrew's House Corporation (note 2c)	27,169,999	33,407,721	27,169,999	33,407,721
Movements in carrying amounts:				
Balance 1 January	33,407,721	40,655,025	33,407,721	40,655,025
Share of (loss) for the year	(4,663,884)	(5,743,596)	-	-
Distributions received	(1,573,838)	(1,503,708)	-	-
Revaluation of beneficial interest in SAHC	-	-	(6,237,722)	(7,247,304)
Balance 31 December	27,169,999	33,407,721	27,169,999	33,407,721
The carrying amount is comprised of:				
Capital invested	4,714,615	4,714,615	4,714,615	4,714,615
Other reserves	103,629	-	103,629	-
Accumulated surplus	22,351,755	28,569,268	22,351,755	28,569,268
Unpaid distribution	-	123,838	-	123,838
	27,169,999	33,407,721	27,169,999	33,407,721

15. Current liabilities - Payables

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Interest payable	496,136	824,589	496,136	824,589
Amounts owing on investments purchased	908,622	221,955	-	-
Accounts payable and accruals	392,926	400,077	211,531	218,370
	1,797,684	1,446,621	707,667	1,042,959

16. Current liabilities – Interest bearing liabilities

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Deposits – Glebe Income Accounts	138,537,593	151,497,955	141,107,485	151,503,096
Bank loan	-	14,000,000	-	14,000,000
	138,537,593	165,497,955	141,107,485	165,503,096

Liabilities to Glebe Income Account holders represent deposits held by Glebe Administration Board on behalf of individuals and organisations. The assets of Glebe Administration Board can be called upon to meet these obligations if required.

The Glebe Administration Board has an unsecured $50,000,000 cash advance facility with Westpac Banking Corporation. A Joint and Several Guarantee has been given to Westpac Banking Corporation by Glebe Administration Board, Glebe Australia Limited, Glebe Investment Company and Glebe Mortgage Finance Limited.

A Joint and Several Guarantee has also been given to Westpac Banking Corporation by Glebe Administration Board and St Andrew's House Corporation for overdraft accommodation up to $1,200,000 granted to the Sydney Diocesan Secretariat.

The Board has an overdraft limit of $1,000,000 on its current account with Sydney Diocesan Secretariat. At balance sheet date the balance of the current account was $463,237 (2008: $501,963).

17. Non-current liabilities – Interest bearing liabilities

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Deposits – Glebe Income Accounts	5,215,196	2,988,038	5,215,196	2,988,038

18. Current liabilities – Provisions

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Provision for GAB distribution				
Balance 1 January	10,731,723	21,022,379	10,731,723	21,022,379
Provided during the period	5,439,202	280,690	5,439,202	280,690
	16,170,925	21,303,069	16,170,925	21,303,069
Paid during the period	(10,770,925)	(10,571,346)	(10,770,925)	(10,571,346)
Balance 31 December	5,400,000	10,731,723	5,400,000	10,731,723
Provision for Glebe Equities Trust distributions to Minority Interests				
Balance 31 December	790,791	872,929	-	-
	6,190,791	11,604,652	5,400,000	10,731,723

In previous years the distribution was calculated at 5.4% of the average net assets of the previous 3 years. The distributions for 2010 and beyond were anticipated to be based on a new formula taking 30% of 4.2% of net assets of the previous 3 years plus 70% of prior year's distribution adjusted for CPI. Transitional formulas applied for 2008 and 2009.

Due to the exceptional decline in net assets in 2008 the Glebe Administration Board recommended to the Standing Committee that the operation of this formula be altered for 2010 and thereafter. The Standing Committee has approved a distribution of $5,400,000 for 2010 and $5,250,000 for each of the two succeeding years.

As a result of the change in the Ordinance governing the distribution to Synod, the provision for 2009 and the previous year have only been made for payment in the succeeding year. Under the previous Ordinance provision was made for two succeeding years.

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
The composition of payments during the year were as follows:				
Synod	10,630,000	10,123,000	10,630,000	10,123,000
Other	140,925	448,346	140,925	448,346
	10,770,925	10,571,346	10,770,925	10,571,346

19. Capital

(a) Capital

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Capital	33,661,933	33,645,407	33,661,933	33,645,407

(b) Movement in capital

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Balance 1 January	33,645,407	33,624,888	33,645,407	33,624,888
Gifts received	16,526	20,519	16,526	20,519
Balance 31 December	33,661,933	33,645,407	33,661,933	33,645,407

20. Reserves

(a) Reserves

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Maintenance reserve	103,629	-	-	-

(b) Movement in deferred maintenance reserve

	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Balance 1 January	-	586,981	-	-
Share of increase/(decrease) in SAHC's maintenance reserve	103,629	(586,981)	-	-
Balance 31 December	103,629	-	-	-

(c) Nature and purpose of reserves

Maintenance reserve

This represents the Board's share of the maintenance reserve of St Andrew's House Corporation to provide for refurbishment expenditure for St Andrew's House.

