Sydney Diocesan Secretariat Audited Accounts for 2005

Independent Audit Report to the Members of Sydney Diocesan Secretariat

Audit opinion

In our opinion, the financial report as set out on [pages 273 to 287]:

- gives a true and fair view of the financial position of Sydney Diocesan Secretariat as at 31 December 2005, and of its performance for the year ended on that date; and
- is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and the provisions of the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church Diocese of Sydney.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and member's responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the statement by the members for Sydney Diocesan Secretariat (the Secretariat), for the year ended 31 December 2005.

The members of the Secretariat are responsible for the preparation and true and fair presentation of the financial report in accordance with the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Secretariat. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Secretariat's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included -

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the members of the Secretariat.

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

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers
Chartered Accountants

B Entwistle
Partner

Sydney
6 April 2006

Income statement for the year ended 31 December 2005

	Notes	2005 $	2004 $
Revenue from continuing operations			
Management and service fees		11,601,937	11,669,993
Interest		278,935	237,919
Dividends and distributions		174,691	119,533
Grants and donations		457,114	300,957
Fair value adjustment to other financial assets	4	210,170	35,432
Other income		44,150	102,377
Total revenue from continuing operations		**12,766,997**	**12,466,211**
Expenses from continuing operations			
Borrowing costs expense		116,066	119,641
Staff and related expenses		8,426,445	8,125,741
Clergy stipend continuance		-	(65,259)
Professional fees		827,672	673,045
Rent and occupancy expenses		677,235	805,456
Office operating expenses		1,413,756	1,654,959
Marketing expenses		10,602	21,141
Depreciation		485,080	537,139
Audit fees		343,848	496,108
Bad debts		1,243	-
Net loss on disposal of plant and equipment	6	48,777	9,961
Other expenses		1,413	4,210
Total expenses from continuing operations		**12,352,137**	**12,382,142**
Surplus for the year		**414,860**	**84,069**

The above statement of financial performance should be read in conjunction with the accompanying notes.

Balance sheet as at 31 December 2005

	Notes	2005 $	2004 $
Assets			
Current assets			
Cash and cash equivalents	3	3,739,644	3,516,699
Receivables	5	688,759	130,358
Other financial assets at fair value through profit or loss	4	2,825,479	2,490,256
		7,253,882	6,137,313
Non-current assets			
Plant and equipment	6	1,075,033	953,463
Total non-current assets		1,075,033	953,463
Total assets		8,328,915	7,090,776
Liabilities			
Current liabilities			
Payables	7	1,155,426	713,257
Interest bearing liabilities	8	2,722,644	2,249,261
Provisions	9	1,639,735	1,634,094
Total current liabilities		5,517,805	4,596,612
Non-current liabilities			
Provisions	10	468,912	158,960
Total non-current liabilities		468,912	158,960
Total liabilities		5,986,717	4,755,572
Trust funds	11	127,757	535,623
Net assets		**2,214,441**	**1,799,581**
Equity			
Capital		2,062,105	2,062,105
Accumulated surplus	12	152,336	(262,524)
Total equity		**2,214,441**	**1,799,581**

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

Statement of recognised income and expense for the Year ended 31 December 2005

	2005 $	2004 $
Total equity at the beginning of the financial year	1,799,581	1,715,512
Surplus for the year	414,860	84,069
Total equity at the end of the financial year	**2,214,441**	**1,799,581**

Cash flow statement for the Year ended 31 December 2005

	Notes	2005 $	2004 $
Cash flows from operating activities			
Management and service fees received		11,629,726	11,604,192
Interest received		278,935	237,921
Dividends and distributions received		192,523	96,036
Grants and donations received		457,114	300,957
Other income received		44,150	99,834
Interest and finance charges paid		(116,066)	(119,641)
Payments to suppliers		(11,956,342)	(10,911,826)
Net cash inflow from operating activities	17	**530,040**	**1,307,473**
Cash flows from investing activities			
Payments for plant and equipment		(694,154)	(569,246)
Payments for other financial assets at fair value through profit or loss		(2,628,954)	-
Proceeds from sale of plant and equipment		38,727	63,899
Proceeds from disposal of other financial assets at fair value through profit or loss		2,503,903	-
Net cash (outflow) from investing activities		**(780,478)**	**(505,347)**
Cash flows from financing activities			
Net increase in deposits from diocesan funds		473,383	850,443
Net cash inflow from financing activities		**473,383**	**850,443**
Net increase in cash and cash equivalents		**222,945**	**1,652,569**
Cash and cash equivalents at the beginning of the financial year		3,516,699	1,864,130
Cash and cash equivalents at the end of the year	3	**3,739,644**	**3,516,699**

