Melbourne Anglican Trust Corporation

ABN 82 862 724 352

Aggregated Financial Report - 31 December 2025

Melbourne Anglican Trust Corporation
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31 December 2025

Melbourne Anglican Trust Corporation
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	2025 $	2024 $
Income			
Income from operations	7	18,378,122	28,432,556
Other income	8	41,555,310	40,770,968
Share of net profit from investment accounted for using the equity method	14	385,514	386,057
Expenses			
Salaries, stipends and on-costs	6	(51,570,898)	(49,845,036)
Insurance premium expense		(5,418,223)	(2,794,914)
Depreciation and amortisation expense		(1,172,411)	(638,277)
Impairment of assets classified as held for sale		(1,066,504)	(294,300)
Legal fee settlements (excluding redress)		(250,000)	(7,000,000)
General and administration expenses		(5,293,935)	(6,731,911)
Grant expense - wider church and parishes		(325,378)	(664,502)
Rental expenses		(25,700)	(13,200)
Contributions to theological colleges		(200,000)	(200,000)
Management fee expense		(676,915)	(620,884)
Finance costs	9	(1,778,866)	(1,568,296)
Operating loss		(7,459,884)	(781,739)
Net gain/(loss) on properties disposed during the year	10	3,670,971	(34,034)
Gain/(loss) on financial assets at fair value through profit or loss	13	(1,125,305)	700,830
Professional standards and redress expense	23	(17,900,000)	(460,000)
Loss on disposal of investments		(19,936)	-
Deficit from continuing operations		(22,834,154)	(574,943)
Surplus from discontinued operations		-	1,316,260
Surplus/(deficit) for the year attributable to the members of Melbourne Anglican Trust Corporation		(22,834,154)	741,317
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on the revaluation of land and buildings		26,754,406	(131,000)
Other comprehensive income for the year		26,754,406	(131,000)
Total comprehensive income for the year attributable to the members of Melbourne Anglican Trust Corporation		3,920,252	610,317

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Melbourne Anglican Trust Corporation
Statement of financial position
As at 31 December 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	11	25,247,418	14,838,710
Trade and other receivables	12	8,224,939	8,027,022
Prepayments		5,498,515	5,534,938
		38,970,872	28,400,670
Non-current assets classified as held for sale	17	17,375,000	17,165,589
Total current assets		56,345,872	45,566,259
Non-current assets			
Trade and other receivables	12	17,543,935	18,869,515
Financial assets at fair value through profit or loss	13	52,268,939	58,104,929
Investment in associate	14	23,269,817	23,269,817
Property, plant and equipment	15	113,820,317	99,674,676
Right-of-use assets	16	2,146,857	2,385,396
Total non-current assets		209,049,865	202,304,333
Total assets		265,395,737	247,870,592
Liabilities			
Current liabilities			
Trade and other payables	18	10,708,636	19,894,923
Borrowings	20	66,226,048	58,860,004
Lease liabilities	19	233,991	219,413
Employee benefits	21	4,414,043	4,302,628
Provisions	23	5,700,000	6,000,000
Total current liabilities		87,282,718	89,276,968
Non-current liabilities			
Lease liabilities	19	2,527,622	2,761,612
Employee benefits	21	262,124	328,991
Provisions	23	47,400,000	31,500,000
Total non-current liabilities		50,189,746	34,590,603
Total liabilities		137,472,464	123,867,571
Net assets		127,923,273	124,003,021
Equity			
Asset revaluation reserve	22	85,792,019	59,037,613
Retained surplus		42,131,254	64,965,408
Total equity		127,923,273	124,003,021

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

Melbourne Anglican Trust Corporation
Statement of changes in equity
For the year ended 31 December 2025

	Asset revaluation reserve $	Retained surplus $	Non-controlling interest $	Total equity $
Balance at 1 January 2024	59,168,613	64,224,091	7,132,641	130,525,345
Surplus for the year	-	741,317	-	741,317
Other comprehensive income for the year	(131,000)	-	-	(131,000)
Total comprehensive income for the year	(131,000)	741,317	-	610,317
Transactions with members in their capacity as members:				
Closure of Yield Fund (note 4)	-	-	(7,132,641)	(7,132,641)
Balance at 31 December 2024	59,037,613	64,965,408	-	124,003,021

	Asset revaluation reserve $	Retained surplus $	Non-controlling interest $	Total equity $
Balance at 1 January 2025	59,037,613	64,965,408	-	124,003,021
Deficit for the year	-	(22,834,154)	-	(22,834,154)
Other comprehensive income for the year	26,754,406	-	-	26,754,406
Total comprehensive income for the year	26,754,406	(22,834,154)	-	3,920,252
Balance at 31 December 2025	85,792,019	42,131,254	-	127,923,273

