

Melbourne Anglican Trust Corporation

(Anglican Diocese of Melbourne)

Consolidated Financial Report - 31 December 2020

The Anglican Diocese of Melbourne as Parent, the Melbourne Anglican Diocesan Corporation and the Anglican Development Fund (including the Yield Fund), all under the control of Archbishop in Council, are included for the purpose of preparing the consolidated financial statements.

Melbourne Anglican Trust Corporation

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31 December 2020

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Melbourne Anglican Trust Corporation
Consolidated statements of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
Revenue					
Payroll and on costs service recharge	4	20,041,828	30,869,089	-	-
Income from operations	5	14,991,532	16,984,502	12,961,980	15,022,244
Other income	6	15,938,399	-	2,033,625	-
Share of net profit from investment accounted for using the equity method	13	333,589	327,200	333,589	327,200
Expenses					
Salaries, stipends and on-costs		(42,538,368)	(38,151,041)	(8,421,288)	(6,875,081)
Insurance premium expense		(2,590,725)	(2,443,509)	(2,417,012)	(2,334,509)
Depreciation and amortisation expense		(1,234,315)	(973,526)	(1,233,426)	(968,678)
General and administration expenses		(2,660,186)	(3,108,451)	(2,230,300)	(2,291,698)
Grant expense - wider church and parishes		(1,035,021)	(680,775)	(1,035,021)	(680,775)
Rental expenses		(55,359)	(223,927)	(55,359)	(223,927)
Contributions to Theological colleges		(200,000)	(200,000)	(200,000)	(200,000)
Management fee expense (inc. professional standards)		(1,258,907)	(1,114,472)	(1,008,176)	(1,540,565)
Finance costs	7	(943,278)	(1,160,337)	(700,837)	(651,816)
Surplus/(deficit) from operations		(1,210,811)	124,753	(1,972,225)	(417,605)
Contribution from the Anglican Development Fund	8	-	-	6,050,000	-
Net gain from gifted, revalued and disposed properties	9	9,957,129	1,999,725	11,881,505	1,737,572
Changes in fair value of financial assets at FVTPL	12	(1,463,571)	3,277,643	(1,193,596)	2,887,334
Adjustment to redress provision		-	(3,217,175)	-	(3,217,175)
Grants to parishes and other entities		(1,368,613)	(1,151,500)	(1,368,613)	(1,151,500)
Surplus/(deficit) for the year		5,914,134	1,033,446	13,397,071	(161,374)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on the revaluation of land and buildings	2,15	-	36,924,766	-	36,924,766
Other comprehensive income for the year		-	36,924,766	-	36,924,766
Total comprehensive income for the year		<u>5,914,134</u>	<u>37,958,212</u>	<u>13,397,071</u>	<u>36,763,392</u>
Surplus/(deficit) for the year is attributable to:					
Non-controlling interest		26,356	-	-	-
Melbourne Anglican Trust Corporation		5,887,778	1,033,446	13,397,071	(161,374)
		<u>5,914,134</u>	<u>1,033,446</u>	<u>13,397,071</u>	<u>(161,374)</u>
Total comprehensive income for the year is attributable to:					
Non-controlling interest		26,356	-	-	-
Melbourne Anglican Trust Corporation		5,887,778	37,958,212	13,397,071	36,763,392
		<u>5,914,134</u>	<u>37,958,212</u>	<u>13,397,071</u>	<u>36,763,392</u>

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

Melbourne Anglican Trust Corporation
Consolidated statements of financial position
As at 31 December 2020

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
Assets					
Current assets					
Cash and cash equivalents	10	24,307,753	18,203,036	1,781,944	4,066,747
Trade and other receivables	11	9,409,937	5,879,978	3,580,653	2,068,002
Other financial assets	12	14,231,159	7,816,937	-	-
Prepayments		31,782	43,516	31,061	43,520
Total current assets		<u>47,980,631</u>	<u>31,943,467</u>	<u>5,393,658</u>	<u>6,178,269</u>
Non-current assets					
Trade and other receivables	11	18,870,627	27,296,362	-	-
Other financial assets	12	40,632,483	38,131,103	36,323,321	33,790,416
Investments in associates	13	23,269,817	23,269,817	23,269,817	23,269,817
Investment properties	14	-	7,870,000	-	-
Property, plant and equipment	2,15	92,468,500	82,823,586	92,467,263	82,821,461
Right-of-use assets	16	3,084,127	2,701,802	3,084,127	2,701,802
Total non-current assets		<u>178,325,554</u>	<u>182,092,670</u>	<u>155,144,528</u>	<u>142,583,496</u>
Total assets		<u>226,306,185</u>	<u>214,036,137</u>	<u>160,538,186</u>	<u>148,761,765</u>
Liabilities					
Current liabilities					
Trade and other payables	17	3,667,268	3,396,733	5,790,982	5,830,549
Borrowings	19	55,644,674	52,220,837	299,100	299,100
Lease liabilities	18	150,683	120,124	150,683	120,124
Provisions	20	7,207,153	6,804,564	877,180	778,539
Total current liabilities		<u>66,669,778</u>	<u>62,542,258</u>	<u>7,117,945</u>	<u>7,028,312</u>
Non-current liabilities					
Trade and other payables	17	-	-	11,485,758	13,315,000
Borrowings	19	-	-	6,612,224	6,831,836
Lease liabilities	18	3,162,807	2,649,157	3,162,807	2,649,157
Provisions	20	11,742,007	13,486,471	146,248	50,334
Total non-current liabilities		<u>14,904,814</u>	<u>16,135,628</u>	<u>21,407,037</u>	<u>22,846,327</u>
Total liabilities		<u>81,574,592</u>	<u>78,677,886</u>	<u>28,524,982</u>	<u>29,874,639</u>
Net assets		<u>144,731,593</u>	<u>135,358,251</u>	<u>132,013,204</u>	<u>118,887,126</u>
Equity					
Asset revaluation reserve	2	51,457,947	51,457,947	51,457,947	51,457,947
Insurance reserve		889,094	1,160,087	889,094	1,160,087
Retained surpluses		87,653,940	81,766,162	79,666,163	66,269,092
Equity attributable to the members of Melbourne Anglican Trust Corporation		140,000,981	134,384,196	132,013,204	118,887,126
Non-controlling interest		4,730,612	974,055	-	-
Total equity		<u>144,731,593</u>	<u>135,358,251</u>	<u>132,013,204</u>	<u>118,887,126</u>