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

1. Purpose

Sydney Diocesan Secretariat (The Secretariat) was established and incorporated under the provisions of Ordinances 18 and 19 of 1973. The Secretariat operates wholly in Australia and, being the central administrative body of the Diocese, is the nominal employer of staff and is responsible for providing secretarial and office support for the Archbishop, Registrar and other Diocesan funds.

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.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Accounts, Audit and Annual Returns Ordinance 1995.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs). The financial statements and notes also comply with IFRSs.

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

These financial statements are the first financial statements to be prepared in accordance with AIFRSs. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

The financial statements until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the 2005 financial statements, management has amended certain accounting, and valuation methods applied in the AGAAP financial statements to comply with AIFRS. The comparative figures in respect of 2004 were restated to reflect these adjustments. The Secretariat has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 January 2005.

<u>Historical cost convention</u>

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, and certain classes of plant and equipment.

(b) Revenue recognition

Income (with the exception of grants and donations) is recognised on an accruals basis. It is measured at the fair value of the consideration received or receivable. Grants and donations are recognised on a cash basis. Amounts disclosed as revenue are net of goods and services tax (GST) where applicable.

Income from the disposal of plant and equipment is measured at fair value of the consideration received or receivable less the carrying value of the fixed asset or group of assets sold. Gain or loss arising from the sale is recognised at net amount in the income statement.

(c) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

(d) Cash and cash equivalents

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.

(e) Receivables

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

The collectibility of trade 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 Secretariat will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

(f) Investments and other financial assets

The Secretariat classifies its investments as financial assets at fair value through profit or loss. 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. The policy of the management is to designate a financial asset if there exist the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value.

Purchase and sale of investments are recognised on trade date – the date on which commitment is made 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 and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred.

Assessment is made at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists impairment losses is recognised in the income statement.

(g) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on a straight line basis, based on the estimated useful lives of the assets concerned. Depreciation rates range from 10% to 33.33% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(h) Payables

Accounts payable, including accruals not yet billed, are recognised when the Secretariat becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are generally settled within 30 days.

(i) Employee benefits

Liabilities for wages and salaries including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date, are recognised either in payables or current provisions and are measured at the amounts expected to be paid when the liabilities are settled.

No liability has been recognised for sick leave as it does not vest in the employee and it is not considered that any sick leave taken will incur the Secretariat in additional costs.

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised as a provision and is measured at the amounts expected to be paid when the liabilities are settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised as a provision and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

A liability for employee benefits in the form of incentives is recognised in provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for employee incentives are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(j) Current account held for diocesan funds

These interest bearing liabilities are carried at their principal amounts. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(k) Goods and service tax (GST)

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

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

(l) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

(n) Capital

Represents the original capital contributed to the fund.

3. Current assets – Cash and cash equivalents

	2005 $	2004 $
Cash at bank - Westpac Banking Corporation	60,086	599,075
Glebe Income Account - at call	3,113,299	2,564,368
Discount securities and bank bills	564,659	351,656
Petty cash	1,600	1,600
	3,739,644	3,516,699

(a) Other cash and cash equivalents

The deposits are bearing floating interest rates between 3.45% and 5.50% (2004 – 3.90% and 5.5%). These deposits have a varied maturity of at call, on demand or 30 days.