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

Melbourne Anglican Trust Corporation
Statement of cash flows
For the year ended 31 December 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from operations (inclusive of GST)		49,188,993	65,251,097
Payments in course of operations (inclusive of GST)		(70,856,906)	(58,660,688)
Grants received		1,526,462	2,647,846
Interest received		3,560,713	1,502,322
Interest portion of lease liabilities paid		(185,865)	(199,520)
Interest paid on borrowings		(1,665,919)	(1,307,865)
Payments for professional standards	23	(2,300,000)	(2,060,000)
Net cash (used in)/from operating activities		(20,732,522)	7,173,192
Cash flows from investing activities			
Proceeds from the sale of financial assets	13	23,501,352	11,327,405
Purchase of financial assets	13	(18,790,667)	(15,546,065)
Proceeds from disposal of property, plant and equipment		22,536,389	6,269,709
Purchase of property, plant and equipment	15	(6,414,063)	(13,120,493)
Distribution from associate received		619,010	958,647
Distribution received from Investments		1,111,260	1,719,915
Distribution paid		-	(1,360,975)
Net cash from/(used in) investing activities		22,563,281	(9,751,857)
Cash flows from financing activities			
Net (repayments of)/proceeds from borrowings		(440,652)	304,291
Payment of principal portion of lease liabilities		(219,413)	(510,033)
Proceeds from applications by unitholders		-	2,867,501
Redemptions paid		-	(8,654,187)
Loan advances		(1,251,713)	(6,020,706)
Loan repayments received		3,143,621	8,036,073
Investments received		24,338,916	59,657,411
Withdrawals from accounts		(16,992,810)	(49,386,168)
Net cash from financing activities		8,577,949	6,294,182
Net increase in cash and cash equivalents		10,408,708	3,715,517
Cash and cash equivalents at the beginning of the financial year		14,838,710	11,123,193
Cash and cash equivalents at the end of the financial year	11	25,247,418	14,838,710

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

Note 1. General information

The Anglican Diocese of Melbourne ("ADOM" or "the Diocese") was founded in 1847. The Diocese comprises the unincorporated association of its members and two main legal entities, being the Melbourne Anglican Trust Corporation ("MATC") and the Melbourne Anglican Diocesan Corporation ("MADC").

MATC is a body incorporated under the Anglican Trusts Corporations Act 1884 ("1884 Act") of the Victorian Parliament. The 1884 Act provides for the formation in each Anglican Diocese in the Province of Victoria of a corporate body of trustees to hold property on behalf of the Church in each Diocese. MATC was established in 1886 by legislation of the Synod of ADOM in accordance with the 1884 Act.

The relevant Synod legislation governing ADOM's entities includes:

- Melbourne Anglican Trust Corporation - Melbourne Anglican Trust Corporation Act 2018; and
- Melbourne Anglican Diocesan Corporation - Melbourne Anglican Diocesan Corporation Act 2015.

This legislation, in conjunction with the Archbishop in Council Act 2018 and the Financial Governance Act 2018, establishes the relationship between the entities and their nexus of control under the Archbishop in Council.

Section 8(1)(a) of the Melbourne Anglican Trust Corporation Act 2018 requires the Trustees to deal with property held subject to express or special trusts in accordance with those trusts. Section 8(1)(b) provides that the Trustees are to "deal with all property so far as the same is not subject to any express trusts or special trusts in such manner as the Archbishop in Council may from time to time direct concerning the same". All Church assets and other property within the Diocese, with a few exceptions, are vested in the MATC.

The MATC acts in accordance with the provisions of the 1884 Act and the Acts of the Synod of the Diocese; under the direction of Archbishop in Council. Any two of MATC's Trustees (provided for under s5 of the MATC Act 2018) meeting together for that purpose are authorised by resolution of the MATC to affix the Seal of MATC to documents necessary to be impressed therewith.

ADOM (ABN 79 866 748 591) is the operational arm of Melbourne Anglican Trust Corporation.

The financial statements aggregate the Melbourne Anglican Trust Corporation and its unincorporated associations and special purpose vehicles (together referred to as the "Group") as at 31 December 2025. All unincorporated associations and special purpose vehicles have a reporting date of 31 December.

The financial statements aggregate all of the following unincorporated associations and special purpose vehicles:

- Melbourne Anglican Trust Corporation (MATC)
- Anglican Development Fund (ADF) - (Unincorporated Association)
- Anglican Diocese of Melbourne (ADOM) - (Unincorporated Association)
- Melbourne Anglican Diocesan Corporation Ltd (MADC) - (Special Purpose Vehicle)

The aggregated financial statements of MATC have been prepared for the purpose of complying with the financial reporting requirements under the Corporations Act 2001 applicable to Australian Financial Services Licence holders, as the AFSL is held in the name of MATC.

MATC is incorporated and domiciled in Australia. Its registered office and principal place of business are:
The Anglican Centre
209 Flinders Lane
Melbourne, Victoria, Australia

The ADF is a charitable trust of which Melbourne Anglican Trust Corporation (MATC) is the trustee. The principal activity of the ADF is to provide finance for vicarages, churches and associated facilities. The finance necessary for such loans is derived from investments, gifts and bequests from parishioners, parish councils and other church organisations.

The MADC is the corporate body legally accountable for those appointed to a prescribed role or position in the Church, within the Diocese of Melbourne. The principal activity of the entity was to appoint or employ, staff to provide the functions of the Anglican Diocese of Melbourne and its parishes.

Melbourne Anglican Trust Corporation holds an Australian Financial Services Licence in line with section 913B of the Corporations Act 2001 and as at 31 December 2025 has met the appropriate financial conditions of the licence.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These financial statements have been prepared on an aggregated basis and include entities under common control. They are general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012, and the Financial Governance Act 2018 of the Synod. Melbourne Anglican Trust Corporation is a not-for-profit entity for the purposes of preparing these financial statements.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Critical accounting estimates
The preparation of the financial statements 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principals of aggregation
The parishes of the Anglican Diocese of Melbourne are not considered aggregated entities for the purposes of these aggregated financial statements. Accordingly, the assets and liabilities of the parishes have not been recognised in the aggregated statement of financial position of the Group.