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

Melbourne Anglican Trust Corporation
Consolidated statements of changes in equity
For the year ended 31 December 2020

Consolidated	Asset revaluation reserve \$	Insurance reserve \$	Retained surplus \$	Non- controlling interest \$	Total equity \$
Balance at 1 January 2019	14,533,181	1,442,902	81,349,938	-	97,326,021
Surplus for the year	-	-	1,033,446	-	1,033,446
Other comprehensive income for the year	36,924,766	-	-	-	36,924,766
Total comprehensive income for the year	36,924,766	-	1,033,446	-	37,958,212
<i>Transactions with members in their capacity as members:</i>					
Movement in Insurance Reserve	-	(282,815)	-	-	(282,815)
Consolidation of Yield Fund	-	-	-	974,055	974,055
Deconsolidation of ANIP	-	-	(617,222)	-	(617,222)
Balance at 31 December 2019	<u>51,457,947</u>	<u>1,160,087</u>	<u>81,766,162</u>	<u>974,055</u>	<u>135,358,251</u>

Other comprehensive income for the period ended 31 December 2019 has been restated. See note 2 for details regarding the correction of the prior period error.

Consolidated	Asset revaluation reserve \$	Insurance reserve \$	Retained surplus \$	Non- controlling interest \$	Total equity \$
Balance at 1 January 2020	51,457,947	1,160,087	81,766,162	974,055	135,358,251
Surplus for the year	-	-	5,887,778	26,356	5,914,134
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	5,887,778	26,356	5,914,134
<i>Transactions with members in their capacity as members:</i>					
Movement in Insurance reserve	-	(270,993)	-	-	(270,993)
Movement in non-controlling interest	-	-	-	3,730,201	3,730,201
Balance at 31 December 2020	<u>51,457,947</u>	<u>889,094</u>	<u>87,653,940</u>	<u>4,730,612</u>	<u>144,731,593</u>

Parent	Asset revaluation reserve \$	Insurance reserve \$	Retained surplus \$	Total equity \$	
Balance at 1 January 2019		14,533,181	1,442,902	67,047,684	83,023,767
Deficit for the year		-	-	(161,374)	(161,374)
Other comprehensive income for the year		36,924,766	-	-	36,924,766
Total comprehensive income for the year		36,924,766	-	(161,374)	36,763,392
Movement in Insurance reserve		-	(282,815)	-	(282,815)
Deconsolidation of ANIP		-	-	(617,218)	(617,218)
Balance at 31 December 2019		<u>51,457,947</u>	<u>1,160,087</u>	<u>66,269,092</u>	<u>118,887,126</u>

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

Melbourne Anglican Trust Corporation
Consolidated statements of changes in equity
For the year ended 31 December 2020

Other comprehensive income for the period ended 31 December 2019 has been restated. See note 2 for details regarding the correction of the prior period error.

Parent	Asset revaluation reserve \$	Insurance reserve \$	Retained surplus \$	Total equity \$
Balance at 1 January 2020	51,457,947	1,160,087	66,269,092	118,887,126
Surplus for the year	-	-	13,397,071	13,397,071
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	13,397,071	13,397,071
Movement in Insurance reserve	-	(270,993)	-	(270,993)
Balance at 31 December 2020	<u>51,457,947</u>	<u>889,094</u>	<u>79,666,163</u>	<u>132,013,204</u>

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

Melbourne Anglican Trust Corporation
Consolidated statements of cash flows
For the year ended 31 December 2020

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
Cash flows from operating activities					
Receipts from course of operations		30,707,354	43,840,844	15,889,923	13,427,320
Payments in course of operations		(53,814,734)	(50,091,625)	(18,770,616)	(17,919,503)
Distributions received		2,153,995	2,462,708	1,252,903	2,040,197
Distributions paid		(81,058)	-	-	-
Grants received		647,108	1,143,440	647,108	1,143,440
Interest received		998,538	1,663,916	35,782	72,211
Interest paid on leases		(261,413)	(182,593)	(261,413)	(182,593)
Interest paid on borrowings		(760,964)	(1,201,282)	(439,424)	(664,459)
JobKeeper received		14,086,349	-	2,033,625	-
Net cash from/(used in) operating activities		<u>(6,324,825)</u>	<u>(2,364,592)</u>	<u>387,888</u>	<u>(2,083,387)</u>
Cash flows from investing activities					
Net payments for financial assets		(10,439,195)	(10,965,418)	(3,726,500)	(3,878,447)
Net cash outflow from the deconsolidation of ANIP		-	(2,487,289)	-	(2,487,289)
Net proceeds from disposal of property, plant and equipment		7,208,366	4,845,979	1,262,743	4,845,979
Net cash inflow from the consolidation of Yield Fund		-	6,676,276	-	-
Distribution from associate received		333,589	327,200	333,589	327,200
Net cash used in investing activities		<u>(2,897,240)</u>	<u>(1,603,252)</u>	<u>(2,130,168)</u>	<u>(1,192,557)</u>
Cash flows from financing activities					
Net grants paid to other funds		-	(1,606,958)	-	(1,590,123)
Net proceeds/(repayments) from loan borrowings		11,614,110	1,159,955	(443,937)	535,013
Payment of principal portion of lease liabilities		(98,586)	(112,641)	(98,586)	(112,641)
Proceeds from applications by unitholders		10,188,893	-	-	-
Redemptions paid		(6,377,635)	-	-	-
Net cash from/(used in) financing activities		<u>15,326,782</u>	<u>(559,644)</u>	<u>(542,523)</u>	<u>(1,167,751)</u>
Net increase/(decrease) in cash and cash equivalents		6,104,717	(4,527,488)	(2,284,803)	(4,443,695)
Cash and cash equivalents at the beginning of the financial year		<u>18,203,036</u>	<u>22,730,524</u>	<u>4,066,747</u>	<u>8,510,442</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>24,307,753</u></u>	<u><u>18,203,036</u></u>	<u><u>1,781,944</u></u>	<u><u>4,066,747</u></u>