4. Current assets – Other financial assets at fair value through profit and loss

	2005 $	2004 $
Anglican Insurance Limited - at cost	47	47
Fair value adjustment	(47)	(47)
Total	-	-
Glebe Investment Trust Fixed Interest Fund - at cost	-	2,498,501
Glebe Investment Trust Straightforward Investment Trust - at cost	2,628,955	-
Fair value adjustment	196,524	(8,245)
Total	2,825,479	2,490,256
Summary	2,825,479	2,490,256

Reconciliation of the carrying value of other financial assets through profit and loss at the beginning and end of the current year is set out below:

	2005 $	2004 $
At beginning of the year	2,490,256	2,454,824
Additions	2,628,955	-
Disposals	(2,503,902)	-
Fair value adjustment	210,170	35,432
At end of the year	2,825,479	2,490,256

5. Current assets - Receivables

	2005 $	2004 $
Accounts receivable	39,441	44,571
Distribution receivable	18,407	36,239
Prepayments	25,891	1,977
Receivable from related entities	580,108	-
Input tax credit	24,912	47,571
	688,759	130,358

(a) Bad and doubtful trade receivables

The Secretariat has recognised a loss of $1,243 - (2004: $nil) in respect of bad and doubtful receivables during the year ended 31 December 2005.

6. Non-current assets – Plant and equipment

	2005 $	2004 $
Furnishings and effects	282,203	350,163
Additions	98,837	124,412
Disposals/write-off	(114,678)	(192,372)
Furnishings and effects	266,362	282,203
Less: Provision for depreciation	(44,702)	(102,814)
	221,660	**179,389**
Equipment and machinery	438,213	461,251
Disposals/write-off	-	(23,038)
Equipment and machinery	438,213	438,213
Less: Provision for depreciation	(436,903)	(343,218)
	1,310	**94,995**
Office equipment	290,524	581,594
Additions	36,416	6,851
Disposals/write-off	(77,161)	(297,921)
Office equipment	249,779	290,524
Less: Provision for depreciation	(201,565)	(223,397)
	48,214	**67,127**
Computer hardware	964,433	1,091,836
Additions	153,743	330,087
Disposals/write-off	(47,126)	(457,489)
Computer hardware	1,071,050	964,434
Less: Provision for depreciation	(761,984)	(605,955)
	309,066	**358,479**
Computer software	365,958	595,935
Additions	19,232	79,694
Disposals/write-off	-	(309,671)
Computer software	385,190	365,958
Less: Provision for depreciation	(320,660)	(210,793)
	64,530	**155,165**

	2005 $	2004 $
Motor vehicles	215,091	305,318
Additions	61,183	24,548
Disposals/write-off	(79,289)	(114,775)
Motor vehicles	196,985	215,091
Less: Provision for depreciation	(91,474)	(116,782)
	105,511	**98,309**
Progress payments for office refurbishment	324,742	-
Total plant and equipment	**1,075,033**	**953,464**

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current year is set out below:

	2005 $	2004 $
Opening balance at beginning of year	953,463	992,676
Additions	369,412	571,786
Work in progress - plant and equipment	324,742	-
Disposals	(87,504)	(73,860)
Depreciation	(485,080)	(537,139)
Closing balance at end of year	**1,075,033**	**953,463**
Proceeds from the sale of plant and equipment	38,727	63,899
Carrying cost of plant and equipment sold	87,504	73,860
Loss on sale of plant and equipment	**(48,777)**	**(9,961)**

7. Current liabilities - Payables

	2005 $	2004 $
Accounts payable	4,514	4,616
Accrued expenses	981,485	566,826
Planned Giving	60,866	49,070
Other payables	108,561	92,745
	1,155,426	**713,257**

8. Current liabilities – Interest bearing liabilities

	2005 $	2004 $
Current account held for Diocesan funds	2,722,644	2,249,261
	2,722,644	**2,249,261**

9. Current liabilities - Provisions

	2005 $	2004 $
Staff incentives	825,972	809,000
Annual leave entitlements	523,202	431,797
Long service leave entitlements	189,543	198,297
Computer systems upgrade	-	195,000
Clergy stipend continuance unfunded claims	101,018	-
	1,639,735	**1,634,094**

10. Non-current liabilities - Provisions

	2005 $	2004 $
Long service leave entitlements	146,767	158,960
Clergy stipend continuance unfunded claims	322,145	-
	468,912	**158,960**