All transactions and balances between the Group companies are eliminated on aggregation, including unrealised gains and losses on transactions between the Group companies. Where unrealised losses on intra-group asset sales are reversed on aggregation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of controlled entities have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the corporation. Losses incurred by the corporation are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Investments in associates
Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method.

Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment.

Note 2. Material accounting policy information (continued)

The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Other income
Revenue comprises revenue as recharges from rendering services.

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for services provided.

Revenue is recognised when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised. Details of the activity-specific recognition criteria are described below.

Payroll and on costs service recharge income
Fees charged for services provided are recognised over the period of time in which the services are performed.

All other revenue is recognised when the related performance obligation has been satisfied in accordance with the applicable standard.

Income from operations
The Group recognises income in accordance with AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers. Under AASB 1058, the timing of income recognition depends on whether the receipt of an asset gives rise to a liability or other performance obligation at the date of receipt.

Income is recognised under AASB 1058 where:
- an asset is received by the Group, including by way of grants, bequests or donations;
- no consideration is transferred, or the consideration transferred is significantly less than the fair value of the asset received; and
- the transfer is principally intended to enable the Group to further its objectives.

Where the receipt of an asset gives rise to a liability or other performance obligation, income is deferred and recognised over the period in which the Group satisfies that obligation. Where no such obligation exists, income is recognised immediately. Where a transfer of a financial asset enables the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group, the Group recognises a liability for the excess of the fair value of the transfer received over any related amounts recognised.

Related amounts recognised may include:
- contributions by owners;
- revenue or contract liabilities recognised under AASB 15;
- lease liabilities recognised in accordance with AASB 16 Leases;
- financial instruments recognised in accordance with AASB 9 Financial Instruments; and
- provisions recognised in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

This liability is recognised as income over the period in which the Group satisfies the associated performance obligation. If a transfer does not enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group, any excess of the initial carrying amount of the asset received over the related amounts recognised is recognised as income immediately.

The Group may elect to recognise volunteer services received at fair value as income where the fair value can be reliably measured and the recognition criteria for an asset are met; otherwise, the value of volunteer services received is recognised as an expense.

Distribution income
Distributions are recognised as income when the right to collection is established.

Note 2. Material accounting policy information (continued)

Interest income
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Parish assessment income
Income as contribution from parishes is recognised when it is received or when the right to receive contribution is established.

Diocesan management fee income
Income as management fee charged to other entities of the Diocese is recognised when it is received or when the right to receive contribution is established.

Insurance premium income
Income as insurance contribution paid by parishes is recognised when it is received or when the right to receive contribution is established.

Donation and bequest income
Donations and bequests are recognised at a point in time only when the Diocese gains control of the funds or assets and when the funds or assets do not give rise to an obligation.

Rental income
Rental income from investment properties is recognised over-time on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Grant income
Income is recognised once there is reasonable assurance that the Diocese will comply with the conditions attaching to the grant and that the grant will be received.

Other income from operations
Other income is recognised when performance obligations are fulfilled.

Going concern
The Group's financial statements have been prepared on a going concern basis which contemplates the continuity of normal operations and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group has a working capital (current assets less current liabilities) deficiency of $30,936,846 (2024: $43,710,709) at balance date, operating cash outflow of $20,732,522 (2024: (inflows) $7,173,192) and a total comprehensive income of $3,920,252 (2024: $610,317).

The working capital deficiency primarily arises from balances relating to the Anglican Development Fund that are aggregated within the Group. Such deficiencies are common for institutions that provide balance-sheet-based financial services and result from the classification of all interest-bearing liabilities as current in accordance with applicable accounting standards. At balance date, approximately $0.166 million (0.25%) of customer interest-bearing liabilities had contractual maturity dates extending beyond 12 months (2024: $1.8m or 3%).

Notwithstanding the working capital deficiency, the Archbishop in Council has assessed the Group's ability to continue as a going concern and is satisfied that the Group will be able to meet its obligations as and when they fall due. This assessment is supported by the Group's strong net asset position of $127,923,273, including $52,268,939 of financial assets. These financial assets primarily comprise investments in managed funds measured at fair value. While classified as non-current assets due to the Group's business model, these investments can be readily converted to cash in the short term if required (refer note 13).

Accordingly, the Archbishop in Council believes the going concern basis of preparation is appropriate.