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

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 1. General information

The Anglican Diocese of Melbourne ("ADOM" or "the Diocese") was founded in 1847. The Diocese now 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 now 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, 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 main operating entity of the MATC and has been designated as the "Parent" for the purposes of preparing the consolidated financial statements. ADOM includes the following functions for the purpose of preparing the financial statements (noting that the majority of these functions were abolished and merged from 1 January 2019 by Synod legislation in the Financial Governance Act 2018):

- Consolidated Fund (CONS)
- Church Expenses Management Fund (CEMF)
- St James' School Lands Trust (SJSL)
- St Matthew's Church Lands (SMCL)
- Anglican Inner City Missions (AIM)
- Church Extension and Development Fund (CEDF)
- Motor Vehicle Replacement Fund (MVRF)
- Clergy Pensions Augmentation Fund (CPAF)
- Bishopric Endowment Fund (BEF)
- The Bishop of Melbourne Fund (BMF)
- Anglican Fund (AF)
- St Luke's South Melbourne Trust Fund

The Group consists of the Parent and the following controlled entities for the purpose of preparing the consolidated financial statements:

- Anglican Development Fund (ADF)
- Melbourne Anglican Diocesan Corporation Ltd (MADC)
- Yield Fund (YF)

The principal activity of each entity is as follows:

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.

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 1. General information (continued)

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.

The YF is consolidated with the ADF and is enabled by the Anglican Trusts Corporations Act 1884 as the YF operates as a common fund of the Anglican Diocese of Melbourne. The principal activity of the YF is the management of funds on behalf of Anglican Dioceses, agencies and parishes.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

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

Correction of prior period error

During the year, the Diocese undertook valuations of the properties at 120 Clarendon Street, East Melbourne and 401 Mitchell Road, Echuca, for which both of these properties were due to be revalued in the prior year under the Diocese's valuation policy. As such, management has taken up the increase in value as a result of these valuations by restating the 2019 financial statement line items as follows:

Consolidated	As previously reported \$	Amount restated \$	As restated \$
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 (as extracted)			
Other comprehensive income:			
Gain on the revaluation of land and buildings	8,140,440	28,784,326	36,924,766
Consolidated statement of financial position as at 31 December 2019 (as extracted)			
Property, plant and equipment	54,039,260	28,784,326	82,823,586
Asset revaluation reserve	22,673,621	28,784,326	51,457,947
Parent	As previously reported \$	Amount restated \$	As restated \$
Statement of profit or loss and other comprehensive income for the year ended 31 December 2019 (as extracted)			
Other comprehensive income:			
Gain on the revaluation of land and buildings	8,140,440	28,784,326	36,924,766
Statement of financial position as at 31 December 2019 (as extracted)			
Property, plant and equipment	54,037,135	28,784,326	82,821,461
Asset revaluation reserve	22,673,621	28,784,326	51,457,947

Basis of consolidation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. Melbourne Anglican Trust Corporation is a not-for-profit entity for the purpose of preparing the financial statements.

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 2. Significant accounting policies (continued)

The financial statements are prepared in accordance with the historical cost convention, except for certain assets which are at fair value. Unless otherwise stated the accounting policies are consistent with those of the previous year.

The financial statements consolidate those of the MATC and its controlled entities (the Group) as of 31 December 2020. MATC controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All controlled entities have a reporting date of 31 December.

The parishes of the Anglican Diocese of Melbourne are not controlled entities for the purposes of consolidation in the financial statements.

All transactions and balances between the Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between the Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries 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.

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.

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.

Revenue recognition

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.

Income from operations

The Group recognises income with respect to AASB 1058 Income of Not-for-Profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt.

Income under the standard is recognised where:

- an asset is received in a transaction, such as by way of grant, bequest or donation;
- there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and
- where the intention is to principally enable the entity to further its objectives.

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 2. Significant accounting policies (continued)

For transfers of financial assets to the Group which enable it to acquire or construct a recognisable non-financial asset, the Group must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised.

Related amounts recognised may relate to:

- contributions by owners;
- AASB 15 revenue or contract liability recognised;
- lease liabilities in accordance with AASB 16;
- financial instruments in accordance with AASB 9; or
- provisions in accordance with AASB 137.

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

Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Dividend and distribution income

Dividends and distributions are recognised as income when the right to collection is established.

Interest income

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

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 and when the funds do not give rise to an obligation.

Rental income

Rental income is recognised over the lease term.

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

Other income is recognised when performance obligations are fulfilled.

Government grants - Jobkeeper

Government grants relating to JobKeeper payments received from the Federal Government in response to the ongoing COVID-19 pandemic are recognised in the financial statements at their fair values when there is a reasonable assurance that the Group will comply with the requirements and that the grants will be received.

Note 2. Significant accounting policies (continued)

Working capital

The Group's balance sheet shows that current liabilities significantly exceed current assets at year-end. This results from the classification of all interest bearing liabilities as current in accordance with accounting standards. Approximately 5% or \$2.8m of customer interest bearing liabilities have maturity dates beyond 12 months.

The Parent's balance sheet shows that current liabilities significantly exceed current assets at year-end. This is the result of payables due to Melbourne Anglican Diocesan Corporation Ltd for the settlement of professional standards claims.

Based on historic trends in the Group balance sheet, a significant majority of current liabilities are effectively long-term liabilities from a liquidity perspective, whilst in regards to the Parent balance sheet, a significant portion of current liabilities are due to Melbourne Anglican Diocesan Corporation Ltd, a controlled entity within the Group. Accordingly, The Diocesan Council believes the Group and the Parent will be able to continue to pay their debts as and when they fall due.

Cash and cash equivalents

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 Cash 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.

Investments and other financial assets

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

Note 2. Significant accounting policies (continued)

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.

Subsequent measurement financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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.

Investment properties

Investment property represents various parcels of land and buildings principally held for investment purposes. Where investment property is acquired at no cost, the cost measurement at recognition is fair value at the date of acquisition. Subsequent to initial recognition investment properties are valued at fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar lease arrangements.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated amount of the asset.

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Note 2. Significant accounting policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to reserves in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on buildings is recognised on a straight-line basis.

Plant and equipment are recognised on a historical cost basis.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	25 years
Plant and equipment	3-5 years

Depreciation rates are reviewed at least annually and, if necessary, adjusted so that they reflect the most recent adjustments in the useful lives of the respective assets. Depreciation charges are made from the time when a depreciable asset is put into use or held ready for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of profit or loss. When revalue assets are sold, it is the Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Properties gifted to the Diocese are recognised at the fair value on the date of transfer. The gain on properties gifted are presented in the statement of profit or loss.