21. Accumulated surplus

(a) Accumulated surplus

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Accumulated surplus	77,074,984	71,268,706	76,469,816	71,156,621

(b) Movement in accumulated surplus

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Balance 1 January	71,268,706	230,990,607	71,156,621	230,973,675
Surplus/(deficit) after income tax	11,349,109	(160,028,192)	10,752,397	(159,536,364)
Share of SAHC's movement in maintenance reserve	(103,629)	586,981	-	-
Provisions for distribution during the year	(5,439,202)	(280,690)	(5,439,202)	(280,690)
Balance 31 December	77,074,984	71,268,706	76,469,816	71,156,621

22. Related party transactions

Key management personnel include the following executives below with the greatest authority for the strategic direction and management of the entity.

Name	*Position*
Mr S G McKerihan	Chief Executive Officer
Mr M A Blaxland	Chief Financial Officer
Mr D R Cannings (to 17 July 2009)	General Manager, Investment Services
Mr M A Payne	General Manager, Parish & Property Services

Administration services are provided by the Sydney Diocesan Secretariat (SDS). The compensation payable to key management personnel who are employees of SDS is set out below. These amounts are calculated by reference to the proportion of SDS fees charged to the entity to the total SDS fees to all its client funds.

	Consolidated		**Parent Entity**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Short- term benefits	494,000	793,000	427,000	679,000
Long-term benefits	-	18,000	-	15,000
Other benefits	148,000	106,000	128,000	91,000
	642,000	917,000	555,000	785,000

Transactions with entities in the wholly-owned group

Glebe Administration Board is the ultimate parent entity of the wholly-owned group comprising the Board and its controlled entities.

The following related party transactions occurred during the year –

(i) At year end unsecured loans and interest on those loans were as follows:

	Loan Balance		Interest Paid	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Glebe Administration Board loan to:				
Glebe Investment Company Pty Limited	1,009,500	1,009,500	-	-
Glebe Mortgage Finance Limited	-	38,963,610	1,339,236	3,004,632
Glebe Australia Limited	4,397,041	4,389,562	-	-
	5,406,541	44,362,672	1,339,236	3,004,632
Glebe Australia Limited loan to:				
Glebe Investment Company Pty Limited	85,129	85,129	-	-

The unsecured loan to Glebe Mortgage Finance Limited from Glebe Administration Board as trustee for the Diocesan Endowment was repaid on 31 December 2009. The interest on this loan was based on the bank bill swap rate (mid rate 90 days) set at the beginning of each quarter and paid monthly.

The unsecured loan to Glebe Investment Company from Glebe Administration Board as trustee for the Diocesan Endowment is interest free and repayable upon written notice. It is fully provided for at the parent level and is not expected to be repaid within twelve months.

The unsecured loan to Glebe Australia Limited from Glebe Administration Board as trustee for the Diocesan Endowment is interest free and repayable upon written notice. It is not expected to be repaid within twelve months.

Transaction with St Andrew's House Corporation

Glebe Administration Board holds a beneficial interest of 50% in St Andrew's House Corporation. The distributions received this year from St Andrew's House Corporation total $1,573,838 (2008: $1,503,708).

At 31 December 2009, an unsecured loan was provided from Glebe Administration Board for $23,889,421 (2008: $23,889,421). This represents a facility to assist in the funding of improvements to Town Hall Square and St Andrews House. Interest charged to St Andrew's House Corporation in respect of this loan was $1,266,925 (2008: $1,886,302). As at 31 December 2009 the loan had a limit of $24,000,000 (2008: $24,000,000). Interest is based on 90 day bank bill rate plus 1%.

Management fees of $564,485 (2008: $530,495) were charged from Glebe Administration Board to St Andrew's House Corporation.

Related party investments

The Board invests in the Glebe Equities Trust, which is managed by Glebe Asset Management Limited. The following related party investments occurred during the year. The units were all purchased and redeemed at fair market value on the day of application.