Note 2. Material accounting policy information (continued)

Should the Group be unable to continue as a going concern, it may be required to realise its assets and settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability or classification of asset carrying amounts, or to the amount or classification of liabilities, that might be necessary if the Group were unable to continue as a going concern

Income Tax

The Melbourne Anglican Trust Corporation is an income tax exempt registered charity under Subdivision 50B of the Income Tax Assessment Act 1997 and accordingly, does not account for income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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. The Group uses one central bank account for the financial administration of all funds excluding the Anglican Funds under the Diocese's control. Diocesan funds represent the portion of the actual bank balance attributable to each respective operational fund. Amounts due or payable between funds are included in receivables or payables respectively. For the purpose of the Statement of Cash Flows, cash includes the investment in short-term, highly liquid Diocesan funds, which are readily convertible to known amounts of cash and are subject to an immaterial risk of changes in value. This includes investments in the Anglican Development Fund.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

All trade receivables are recognised initially at fair value and subsequently measured at amortised cost less any impairment allowance at the amount equal to the expected life time credit losses.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Note 2. Material accounting policy information (continued)

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Financial instruments

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

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

Classification and subsequent measurement of financial assets
All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:
- The entity business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

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

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

Financial assets at fair value through profit or loss
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets, whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 2. Material accounting policy information (continued)

Impairment of financial assets
AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. The Diocese makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

Property, plant and equipment
Land and buildings are measured at fair value, based on periodic valuations performed by independent external valuers, with valuations undertaken at least every five years. Buildings are subsequently depreciated. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount.

Revaluation increments for land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that they reverse a revaluation decrement previously recognised in profit or loss, in which case the increase is recognised in profit or loss. Revaluation decrements are recognised in profit or loss, except to the extent that they reverse a previous revaluation increment for the same asset, in which case the decrease is recognised in other comprehensive income and reduces the asset revaluation reserve.

Land is not depreciated. Buildings are depreciated on a straight-line basis over their estimated useful lives.

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

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Diocese and the cost can be measured reliably. All other repairs and maintenance expenditure is recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis to write off the cost or revalued amount of each item of property, plant and equipment (excluding land) over its estimated useful life as follows:

Buildings	25 years
Plant and equipment	3-5 years
Leasehold improvements	10-15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal of property, plant and equipment are determined by comparing disposal proceeds with the carrying amount and are recognised in profit or loss. When revalued assets are disposed of, the related balance in the asset revaluation reserve is transferred directly to retained earnings.

Donated assets, including properties gifted to the Diocese, are recognised at fair value at the date control is obtained. The resulting gain is recognised in profit or loss and other comprehensive income.

Note 2. Material accounting policy information (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

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

Note 2. Material accounting policy information (continued)

Other long-term employee benefits
The Group's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any remeasurements arising from experience, adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 3. Significant management judgement in applying accounting policies and estimation uncertainty

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

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

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Provision for uninsured claims and professional standards
The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation or arbitration. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, to quantify the possible range of the financial settlement. As a result of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Note 3. Significant management judgement in applying accounting policies and estimation uncertainty (continued)

Basis of aggregation for accounting purposes
Management has exercised significant judgement in determining the entities to be included in the aggregated financial statements. The parishes of the Anglican Diocese of Melbourne are not aggregated for the purposes of presentation in these financial statements, as management responsibility for parish operations rests with the Churchwardens and Parish Councils at the local level.

From time to time, Churchwardens and Parish Councils may request the Trustees to assume full ownership responsibility for property that is no longer being used by a parish or in circumstances where a parish is closing. Where such requests are agreed by mutual consent, the property becomes Diocesan property and is recognised in the financial statements of the Melbourne Anglican Trust Corporation.

Conversely, the Melbourne Anglican Trust Corporation may, from time to time, transfer assets to the control of parishes. In such circumstances, the transfer of control is treated as a disposal in the financial statements.

Note 4. Restatement of comparatives

Prior period reclassification – closure of Yield Fund
During the prior financial period, the Group ceased to have control over its managed investment fund, the Yield Fund, following its closure.

An adjustment has been made to the prior year comparatives, to correct a misclassification between profit and loss and retained earnings. The adjustment has resulted in an increase in gain or loss from discontinued operation (in profit or loss) of $7,132,641, and an offsetting decrease in retained earnings. The correction has no impact on the Group's cash flows or total net assets and has been applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Note 5. Financial risk management

Risk management for the Group is governed by the Finance Committee as approved by the Archbishop in Council. The Committee has written principles for overall risk management, as well as written policies covering specific areas, such as interest rate and credit risk. The Committee utilises the assistance of independent asset consultants.

Market risk
Price risk
The Group is exposed to equity securities price risk. This arises from investments held by the Group as fair value through profit or loss financial assets. The portfolio consist of conventional and hybrid interest bearing corporate securities. Consequently the Group is indirectly exposed to credit risk associated with a debt issuer, and price risk as a consequence of interest rate and market risks arising either directly or as a result of movement in the value of the underlying common stock in the case of hybrid debt.

Foreign exchange risk
Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Anglican Funds invests in international equities and, consequently the Group is indirectly exposed to foreign exchange risk arising from currency exposures.

Credit risk
Credit risk arises from cash and cash equivalents, investments and deposits with banks and financial institutions, as well as credit exposures to parishes, including outstanding receivables and committed transactions. The Group only deals with credit worthy financial institutions. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Group's Committee under the authority of the Archbishop in Council. The utilisation of credit limits are regularly monitored by the management.

Note 5. Financial risk management (continued)

There is one loan which exceed 15% of the total of loans outstanding to the Anglican Development Fund (ADF) at 31 December 2025, however, is less than 10% of the total deposit base. This loan is to support the ownership of the Mt Ridley Homestead site on which Hume Anglican Grammar School's campus at Mickleham is located. Title to the land is held by Melbourne Anglican Trust Corporation (MATC) and is under the control of Archbishop in Council directly, which has powers to sell the land to repay the loan in the event of default. The second loan is to a significant inner-city parish and financed a rebuild of their church and Christian education centre. This loan is supported by the MATC guarantee in the event of default. As previously noted, the Group has policies in place to ensure that services that are made to parishes are of an appropriate credit quality. The financial assets measured at fair value through profit or loss represent internal investments in the Anglican Funds. The maximum exposure to credit risk at the reporting date is the carrying amount of financial assets. The Group has policies in place that limit the amount of credit exposure to each counter party.