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).

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.

Note 2. Significant accounting policies (continued)

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.

Provision for professional standards

Liabilities for claim payments are recognised and are measured as the present value of expected future payments to be made in respect of claims reported but not yet settled. The provision is an estimation based on current unsettled reports and prior payment history.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

Liabilities for long service leave are recognised, and are measured as 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 future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national guaranteed securities with terms to match, as closely as possible, the estimated future cash outflows.

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

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Information about estimates and assumptions that have the most significant effect on recognition and measurement of liabilities is provided as below. Actual results may be substantially different.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the corporation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the corporation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Valuation of properties

Valuations, undertaken by third parties, include significant judgement as a result of COVID-19. At the date of the valuation there was material market uncertainty, noted within the valuation reports received, requiring a higher degree of caution to be attached to the valuation.

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

Professional standards

The liability for professional standards is recognised and measured at the present value of the estimated cash flows to be made in respect of potential liability for matters of child sexual abuse pursuing redress.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated 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.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Basis of consolidation for accounting purposes

The parishes of the Anglican Diocese of Melbourne are not deemed to be controlled entities for the purposes of consolidation in the financial statements as management responsibility rests with the Churchwardens at the local level. Church wardens and Parish Councils from time to time do request the Trustees to assume full ownership responsibility of property which is either no longer being used by the parish, or in circumstances where the parish is closing. This is by mutual agreement, and in these cases the property becomes Diocesan Property and is recorded in the financial statements of the Melbourne Anglican Trust Corporation.

Note 4. Payroll and on costs service recharge

Rendering of services over period of time:

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Payroll and on costs	20,041,828	30,869,089	-	-

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Note 5. Income from operations

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Distribution income	1,977,892	2,110,937	1,657,676	1,695,595
Interest income	1,369,519	1,663,916	35,782	72,211
Parish assessment income	3,367,275	4,613,283	3,367,275	4,613,283
Diocesan management fee income	1,849,566	1,554,290	1,849,566	1,554,290
Insurance premium income	3,525,132	3,306,289	3,525,132	3,306,289
Donations and bequest income	844,517	1,030,330	844,517	1,030,330
Rental income	845,715	1,019,605	778,531	866,342
Grant received	647,108	943,440	647,108	1,143,440
Other income from operations	564,808	742,412	256,393	740,464
	<u>14,991,532</u>	<u>16,984,502</u>	<u>12,961,980</u>	<u>15,022,244</u>

Note 6. Other income

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Government grants as JobKeeper payments	<u>15,938,399</u>	<u>-</u>	<u>2,033,625</u>	<u>-</u>

JobKeeper payments have been received during the year from the Federal Government in response to the ongoing COVID-19 pandemic.

Note 7. Finance costs

	Consolidated		Parent	
	2020	2019	2020	2019
Finance costs from borrowings	681,865	977,744	439,424	469,223
Finance costs from lease liabilities	261,413	182,593	261,413	182,593
	<u>943,278</u>	<u>1,160,337</u>	<u>700,837</u>	<u>651,816</u>

Note 8. Contribution from the Anglican Development Fund

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Contribution from the Anglican Development Fund	<u>-</u>	<u>-</u>	<u>6,050,000</u>	<u>-</u>

During the year, the Diocese received a contribution from the Anglican Development Fund ("the Fund") of \$6,050,000 as a repayment of a contribution from the Diocese to the Fund to ensure it had adequate liquidity during the global financial crisis in 2008. There was no expectation that this would be paid back, hence no receivable was recognised, however, given the Fund now has excess liquidity, a decision was approved to contribute this back to the Diocese.

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Note 9. Net gain from gifted, revalued and disposed properties

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
Gain/(loss) on properties disposed during the year:				
8 Stanley Grove, Canterbury	480,000	-	-	-
9 Killeen Avenue, Brighton East	(204,376)	-	-	-
207 Canterbury Road, Heathmont	241,505	-	241,505	-
203-205 Canterbury Road, Heathmont	-	2,600,306	-	2,600,306
25 Donald Street, Highett	-	(916,996)	-	(916,996)
10 Salina Way, Caroline Springs	-	(674,647)	-	-
Others	-	54,262	-	54,262
	<u>517,129</u>	<u>1,062,925</u>	<u>241,505</u>	<u>1,737,572</u>
Gain on properties gifted during the year:				
40 Deans Marsh Lorne Road, Deans Marsh	350,000	-	350,000	-
410 Merrawarp Road, Barrabool	1,325,000	-	1,325,000	-
4-8 Mackie Road, Bentleigh East	5,352,610	-	5,352,610	-
5 Richard Street, Bentleigh East	1,647,390	-	1,647,390	-
402 Kooyong Road, Caulfield South	-	-	2,200,000	-
245 Wilsons Road, Whittington	765,000	-	765,000	-
	<u>9,440,000</u>	<u>-</u>	<u>11,640,000</u>	<u>-</u>
Gain on investment properties revalued during the year:				
8 Stanley Grove, Canterbury	-	435,833	-	-
9 Killeen Avenue, Brighton East	-	500,967	-	-
	<u>-</u>	<u>936,800</u>	<u>-</u>	<u>-</u>
	<u>9,957,129</u>	<u>1,999,725</u>	<u>11,881,505</u>	<u>1,737,572</u>

Note 10. Cash and cash equivalents

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Current assets</i>				
Cash at bank and on hand	4,113,812	2,223,885	1,759,092	528,335
Cash on deposit (Cash fund)	20,193,941	15,979,151	22,852	3,538,412
	<u>24,307,753</u>	<u>18,203,036</u>	<u>1,781,944</u>	<u>4,066,747</u>

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Note 11. Trade and other receivables