11. Trust funds

	2005 $	2004 $
Clergy removals fund	127,757	64,623
Stipend continuance plan	-	471,000
	127,757	**535,623**

Movement in the composition of the trust funds during the current year are set out below:

	Clergy removals fund $	Clergy stipend continuance plan $	Total 2005 $	Total 2004 $
Balance at beginning of year	64,623	471,000	535,623	56,634
Received	130,120	702,356	832,476	1,076,572
Provisions for uninsured claims	-	20,436	20,436	247,372
Payments	(66,986)	(944,720)	(1,011,706)	(844,955)
Transfers to new administration fund	-	174,091	174,091	-
Transfers to provisions	-	(423,163)	(423,163)	-
Balance at end of year	**127,757**	**-**	**127,757**	**535,623**

The clergy removals fund reimburses parishes for clergy removals under the provisions of the Clergy Removals Fund Ordinance 2003.

The clergy stipend continuance plan pays the insurance premium to cover the clergy for the extended absence caused by sickness or accident under the provisions of the Sydney Diocesan Sickness and Accident Fund Ordinance 1969. The Plan pays clergy admitted into the Plan and collects insurance claim proceeds from the insurer.

An Ordinance was passed in December 2005 creating the Clergy Benefits Fund (CF 0952) empowering the Standing Committee to administer the Stipend Continuance Plan. The Secretariat ceased to administer the Plan and subsequently transferred all assets and liabilities in respect of the Plan except liabilities the Secretariat has agreed to recognise.

12. Accumulated surplus

	2005 $	2004 $
Accumulated surplus at beginning of the year	(262,524)	(346,593)
Surplus for the year	414,860	84,069
Accumulated surplus/(deficit) at end of the year	**152,336**	**(262,524)**

13. Commitments – premises rental

	2005 $	2004 $
Gross rent - St Andrews House	572,340	696,000
Rent - Disaster Recovery Site	12,000	-
Payable no later than one year	584,340	696,000

14. Risk management and financial instruments

Risk management forms an important part of our operations. The entities activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The entities exposure to those risks is outlined below:

(i) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates on financial instruments at balance date are:

31 December 2005	Weighted effective interest rate %	Floating interest rate $	Fixed interest maturing in 1 year or less $	Non-interest bearing $	Total $
Financial assets					
Cash and cash equivalents	3.67	3,738,044	-	1,600	3,739,644
Receivables	-	-	-	688,759	688,759
		3,738,044	**-**	**690,359**	**4,428,403**
Financial liabilities					
Payables	-	-	-	1,155,426	1,155,426
Interest bearing liabilities	3.25	2,722,644	-	-	2,722,644
		2,722,644	**-**	**1,155,426**	**3,878,070**
Net financial assets/(liabilities)		**1,015,400**	**-**	**(465,067)**	**550,333**

31 December 2004	Weighted effective interest rate %	Floating interest rate $	Fixed interest maturing in 1 year or less $	Non-interest bearing $	Total $
Financial assets					
Cash and cash equivalents	2.97	3,163,443	351,656	1,600	3,516,699
Receivables	-	-	-	130,358	130,358
		3,163,443	**351,656**	**131,958**	**3,647,057**
Financial liabilities					
Payables	-	-	-	713,257	713,257
Interest bearing liabilities	3.25	2,249,261	-	-	2,249,261
		2,249,261	**-**	**713,257**	**2,962,518**
Net financial assets/(liabilities)		**914,182**	**351,656**	**(581,299)**	**684,539**

(ii) Credit risk

The carrying amount of financial assets included within the balance sheet approximates the Fund's maximum exposure to credit risk in relation to these assets.

(iii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities.

(iv) Net fair value

The members consider the carrying amount of financial assets and liabilities approximates their net fair value.

15. Contingent Liabilities and Contingent Assets

The members are not aware of any contingent assets or liabilities that have not been recognised as at the balance sheet date.

16. Overdraft Facility

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 $1.2 million granted to Sydney Diocesan Secretariat.