The Group also maintains a capital adequacy ratio of 10% of risk weighted assets. The purpose is to recognise and maintain sufficient capital in relation to the size of each asset allocation to manage credit risk both directly and underlying in the Anglican Funds, as well as market risk and other risks inherent in these funds.

Liquidity risk

Liquidity risk is the risk that the Group will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. The risk management processes adopted are designed to minimise liquidity and cash flow risk through (i) ensuring that there is no significant exposure to liquid financial instruments, and (ii) applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet demands as and when due. All liquidity requirements are monitored on a daily basis. Additional requirements can be accessed in the short term.

Cash flow and fair value inherent risk

Cash flow is the risk that the future cash flows derived from holding financial instruments will fluctuate. Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group holds interest-bearing assets, which income is dependent on changes in market interest rates as embodied in investments in the underlying funds. Due to its objectives it is the policy of the Group not to hedge these exposures.

The interest-rate risk in the Group arises from long-term loans to parishes at fixed interest rates and interest bearing investments that can be called on demand or for fixed periods. Other investments, some of which are influenced by underlying market prices, have components of interest rate risk exposure. As the Group is an investor in the Anglican Funds, the risks inherent in these funds are underlying risks to which the Group is exposed. The maturity gap between assets and liabilities is recognised.

Note 6. Salaries, stipends and on-costs

	2025 $	2024 $
Payroll and on costs	44,684,386	43,656,761
Superannuation	5,160,980	4,776,386
Other payroll related costs	1,725,532	1,411,889
	51,570,898	49,845,036

Note 7. Income from operations

	2025 $	2024 $
Distribution income	902,374	355,052
Interest income	3,254,314	1,788,585
Parish assessment income - over time	4,910,725	4,902,119
Diocesan management fee income - over time	1,490,721	1,673,054
Insurance premium income	4,191,542	4,961,134
Donations and bequest income	843,924	586,321
Rental income	850,930	894,130
Grant income	1,046,015	1,922,758
Property donation income	-	10,415,000
Other income from operations	887,577	934,403
	18,378,122	28,432,556

Note 8. Other income

	2025 $	2024 $
Payroll and on costs service recharge	41,555,310	40,770,968

Note 9. Finance costs

	2025	2024
Finance costs from borrowings	1,593,001	1,368,776
Finance costs from lease liabilities	185,865	199,520
	1,778,866	1,568,296

Note 10. Net (gain)/loss from gifted and disposed properties

	2025 $	2024 $
(Gain)/Loss on properties disposed during the year	(3,670,971)	34,034

Note 11. Cash and cash equivalents

	2025 $	2024 $
Current assets		
Cash at bank	4,057,134	2,501,401
Investment in cash managed funds	21,190,284	12,337,309
	25,247,418	14,838,710

Investment in cash managed funds are highly liquid Investments with original maturities of three months or less.

Note 12. Trade and other receivables

	2025 $	2024 $
Current assets		
Amounts due from parishes and other related entities (a) (note 26)	6,825,823	6,512,889
Less: Allowance for expected credit losses	(271,638)	(343,045)
	6,554,185	6,169,844
Net property proceeds and capital works receivable (note 26)	31,323	259,167
Accrued distribution income (b)	1,432,040	1,339,426
Other receivables	207,391	258,585
	8,224,939	8,027,022
Non-current assets		
Loans receivable from Parishes (c) (note 26)	14,178,241	15,721,914
Loans receivable from other corporate entities (c)	1,303,562	1,206,998
Car loans receivable (c)	1,080,723	1,084,870
Amounts due from parishes and other related entities (c) (note 26)	981,409	855,733
	17,543,935	18,869,515

(a) Amounts due from parishes and other related entities primarily pertain to the collection of parish assessments and insurance contributions.

The allowance for expected credit losses of $271,638 (2024: $343,045) represents management's estimate of the impairment loss under the expected credit loss model in accordance with AASB 9 Financial Instruments. The Group's exposure to credit risk relating to amounts dues from parishes and other related entities is influenced mainly by the individual characteristics of each parish and related party.

The Group has no significant exposure to long aged receivables at 31 December 2025 and has sufficient measures in place to mitigate the risk of unrecoverable amounts due from parishes and other related entities. Bad debts written-off during the year amount to $0 (2024: $0), management consider that an impairment allowance of $271,638 (2024: $343,045) is sufficient as at 31 December 2025.

(b) Distribution income has been accrued on the basis the distribution can be reliably measured and there existed a commitment from the investment fund at year-end to subsequently declare and pay a distribution in relation to profits generated in the financial year. This accrued distribution is excluded from the carrying value of the financial assets as the fair value already includes undistributed profits.

(c) There were 67 unsecured loans provided to parishes and 7 to other corporate Anglican entities (2024: 87 and 12 respectively). Loans to parishes are provided for capital projects including new buildings, renovations, fittings, fixtures and equipment. The loans are provided with average interest rates ranging from 0.00% to 8.44% (2024: 0.00% to 8.44%) and loan terms have a range of terms depending on their purpose and the asset they have funded. Current loan terms vary up to twenty-five years, which is the greatest permitted by the Anglican Development Fund's Constitution.