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Current assets</i>				
Amounts due from parishes and other related entities (a)	5,992,730	3,403,120	2,317,791	1,536,599
Less: Allowance for expected credit losses	(402,200)	(353,859)	(402,200)	(353,859)
	<u>5,590,530</u>	<u>3,049,261</u>	<u>1,915,591</u>	<u>1,182,740</u>
Net property proceeds and capital works receivable	424,123	408,524	424,123	408,524
Accrued distribution income (b)	904,481	457,409	785,749	380,977
Other receivables from related parties (c)	-	-	383,909	-
Jobkeeper receivable	1,852,050	-	-	-
Other receivables	638,753	1,964,784	71,281	95,761
	<u>9,409,937</u>	<u>5,879,978</u>	<u>3,580,653</u>	<u>2,068,002</u>
<i>Non-current assets</i>				
Loans receivable from Parishes (d)	15,781,056	17,469,634	-	-
Loans receivable from other corporate entities (d)	1,960,839	8,543,049	-	-
Car loans receivable from MATC (d)	1,018,732	1,162,542	-	-
Amounts due from parishes and other related entities (d)	110,000	121,137	-	-
	<u>18,870,627</u>	<u>27,296,362</u>	<u>-</u>	<u>-</u>

(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 \$402,200 (2019: \$353,859) represents management's estimate of the impairment loss under the expected credit loss model in accordance with AASB9. The Group's exposure to credit risk relating to amounts due 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 2020 and has sufficient measures in place to mitigate the risk of unrecoverable amounts due from parishes and other related entities. As such, with only \$11,648 of actual bad debt written-off during the year, management consider that an impairment allowance of \$402,200 is sufficient as at 31 December 2020.

(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) The balance represents intercompany balance for payments on behalf owing from Melbourne Anglican Diocesan Corporation Ltd as at 31 December 2020.

(d) Loans are provided by the Anglican Development Fund to approximately 58 parishes in the region and 3 other corporate Anglican entities (2019: 60 and 3, respectively), with major loans disclosed above. 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 2.4% to 6.5% (2019: 3.2% to 6.5%) and loan terms have a range of terms depending on their purpose and the asset they have funded. Current loan terms vary from three to twenty five years, which is the greatest permitted by the ADF's Constitution.

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Note 12. Other financial assets

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Current assets</i>				
Investments held in managed funds measured at fair value through profit or loss	14,231,159	7,816,937	-	-
<i>Non-current assets</i>				
Investment in Endowment Fund measured at fair value through profit or loss	38,127,121	38,131,103	33,817,959	33,790,416
Investment in Yield Fund measured at fair value through profit or loss	2,505,362	-	2,505,362	-
	<u>40,632,483</u>	<u>38,131,103</u>	<u>36,323,321</u>	<u>33,790,416</u>
	Consolidated 2020 \$	Consolidated 2019 \$	Parent 2020 \$	Parent 2019 \$
Reconciliation				
Reconciliation of the fair values at the beginning and end of the financial year are set out below:				
Opening fair value	45,948,040	38,141,383	33,790,416	27,024,637
Additions	18,890,922	33,537,840	5,505,362	27,095,715
Disposals	(8,511,749)	(29,008,826)	(1,778,861)	(23,217,270)
Gain/(loss) recognised in profit or loss for the year	(1,463,571)	3,277,643	(1,193,596)	2,887,334
	<u>54,863,642</u>	<u>45,948,040</u>	<u>36,323,321</u>	<u>33,790,416</u>

Note 13. Investments in associates

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Non-current assets</i>				
Investment in St Luke's South Melbourne Trust Fund	23,269,817	23,269,817	23,269,817	23,269,817
<i>Reconciliation</i>				
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:				
Opening fair value	23,269,817	23,269,817	23,269,817	23,269,817
Share profit for the year	333,589	327,200	333,589	327,200
Distribution paid	(333,589)	(327,200)	(333,589)	(327,200)
Closing fair value	<u>23,269,817</u>	<u>23,269,817</u>	<u>23,269,817</u>	<u>23,269,817</u>

St Luke's South Melbourne Trust Fund is a unit trust held by the Trustees 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%).

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Note 14. Investment properties

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Non-current assets</i>				
Land and buildings at fair value	-	7,870,000	-	-
<i>Reconciliation</i>				
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:				
Opening fair value	7,870,000	7,611,683	-	-
Disposals from sale of property	(5,945,623)	-	-	-
Donations of property	(2,200,000)	(678,483)	-	-
Revaluation increments	-	936,800	-	-
Gain of disposal of property	275,623	-	-	-
Closing fair value	-	7,870,000	-	-

- During the year, both the properties at 8 Stanley Grove, Canterbury and 9 Kileen Avenue, Brighton East were sold externally, resulting in a net gain on sale of \$275,624 as presented within the statement of profit or loss and other comprehensive income as well as note 9.
- The property at 402 Kooyong Road, Caulfield was gifted back to the Diocese from ADF as as a result was reclassified as property, plant and equipment.

Note 15. Property, plant and equipment

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Non-current assets</i>				
Land and buildings - at fair value	89,044,223	77,716,091	89,044,223	77,716,091
Less: Accumulated depreciation	(1,142,335)	(577,033)	(1,142,335)	(577,033)
	87,901,888	77,139,058	87,901,888	77,139,058
Plant and equipment - at cost	4,768,890	4,756,433	4,765,336	4,752,879
Less: Accumulated depreciation	(757,531)	(994,373)	(755,214)	(992,944)
	4,011,359	3,762,060	4,010,122	3,759,935
Work in progress	555,253	1,922,468	555,253	1,922,468
	92,468,500	82,823,586	92,467,263	82,821,461
	Land and buildings	Plant and equipment	Work in progress	Total
	\$	\$	\$	\$
Balance at 1 January 2020	77,139,058	3,762,060	1,922,468	82,823,586
Additions	11,640,000	957,191	180,889	12,778,080
Disposals	(495,000)	(120,101)	(1,548,104)	(2,163,205)
Depreciation expense	(382,170)	(587,791)	-	(969,961)
Balance at 31 December 2020	87,901,888	4,011,359	555,253	92,468,500

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Note 15. Property, plant and equipment (continued)