	Units purchased		Units redeemed	
	2009	2008	2009	2008
	$	$	$	$
Transactions with the Glebe Administration Board:				
Glebe Equities Trust	2,437,160	9,388,123	13,920,000	114,741,000
Transactions with Glebe Asset Management:				
Glebe Equities Trust	47,856	129,258	-	300,000

Other related party transactions

The following other related party transactions occurred during the year –

(i) The following related parties were charged a management fee by the Sydney Diocesan Secretariat –

	Management Fee Paid	
	2009	2008
	$	$
Glebe Administration Board	4,918,632	6,453,459
Glebe Asset Management Limited	455,628	511,717
Glebe Mortgage Finance Limited	310,260	366,298

(ii) The following related parties held money in a current account with the Sydney Diocesan Secretariat on which interest was earned/(paid) –

	Current account balance		**Interest earned/(paid)**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Glebe Administration Board	463,237	501,963	(2,388)	5,845
Glebe Asset Management Limited	283,546	180,693	1,845	4,496
Glebe Investment Company Pty Limited	1,312	1,126	31	88
Glebe Mortgage Finance Limited	255,083	76,066	1,712	4,503
Glebe Australia Limited	1,666	10,527	116	307

(iii) An unsecured loan facility has been provided by Glebe Administration Board to the Endowment of the See. As at 31 December 2009 the loan had a limit of $1,950,000 (2008: $8,850,000) and was drawn to $1,870,612 (2008: $8,843,402). Interest charged for the year ended 31 December 2009 was $195,353 (2008: $1,072,161). The loan is expected to be repaid within the next twelve months. Interest is based on 90 day bank bill rate plus 1%.

23. Reconciliation of surplus/(deficit) after income tax to the net cash flows from operating activities

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Surplus/(deficit) from continuing operations after income tax	11,349,109	(160,028,192)	10,752,397	(159,536,364)
Net realised and unrealised (gain)/loss on investments	(14,615,106)	188,963,333	(6,879,016)	163,992,250
Interest capitalised on Glebe Income Accounts	4,505,923	7,657,945	4,505,923	7,657,945
Amortisation of 'The Edge' project costs	-	1,326,726	-	1,326,726
Other amortisation	116,669	-	116,669	-
Dividends reinvested	(16,839)	(10,995,045)	(880,258)	(10,995,045)
Interest reinvested	(10,897)	(132,377)	-	(119,131)
Surplus/(loss) attributable to minority interests	8,144,838	(17,326,333)	-	-
Non-cash impairment charges	-	-	-	1,700,000
Changes in assets and liabilities				
(Increase)/decrease in receivables	(939,709)	117,883	(2,382,992)	(2,060,962)
Decrease in other assets	-	586,200	-	586,200
(Decrease) in payables	(335,604)	(1,763,168)	(335,292)	(1,440,154)
Net cash inflow from operating activities	8,198,384	8,406,972	4,897,431	1,111,465

24. Contingent liabilities and assets

The Board has agreed to provide ongoing financial support for the wholly owned entities Glebe Investment Company Pty Limited and Glebe Australia Limited.

A joint and several guarantee has been given to Westpac Banking Corporation by Glebe Administration Board and St Andrew's House Corporation for overdraft accommodation up to $1,200,000 granted to the Sydney Diocesan Secretariat, Anglican Church of Australia (refer note 16). No losses are expected from this guarantee.

25. Remuneration of auditors

The audit fee for the year for the Glebe Administration Board is $110,896 (2008: $125,653), and Glebe Administration Board consolidated is $174,638 (2008: $192,306).

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Audit	174,638	192,306	110,896	125,653
Taxation	19,240	20,990	-	-
	193,878	213,296	110,896	125,653

The cost of auditing the financial statements and reviewing the income tax returns of Glebe Equities Trust is paid by Glebe Asset Management Limited and passed on to Glebe Equities Trust as part the management fees charged.

26. Non-current assets - Other

	Consolidated		Parent Entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
The Edge Project costs	-	1,326,726	-	1,326,726
Amortisation	-	(1,326,726)	-	(1,326,726)
	-	-	-	-

During 2007 a new general ledger project was implemented to replace the previous system, which was no longer supported. The capitalised project costs were written off in the previous year.

27. Events occurring after reporting date

The members of Glebe Administration Board are not aware of any events occurring after reporting date that impact on the financial statements as at 31 December 2009.

This financial report was authorised for issue on 24 March 2010 by the Board.

Members' Declaration

In the members opinion –

(a) the financial statements and notes set out on pages 490 to 560 are in accordance with the Corporations Act 2001, including –

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Board will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members.

John Pascoe
L A Scandrett
Members 24 March 2010