Note 13. Financial assets at fair value through profit or loss

	2025 $	2024 $
Non-current assets		
Investment in Endowment Fund measured at fair value through profit or loss (note 26)	17,434,724	28,570,359
Investments held in managed funds measured at fair value through profit or loss	34,834,215	29,534,570
	52,268,939	58,104,929

Note 13. Financial assets at fair value through profit or loss (continued)

Reconciliation	2025 $	2024 $
Reconciliation of the fair values at the beginning and end of the financial year are set out below:		
Opening fair value	58,104,929	48,912,813
Additions	18,790,667	15,550,271
Disposals	(23,501,352)	(6,645,379)
(Loss)/gain recognised in profit or loss for the year	(1,125,305)	287,224
	52,268,939	58,104,929

The Yield Fund was closed on 30th September 2024.

The financial assets are in relation to investments held in managed funds that are measured at fair value. These are classified as non-current assets as the Group does not hold these assets for the purpose of 'hold to collect' or ' hold to collect and sell' but can still readily convert them to cash in the short term if required.

Note 14. Investments in associates

	2025 $	2024 $
Non-current assets		
Investment in St Luke's South Melbourne Trust Fund	23,269,817	23,269,817

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2025	2024
Opening fair value	23,269,817	23,269,817
Share profit for the year	385,514	386,000
Distribution paid	(385,514)	(386,000)
Closing fair value	23,269,817	23,269,817

St Luke's South Melbourne Trust Fund is a unit trust held by the Trustees of MATC for the benefit of St Luke's South Melbourne and the Anglican Diocese of Melbourne. The net income of the trust fund is the amount distributed to the beneficiaries of the trust fund, Anglican Diocese of Melbourne (40%) and St Luke's South Melbourne (60%).

Note 15. Property, plant and equipment

	2025 $	2024 $
Non-current assets		
Land and buildings - at fair value	107,641,035	97,528,411
Less: Accumulated depreciation	(263,916)	(1,735,555)
	107,377,119	95,792,856
Plant and equipment - at cost	5,406,993	5,293,318
Less: Accumulated depreciation	(2,265,709)	(1,893,050)
	3,141,284	3,400,268
Work in progress	3,301,914	481,552
	113,820,317	99,674,676

Note 15. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings $	Plant and equipment $	Work in progress $	Total $
Balance at 1 January 2025	95,792,856	3,400,268	481,552	99,674,676
Additions	2,998,475	113,674	3,301,914	6,414,063
Classified as held for sale (note 17)	(17,375,000)	-	-	(17,375,000)
Disposals	(232,404)	-	(481,552)	(713,956)
Revaluation increments	26,754,406	-	-	26,754,406
Depreciation expense	(561,214)	(372,658)	-	(933,872)
Balance at 31 December 2025	107,377,119	3,141,284	3,301,914	113,820,317

Work in progress relates to capital improvements for various Parishes.

Valuations of land and buildings
The basis of the valuation of land and buildings is fair value. The land and buildings are revalued on based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. Valuations are based on current prices for similar properties in the same location and condition.

Note 16. Right-of-use assets

	2025 $	2024 $
Non-current assets		
Buildings - right-of-use	3,816,635	3,816,635
Less: Accumulated depreciation	(1,669,778)	(1,431,239)
	2,146,857	2,385,396

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings $
Balance at 1 January 2025	2,385,396
Depreciation expense	(238,539)
Balance at 31 December 2025	2,146,857

Note 17. Non-current assets classified as held for sale

	2025 $	2024 $
Current assets		
Land and buildings	17,375,000	19,992,388
Impairment of assets held for sale	-	(2,826,799)
	17,375,000	17,165,589

Note 17. Non-current assets classified as held for sale (continued)

Land and buildings classified as held for sale relate to two properties that have been sold during the year, however, settlement occurred subsequent to year-end, and thus, at 31 December 2025, the properties are still under the control of the Diocese.

Reconciliations
The reconciliation of the carrying amount of the non-current asset classified as held for sale at the beginning and end of the current financial year is set out below.

	Non-current assets classified as held for sale – Land and buildings **$**
Balance at 1 January 2025	17,165,589
Transfer of assets from property, plant and equipment (note 15)	17,375,000
Disposals	(17,165,589)
Balance at 31 December 2025	17,375,000

Note 18. Trade and other payables

	2025 **$**	**2024** **$**
Current liabilities		
Trade and other payables	1,399,563	3,359,315
Accrued income	3,466,197	3,055,666
Accrued interest expenses	358,874	5,706,550
Deposits received	-	5,546,825
Other payables	5,484,002	2,226,567
	10,708,636	19,894,923

Note 19. Lease liabilities

	2025 **$**	**2024** **$**
Current liabilities		
Lease liability	233,991	219,413
Non-current liabilities		
Lease liability	2,527,622	2,761,612
Future lease payments		
Future lease payments are due as follows:		
Within one year	405,278	405,000
One to five years	2,026,389	2,026,000
More than five years	1,215,833	1,621,000
	3,647,500	4,052,000