Parent	Land and buildings \$	Plant and equipment \$	Work in progress \$	Total \$
Balance at 1 January 2020	77,139,058	3,759,935	1,922,468	82,821,461
Additions	11,640,000	957,191	180,889	12,778,080
Disposals	(495,000)	(120,101)	(1,548,104)	(2,163,205)
Depreciation expense	(382,070)	(587,003)	-	(969,073)
Balance at 31 December 2020	<u>87,901,988</u>	<u>4,010,022</u>	<u>555,253</u>	<u>92,467,263</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings are revalued 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. The Archbishop and Registrar do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Land and buildings at fair value:				
120 Clarendon Street, East Melbourne (ii)	40,000,000	40,000,000	40,000,000	40,000,000
Mount Ridley Homestead (i)	7,176,645	7,176,645	7,176,645	7,176,645
233 Tyler Street, Preston (i)	3,510,000	3,510,000	3,510,000	3,510,000
6 Stonehaven Avenue, Malvern East	1,750,000	1,750,000	1,750,000	1,750,000
55 Melrose Street, North Melbourne	2,100,000	2,100,000	2,100,000	2,100,000
5-8/251 High Street, Kew	2,778,856	2,770,000	2,778,856	2,770,000
391-393 Camp Road, Broadmeadows (i)	1,652,722	1,478,446	1,652,722	1,478,446
278 Punt Road, South Yarra	1,400,000	1,400,000	1,400,000	1,400,000
12a Leopold Street, Glen Iris	1,950,000	1,950,000	1,950,000	1,950,000
Units 2, 3, 4 Margaret Avenue, Seaford	940,000	940,000	940,000	940,000
91 Dorchester Street, Craigieburn	2,500,000	2,500,000	2,500,000	2,500,000
Units 52 Park Street, Seaford	910,000	910,000	910,000	910,000
47-49 Patterson Street, Ringwood East	4,750,000	4,750,000	4,750,000	4,750,000
St Mary's Bulla, 100-102 Bulla Road, Bulla	620,000	620,000	620,000	620,000
121 Raglan Street, Wallan	1,300,000	1,300,000	1,300,000	1,300,000
74 Market Street, Kensington	1,250,000	1,250,000	1,250,000	1,250,000
Archives, Scotchmer Street, Fitzroy	1,300,000	1,300,000	1,300,000	1,300,000
207 Caterbury Road, Heathmont (Lot 72)	-	495,000	-	495,000
Unit 4/59-61, Scotchmer Street, Fitzroy	460,000	460,000	460,000	460,000
Unit 2/59-61, Scotchmer Street, Fitzroy	440,000	440,000	440,000	440,000
Unit 3/59-61, Scotchmer Street, Fitzroy	570,000	570,000	570,000	570,000
401 Mitchell Road, Echuca (ii)	46,000	46,000	46,000	46,000
40 Deans Marsh Lorne Road, Deans Marsh	350,000	-	350,000	-
410 Merrawarp Road, Barrabool	1,325,000	-	1,325,000	-
4-8 Mackie Road, Bentleigh East	5,352,610	-	5,352,610	-
5 Richard Street, Bentleigh East	1,647,390	-	1,647,390	-
402 Kooyong Road, Caulfield South	2,200,000	-	2,200,000	-
245 Wilsons Road, Whittington	765,000	-	765,000	-
	<u>89,044,223</u>	<u>77,716,091</u>	<u>89,044,223</u>	<u>77,716,091</u>

(i) These properties are subject to the Diocese's 5 year revaluation policy and are expected to be revalued in 2021.

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 15. Property, plant and equipment (continued)

(ii) These properties were revalued during the year however only the value of the property as a whole was given without a split between the land and building components. Given these circumstances, management has elected to apply any revaluation increment to the land portion only, as this is where the capital appreciated will have occurred, and is what a potential buyer would be most interested in.

Note 16. Right-of-use assets

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Non-current assets</i>				
Buildings - right-of-use	3,524,717	2,881,922	3,524,717	2,881,922
Less: Accumulated depreciation	(440,590)	(180,120)	(440,590)	(180,120)
	<u>3,084,127</u>	<u>2,701,802</u>	<u>3,084,127</u>	<u>2,701,802</u>

Consolidated	Buildings	Total
	\$	\$
Balance at 1 January 2020	2,701,802	2,701,802
Revaluation increments	642,795	642,795
Depreciation expense	(260,470)	(260,470)
Balance at 31 December 2020	<u>3,084,127</u>	<u>3,084,127</u>

Parent	Buildings	Total
	\$	\$
Balance at 1 January 2020	2,701,802	2,701,802
Revaluation increments	642,795	642,795
Depreciation expense	(260,470)	(260,470)
Balance at 31 December 2020	<u>3,084,127</u>	<u>3,084,127</u>

The Fund leases the property at St. Paul's Cathedral under an agreement with a remaining term of 4 years commencing on 31 December 2024. Following this, there is an option of a further term of 10 years until 31 December 2034, for which it is reasonably certain the Group will choose to exercise.

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 17. Trade and other payables

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Current liabilities</i>				
Trade and other payables	2,554,621	2,437,432	2,022,239	1,903,954
Accrued interest expenses	1,112,647	840,685	915,694	564,634
Payables to Melbourne Anglican Diocesan Corporation Ltd: professional standards	-	-	2,853,049	2,485,000
Payables to Melbourne Anglican Diocesan Corporation Ltd: service recharges	-	-	-	822,138
Payables to other related entities	-	118,616	-	54,823
	<u>3,667,268</u>	<u>3,396,733</u>	<u>5,790,982</u>	<u>5,830,549</u>
<i>Non-current liabilities</i>				
Payables to Melbourne Anglican Diocesan Corporation: professional standards	-	-	11,485,758	13,315,000

Other related entities

The balance represents intercompany balance owing to the related parties within the Anglican Diocese group.

Note 18. Lease liabilities

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Current liabilities</i>				
Lease liability	<u>150,683</u>	<u>120,124</u>	<u>150,683</u>	<u>120,124</u>
<i>Non-current liabilities</i>				
Lease liability	<u>3,162,807</u>	<u>2,649,157</u>	<u>3,162,807</u>	<u>2,649,157</u>

Note 19. Borrowings

	Consolidated		Parent	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Current liabilities</i>				
Interest bearing liabilities (a)	55,644,674	52,220,837	-	-
Current portion of loan from Anglican Development Fund	-	-	299,100	299,100
	<u>55,644,674</u>	<u>52,220,837</u>	<u>299,100</u>	<u>299,100</u>
<i>Non-current liabilities</i>				
Loan from Anglican Development Fund: Borrowing 1 (e)	(74,775)	-	1,338,223	1,318,110
Loan from Anglican Development Fund: Borrowing 2 (f)	74,775	-	5,226,974	5,450,000
Loan from Anglican Development Fund: Borrowing 3	-	-	47,027	63,726
	<u>-</u>	<u>-</u>	<u>6,612,224</u>	<u>6,831,836</u>

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 19. Borrowings (continued)

(a) Interest bearing liabilities include:

	Consolidated	
	2020	2019
	\$	\$
Parish bonus investors (b)	3,033,534	3,343,623
At call: Individual investors (c)	6,320,967	4,814,735
At call: Anglican organisations (c)	4,911,587	3,977,016
At call: Parish investors (c)	14,875,462	13,490,642
Fixed term: Individual investors (d)	13,927,598	13,614,424
Fixed term: Anglican organisations (d)	2,031,239	3,322,352
Fixed term: Parish investors (d)	10,544,287	9,658,045
	<u>55,644,674</u>	<u>52,220,837</u>

(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 0.80% and 0.90% (2019: 1.00% to 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 0.30% and 1.50% (2019: 0.75% to 1.50%). 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 APRA and 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 0.45% and 2.50% (2019: 1.60% to 2.60%). Existing term investments entered into in earlier years, which still have a balance at year end, bear annual fixed interest rates up to 3.5%.