At balance date Sydney Diocesan Secretariat made available overdraft facilities with limits of $1 million to the Glebe Administration Board and $100,000 to Sydney Church of England Finance & Loans Board through current accounts with the Secretariat.

17. Reconciliation of surplus from ordinary activities to the net cash flow from operating activities

	2005 $	2004 $
Surplus from ordinary activities	414,860	84,069
Depreciation	485,080	537,139
Loss on sale of plant and equipment	48,777	9,961
Fair value adjustment to investments	(210,170)	(35,432)
Adjustment to plant and equipment	-	(2,543)
Changes in assets and liabilities		
(Increase) in receivables	(558,402)	(35,482)
(Decrease)/increase in trust funds	(407,867)	478,989
Increase/(decrease) in payables	442,169	(64,754)
Increase in provisions	315,593	335,526
Net cash inflow from operating activities	**530,040**	**1,307,473**

18. Related Party Transactions

Ultimate control vests with Synod through the sanctioning of governing Ordinances. The transactions between Diocesan Funds are carried out on a commercial basis. The nature of transactions is disclosed in the financial statements.

The following persons held office as members of the Secretariat during the year:

Canon B A Ballantine-Jones OAM	Mr N Lewis
Mr P R Berkley	Mr D McDonald AO
Mr P P Driscoll	Mr I C Miller
Rt Rev R C Forsyth	Mr W H Olson AM
Dr S E Judd	Dr L A Scandrett
Mr R H Y Lambert	Mr P Shirriff

Included in the receivable account in the balance sheet are amounts due from related entities. These are receivable from the Glebe Administration Board (CF 0010) - $300,000; Sydney Diocesan Synod Fund (CF 0130) - $55,741; CPT Moorebank Account - Clergy Removals (CF 0386) - $50,277; and Clergy Benefits Fund (CF 0952) - $174,090. These amounts were subsequently settled in 2006.

Key management personnel are the four executives with the greatest authority for the strategic direction and management of the Secretariat. Total compensation payable to key management personnel for the financial year comprised short-term benefits amounting to $866,000 (2004: $849,000), and other long term benefits amounting to $150,000 (2004: $65,000).

19. Remuneration of Auditors

	2005 $	2004 $
(a) Assurance services		
Audit services		
- audit and review of financial reports and other audit work under the Corporations Act 2001	343,848	496,108
Total remuneration for audit services	**343,848**	**496,108**
Other assurance services		
- IFRS accounting services	27,500	-
- audit and review of financial reports and other audit work for other entities	21,000	33,900
Total remuneration for other assurance services	**48,500**	**33,900**
Total remuneration for assurance services	**392,348**	**530,008**
(b) Taxation services		
Tax compliance services, including		
- preparation, review and lodgement of income tax returns for related entities	16,670	-
- advice on the treatment of goods and services tax (GST) on certain taxable supply transactions	10,000	53,100
Total remuneration for taxation services	**26,670**	**53,100**
(c) Advisory services		
For services rendered, including		
- property asset portfolio restructure for the New Capital Project	95,463	78,831
- other services in the normal or incidental to the operation of the Secretariat	4,000	-
Total remuneration for advisory services	**99,463**	**78,831**

The Sydney Diocesan Secretariat is responsible for the payment of audit fees of various entites and recovers this through the accounting and secretarial services levied on those entities.

The audit fee for the year specific to the Secretariat is $18,800 (2004: $17,000).

20. Events occurring after reporting date

The members are not aware of any events occurring after reporting date that impact on the financial statements as at 31 December 2005.

The financial report was authorised for issue on 22 March 2006 by the members.

21. First time adoption of Australian equivalents to AIFRS

The adoption of AIFRS has not resulted in any material adjustments to the income statement.

Statement by the Members

The members of the Sydney Diocesan Secretariat declare that the financial statements and notes set out on [pages 273 to 287]:

(a) comply with Australian Accounting Standards and other mandatory professional reporting requirements;

(b) gives a true and fair view of the Secretariat's balance sheet as at 31 December 2005 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the members' opinion there are reasonable grounds to believe that the Secretariat 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.

R H Y Lambert
L A Scandrett
Members 22 March 2006