Note 20. Borrowings

	2025 $	2024 $
Current liabilities		
Interest bearing liabilities (a)	66,226,048	58,860,004

(a) Interest bearing liabilities include:

	2025 $	2024 $
Parish bonus investors (b)	2,294,134	2,474,004
At call: Individual investors (c)	3,269,771	2,967,000
At call: Anglican organisations (c)	27,132,237	11,846,000
At call: Parish investors (c)	17,841,583	24,999,000
Fixed term: Individual investors (d)	7,794,288	8,472,000
Fixed term: Anglican organisations (d)	1,587,554	971,000
Fixed term: Parish investors (d)	6,306,481	7,131,000
	66,226,048	58,860,004

(b) Parish bonus liability funds are unsecured and repayable on demand. There is no fixed term. The funds bear annual floating interest rates of between 0.00% and 1.40% (2024: 0.00% and 1.40%).

(c) At call liability funds are unsecured and repayable on demand. There is no fixed term. The funds bear annual floating interest rates of between 0.00% and 4.1% (2024: 0.00% and 4.60%). For accounts held by non-affiliate individuals, investors are required to give a minimum of 31 days' notice of the withdrawal of funds in order to comply with the regulation required by ASIC.

For accounts held by non-affiliate individuals, investors are required to give a minimum of 31 days' notice of the withdrawal of funds in order to comply with the regulation required by ASIC.

(d) Fixed term liability funds are unsecured and repayable on maturity. The terms are fixed periods ranging from 3 months to 24 months. The funds bear annual fixed interest rates of between 0.75% to 4.10% (2024: 0.85% and 4.10%). Existing term investments entered into in earlier years, which still have a balance at year end, bear annual fixed interest rates up to 4.10%.

Note 21. Employee benefits

	2025 $	2024 $
Current liabilities		
Annual leave	2,999,173	3,100,814
Long service leave	1,414,870	1,201,814
	4,414,043	4,302,628
Non-current liabilities		
Long service leave	262,124	328,991

Note 22. Asset revaluation reserve

	2025 $	2024 $
Asset revaluation reserve	85,792,019	59,037,613

Note 22. Asset revaluation reserve (continued)

Movements in reserves
Movements in each class of reserve during the current financial year are set out below:

	Asset revaluation reserve $
Balance at 1 January 2025	59,037,613
Net increase arising from the revaluation of land and buildings recognised in other comprehensive income	26,754,406
Balance at 31 December 2025	85,792,019

Note 23. Provisions

	2025 $	2024 $
Current liabilities		
Professional standards	5,700,000	6,000,000
Non-current liabilities		
Professional standards	47,400,000	31,500,000

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2025	Professional standards $
Carrying amount at the start of the year	37,500,000
Additional provisions recognised	17,900,000
Claims settled	(2,300,000)
Carrying amount at the end of the year	53,100,000

Note 24. Contingencies and commitments

The Diocese is subject to survivor claims and professional standards matters arising from its activities. The legal obligation to settle these claims rests with a related legal entity, Melbourne Anglican Diocesan Corporation Ltd (MADC), which holds and recognises the provision for such claims, as the Diocese is not a separate legal entity.

Melbourne Anglican Diocesan Corporation Ltd ("MADC") currently has potential claims for redress arising from alleged child sexual abuse. These matters include: participation in the National Redress Scheme established by the Commonwealth Government in response to the Royal Commission into Institutional Responses to Child Sexual Abuse; claims administered through the Kooyoora Independent Redress Scheme, operated by Kooyoora Pty Ltd; and civil legal proceedings in which MADC is named as the respondent in relation to matters involving the Anglican Diocese of Melbourne.

The estimation of survivor claims and professional standards exposures is based on an independent actuarial valuation prepared by an external actuarial expert. The valuation reflects reported but unsettled claims, historical claims experience and other relevant assumptions. The actuarial assessment and underlying assumptions are reviewed annually and updated as necessary to reflect current information and experience.

In December 2025, an actuarial assessment was undertaken by Finity Consulting Pty Ltd (Finity), which resulted in the liability being reassessed in the current period and adjusted to $53.1m from $37.5m in the prior period with $2.3m in settlement payments made.

Note 24. Contingencies and commitments (continued)

As part of this assessment, Finity provided an estimate of timing of net cash outflows. Discounting was applied to these cash outflows and therefore provision balances are shown at their net present value.

In addition to professional standards, Melbourne Anglican Trust Corporation had contingent liabilities relating to other matters that are or may be subject to legal processes. It is not currently possible to accurately determine whether or to what extent there may be an outflow of funds in relation to these matters.