(e) The loan from Anglican Development Fund was made to fund the renovation of St. Pauls Cathedral at 209 Flinders Lane. The loan is for a period of 10 years at an annual interest rate of 6.45% per year annum. Repayment amount is \$24,925 per month covering interest and principal.

(f) The loan from Anglican Development Fund was made to finance the Fund's purchase of the property at 100 Mount Ridley Rd, Mickleham. The loan is for a period of 25 years at an annual interest rate of the BBSW plus 2.5% (subject to paying a minimum 6%). Principal repayments were scheduled to commence from 2015, but no agreement has yet been reached between the parties as to the required repayments. It is not expected that a significant repayment will be required in 2020, and therefore the entire balance remains classified as a non-current liability. Melbourne Anglican Trust Corporation has provided a guarantee to the Anglican Development Fund to underwrite the loan.

Note 20. Provisions

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Current liabilities</i>				
Employee entitlements	4,354,104	4,319,564	877,180	778,539
Professional standards	2,853,049	2,485,000	-	-
	<u>7,207,153</u>	<u>6,804,564</u>	<u>877,180</u>	<u>778,539</u>
<i>Non-current liabilities</i>				
Employee entitlements	256,249	171,471	146,248	50,334
Professional standards	11,485,758	13,315,000	-	-
	<u>11,742,007</u>	<u>13,486,471</u>	<u>146,248</u>	<u>50,334</u>

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 20. Provisions (continued)

Movements in provisions

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

Consolidated - 2020	Professional standards \$
Carrying amount at the start of the year	15,800,000
Claims settled	<u>(1,461,193)</u>
Carrying amount at the end of the year	<u><u>14,338,807</u></u>

Note 21. Contingencies and commitments

The Diocese has potential claims for re-dress resulting from historic child sexual abuse. In 2017, the Diocese established Melbourne Anglican Diocesan Corporation Ltd (MADC) as the legal entity responsible for such claims.

MADC presently has potential claims for re-dress resulting from alleged abuse of Professional Standards. MADC currently have a Redress scheme in place to assist the survivors of child sexual abuse and for other purposes. This scheme seeks to meet the standards prescribed by the Royal Commission in their Interim Report on Redress tabled in Federal Parliament. Additionally, in 2016, the Diocese through its Synod process enacted the Uniform Professional Standards Act 2016 giving rise to the establishment of the independent scheme company Kooyoora Pty Ltd. Kooyoora operates independently of the Diocese and provide over time for the administration, investigation and determination of all professional standards complaints and redress claims.

During 2019, the Diocese commissioned an actuarial study to determine the potential liability for matters of child sexual abuse based on the actual experiences of MADC following the Royal Commission in 2017 and the implementation of the National Redress Scheme in 2018. Results of this assessment, was to recognise a provision of \$15.8m which is based on the known number of child sexual abuse related complainants who have made allegations against the Diocese. In all there were 126 cases that matched the criteria identified for the study.

As at 31 December 2020, \$14.3m has been provided for as a liability in the financial statements (note 20) representing management's best estimate of likely settlement which has been derived by taking the previous year's actuarial assessment and subtracting any claims paid during the year. Due to the unreliability of the timing of potential claims and management's intention to obtain an updated actuarial study during 2021, the payable was not discounted.

Note 22. 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:

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Wages and salaries	2,189,406	1,852,294	2,189,406	1,852,294

Transactions with related entities

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

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 22. Related party transactions (continued)

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Transactions with Cash Fund, Endowment Fund and Yield Fund:				
<i>Income</i>				
Distribution income	1,772,006	1,815,858	1,466,678	1,400,516
Interest income	1,398,505	521,675	181	68,496
Diocesan management fees	1,117,567	1,159,366	1,223,065	1,307,800
	<u>4,288,078</u>	<u>3,496,899</u>	<u>2,689,924</u>	<u>2,776,812</u>

Transactions with Parishes, Stipends and other related parties:

<i>Income</i>				
Distribution income - Property income	399,765	295,079	399,765	295,079
Diocesan management fees	626,501	246,490	626,501	246,490
Insurance premiums	3,525,132	3,306,289	3,525,132	3,306,289
Payroll and on costs services recharges	11,590,790	30,869,089	-	-
Parish assessments	4,836,824	4,613,283	4,836,824	4,613,283
Gain/loss from acquisition and disposal of properties	9,957,129	(1,591,643)	11,881,505	(916,969)
Rental income	845,715	1,019,605	778,531	866,342
	<u>31,781,856</u>	<u>38,758,192</u>	<u>22,048,258</u>	<u>8,410,514</u>
<i>Expenses</i>				
Grants and contributions	(1,469,549)	(1,151,500)	(1,469,549)	(1,151,500)

Balances with related parties

Significant balances with related parties at reporting date are as follows:

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Balances with Cash Fund, Endowment Fund and Yield Fund:				
<i>Investments</i>				
Cash on deposit (Cash Fund)	20,171,344	15,979,151	-	3,538,412
Investment in Yield Fund at fair value	-	-	2,505,362	-
Investment in Endowment Fund at fair value	38,127,121	38,131,103	33,817,959	33,790,416
	<u>58,298,465</u>	<u>54,110,254</u>	<u>36,323,321</u>	<u>37,328,828</u>
<i>Receivables</i>				
Accrued distribution income	848,457	457,409	785,749	380,977

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 22. Related party transactions (continued)