No capital commitments as at 31 December 2025 (2024: $Nil)

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the parent and its network firms:

	2025 $	2024 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit of the financial statements	147,500	153,000
Other services - Grant Thornton Australia Ltd		
Compilation of financial statements	24,800	32,000
	172,300	185,000

Note 26. Related party transactions

The Group's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel
During the year, remunerations paid for key management personnel, including Archbishop, Assistant Bishops, Registrar and the executive management team are as follows:

	2025 $	2024 $
Wages and salaries	2,408,707	2,023,000

Transactions with related entities
Significant transactions with related parties during the year are as follows:

Note 26. Related party transactions (continued)

	2025 $	2024 $
Transactions with Anglican Funds:		
Income		
Distribution income	1,171,369	2,341,000
Interest income	3,254,314	2,134,000
Diocesan management fees	1,318,521	1,240,000
	5,744,204	5,715,000
Transactions with Parishes, Stipends and other related parties:		
Income		
Diocesan management fees	172,200	174,000
Insurance premiums	4,191,542	4,961,000
Payroll and on costs services recharges	41,555,310	34,949,000
Parish assessments	4,910,725	4,775,000
Gain/(Loss) from acquisition and disposal of properties	3,670,971	(34,034)
	54,500,748	44,824,966
Expenses		
Grants and contributions	(325,378)	(665,000)

Balances with related parties

Balances with related parties at reporting date are as follows:

	2025 $	2024 $
Balances with Anglican Funds:		
Investments (note 13)		
Investment in Endowment Fund at fair value	17,434,583	28,570,000
Receivables (note 12)		
Accrued distribution income	149,229	311,000

	2025 $	2024 $
Balance with parishes, stipends and other related parties		
Receivables (note 12)		
Amounts due from parishes and other related parties	7,807,232	7,368,622
Net property proceeds & capital works receivable	31,323	259,000
Loan receivables	14,178,241	15,722,000
	22,016,796	23,349,622
Borrowings (note 20)		
Anglican organisations	28,719,791	12,817,000
Parish investors	24,148,064	32,130,000
	52,867,855	44,947,000

Note 27. Diocesan managed funds

The Anglican Diocese of Melbourne is the central trust administrator for Diocesan Trust Funds. Operationally, this administration function is performed by the Anglican Funds Team, subject to oversight and approval from the Registrar of the Diocese. Diocesan Trust Funds mostly represent numerous bequests over time, each with varying conditions for the use of the initial capital and the resulting income streams. To the extent the Diocese has ultimate control on the use of such funds, these amounts are recognised as assets of the Diocese (as per the respective Financial assets & Cash and cash equivalents notes). For all other bequests and trust holdings, the asset is recognised by the Anglican entity that is the ultimate beneficiary. This disclosure note has been included in the financial report to report the balances as a whole, of Diocesan Trust Funds at year end.

This note has been included within the aggregated financial statements to provide information on the value of the Diocesan Trust Funds being administered by the Diocese.

	2025 $	2024 $
Anglican Funds		
Endowment Fund	112,546,243	129,436,409

	2025 $	2024 $
Diocesan Trust Funds		
MATC - General (b)	28,402,344	29,205,150
MATC - Parish Specific (b)	36,329,993	36,505,598
	64,732,337	65,710,748
Diocesan Operation Funds		
ADOM (a)	10,817,989	22,258,848
MADC (a)	6,616,735	6,311,646
	17,434,724	28,570,494
Other Managed Funds		
ADF (a)	-	22,813,122
Other Anglican Organisations (b)	8,768,846	13,650,935
Other Parish Funds (b)	21,393,023	21,296,939
Other Anglican Dioceses (b)	217,313	207,293
	30,379,182	57,968,289
	112,546,243	152,249,531

(a): These funds are included in the balance sheet of these aggregated financial statements (note 13).

(b): These funds are not included in the balance sheet of these aggregated financial statements.

Note 28. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Melbourne Anglican Trust Corporation
Archbishop in Council's declaration
31 December 2025

In the Archbishop in Council's opinion:

The financial statements and notes of Melbourne Anglican Trust Corporation are in accordance with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and the Financial Governance Act 2018 of the Synod.

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the attached financial statements and notes give a true and fair view of the parent's and Group's financial position as at 31 December 2025 and of their performance for the financial year ended on that date.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022.*

+ Ric Melbourne

The Most Reverend Dr Ric Thorpe
Archbishop of Melbourne

28 April 2026

The Very Reverend Dr Andreas Lowe
Trustee

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Auditor’s Independence Declaration

To the Archbishop in Council and the Trustees of Melbourne Anglican Trust Corporation

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Melbourne Anglican Trust Corporation for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

CGangemi

C S Gangemi
Partner – Audit & Assurance

Melbourne, 28 April 2026

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Independent Auditor's Report

To the Archbishop in Council and the Trustees of Melbourne Anglican Trust Corporation

Report on the audit of the financial report

Opinion

We have audited the financial report of Melbourne Anglican Trust Corporation (the Group), which comprises of the aggregated statement of financial position as at 31 December 2025, the aggregated statement of profit or loss and other comprehensive income, aggregated statement of changes in equity and aggregated statement of cash flows for the year then ended, and notes to the aggregated financial statements, including a summary of material accounting policies, and the Archbishop in Council's declaration.

In our opinion, the financial report of Melbourne Anglican Trust Corporation has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year then ended; and

b complying with Australian Accounting *Standards AASB 1060 General Purpose Financial Statements -Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

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

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

Responsibilities of the Archbishop and the Trustees for the financial report

The Archbishop and the Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and to meet the requirements of the Acts of Synod and the needs of the Council. This responsibility also includes such internal control as the Archbishop and the Trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Archbishop and the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Archbishop and the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Archbishop and the Trustees are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Archbishop and the Trustees.
- Conclude on the appropriateness of the Archbishop and the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting responsibility under section 60-45(3)(b) of the ACNC Act. Where matters are to be reported, examples 3 and 8 provides guidance.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cgangemi

C G Gangemi
Partner – Audit & Assurance

Melbourne, 28 April 2026