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Balances with Melbourne Anglican Diocesan Corporation:				
<i>Payables</i>				
Provision for professional standards	-	-	(14,338,807)	(15,800,000)
Other service recharges	-	-	(383,909)	(213,542)
	-	-	(14,722,716)	(16,013,542)

Balances with Anglican Development Fund

<i>Borrowings</i>				
Loan from Anglican Development Fund	-	-	(6,864,297)	(7,130,936)

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Balance with Parishes, Stipends and other related parties				
<i>Receivables</i>				
Amounts due from parishes and other related parties	5,333,701	3,170,398	1,548,762	1,182,740
Net property proceeds & capital works receivable	424,123	408,524	424,123	408,524
Loan receivables	15,781,056	27,175,225	-	-
	21,538,880	30,754,147	1,972,885	1,591,264

<i>Payables</i>				
Motor vehicle funds payable	(1,243,278)	(107,085)	(869)	(107,085)
Accrued expenses	(196,952)	(276,051)	-	-
Other payables	-	(118,616)	(540,416)	(54,823)
	(1,440,230)	(501,752)	(541,285)	(161,908)

<i>Borrowings</i>				
Anglican organisations	(6,942,826)	(7,299,368)	-	-
Parish investors	(28,453,283)	(26,492,310)	-	-

Note 23. 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 (Operating Fund) has ultimate control on the use of such funds, these amounts are recognised as assets of the Operating Fund (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 consolidated financial statements to provide information on the value of the Diocesan Trust Funds being administered by the Diocese. Diocesan Trust Funds recognised within these financials as Cash and cash equivalents and Financial assets have not been included in the note below:

Melbourne Anglican Trust Corporation
Notes to the consolidated financial statements
31 December 2020

Note 23. Diocesan managed funds (continued)

	Consolidated 2020 \$	Consolidated 2019 \$	Parent 2020 \$	Parent 2019 \$
Anglican Funds				
Cash Fund	39,024,752	50,550,158	39,024,752	50,550,158
Endowment Fund	110,974,547	113,090,517	110,974,547	113,090,517
Yield Fund	26,465,650	14,557,125	26,465,650	14,557,125
	<u>176,464,949</u>	<u>178,197,800</u>	<u>176,464,949</u>	<u>178,197,800</u>
Less Cash Fund held in Endowment Fund	(2,378,856)	(15,993,851)	(2,378,856)	(15,993,851)
Less Cash Fund held in Yield Fund	<u>(11,485,361)</u>	<u>(6,651,886)</u>	<u>(11,485,361)</u>	<u>(6,651,886)</u>
Total Anglican Funds	<u>162,600,732</u>	<u>155,552,063</u>	<u>162,600,732</u>	<u>155,552,063</u>
	Consolidated 2020 \$	Consolidated 2019 \$	Parent 2020 \$	Parent 2019 \$
Diocesan Trust Funds				
MATC - General (Note 2)	29,944,299	28,953,049	29,944,299	28,953,049
MATC - Parish Specific (Note 2)	24,252,312	25,845,733	24,252,312	25,845,733
	<u>54,196,611</u>	<u>54,798,782</u>	<u>54,196,611</u>	<u>54,798,782</u>
Diocesan Operation Funds				
ADOM (Note 1)	37,866,881	37,328,939	37,866,881	37,328,939
MADC (Note 1)	4,308,665	4,755,767	4,308,665	4,755,767
	<u>42,175,546</u>	<u>42,084,706</u>	<u>42,175,546</u>	<u>42,084,706</u>
Other Managed Funds				
ADF (Note 1)	30,384,904	18,958,806	30,384,904	18,958,806
Anglican Schools (Note 2)	-	3,666,573	-	3,666,573
Other Anglican Organisations (Note 2)	12,717,809	14,924,025	12,717,809	14,924,025
Other Parish Funds (Note 2)	20,239,136	17,946,326	20,239,136	17,946,326
Other Anglican Dioceses (Note 2)	2,886,726	3,172,845	2,886,726	3,172,845
	<u>66,228,575</u>	<u>58,668,575</u>	<u>66,228,575</u>	<u>58,668,575</u>
	<u>162,600,732</u>	<u>155,552,063</u>	<u>162,600,732</u>	<u>155,552,063</u>

Note 1: These funds are included in the balance sheet of these consolidated financial statements.

Note 2: These funds are not included in the balance sheet of these consolidated financial statements.

Note 24. Events after the reporting period

Subsequent to 31 December 2020, the COVID-19 pandemic continues to spread around the world and this is resulting in an increased level of volatility in global markets. As a result there remains a significant degree of uncertainty regarding the longer term impacts on investment valuations and returns.

No other matter or circumstance has arisen since 31 December 2020 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.

Note 25. Registered office details

The registered office of Melbourne Anglican Trust Corporation is:
209 Flinders Lane
Melbourne VIC 3000

**Melbourne Anglican Trust Corporation
Archbishop and Registrars' declaration
31 December 2020**

In the opinion of the Archbishop and Registrar of the Anglican Diocese of Melbourne:

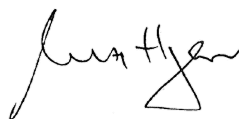
The financial statements and notes of Melbourne Anglican Trust Corporation are in accordance with the Australian Charities and Not-for-profits Commission Act 2012;

- giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013.

There are reasonable grounds to believe that Melbourne Anglican Trust Corporation will be able to pay its debts as and when they become due and payable.



The Most Reverend Dr Philip Freier
Archbishop of the Diocese of Melbourne



Malcolm Tadjell
Registrar and MATC Secretary

28 May 2021

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 and its controlled entities for the year ended 31 December 2020, 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 Audit Pty Ltd
Chartered Accountants



C S Gangemi
Partner – Audit & Assurance

Melbourne, 28 May 2021

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 Parent) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Archbishop and Registrar.

In our opinion, the financial report of Melbourne Anglican Trust Corporation and its controlled entities 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 and the Parent's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial 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* (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.

Emphasis of matter – valuation uncertainty

We draw attention to Note 3 in the financial report, which indicates that the property valuation reports performed by the external valuers contain market uncertainty clauses. Our conclusion is not modified in respect of this matter.

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 and the ACNC Act, and for 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 management either intends to liquidate the Group or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



C S Gangemi
Partner – Audit & Assurance

Melbourne, 28 May 2021