Anglican Diocese of Adelaide

Anglicanfunds MANAGEMENT

Anglican Funds Management - Endowment Fund

General purpose (SDS) financial statements for the year ended 30 June 2026

Contents to annual report

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	2026	2025
	$	$
Revenue		
Investment income	10,740,386	7,489,205
Total revenue	**10,740,386**	**7,489,205**
Realised gain/(loss) on sale of debt instruments recycled to P&L	-	(1,093,500)
Expenses		
Interest paid	-	(11,363)
Management fees	(1,566,462)	(1,413,200)
Total expenses	**(1,566,462)**	**(1,424,563)**
Operating profit	**9,173,924**	**4,971,142**
Finance costs attributable to unitholders		
Distributions paid	(6,625,627)	(6,253,385)
Movement in net assets attributable to unitholders (a)	(2,548,297)	1,282,243
Total finance costs	**(9,173,924)**	**(4,971,142)**
Profit/(loss) for the year	-	-
Other comprehensive income/(loss)		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Net fair value gain/(loss) on revaluation of equity investments at fair value through other comprehensive income	788,761	4,553,734
Other comprehensive income that will be reclassified to profit or loss in subsequent periods:		
Net fair value gain/(loss) on revaluation of debt investments at fair value through other comprehensive income	-	1,926,982
Other comprehensive income/(loss) for the year (b)	**788,761**	**6,480,716**
Total comprehensive income/(loss) for the year (b-a)	**3,337,058**	**5,198,473**

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

Statement of financial position
As at 30 June 2026

	Notes	2026 $	2025 $
Assets			
Cash and cash equivalents	4	7,426,175	3,846,269
Other receivables	5	8,186,945	2,455,434
Investments	6	134,566,208	125,182,835
Total assets		**150,179,328**	**131,484,538**
Liabilities			
Other payables	7	386,242	98,583
Distribution payable	8	3,366,259	3,154,862
Total liabilities		**3,752,501**	**3,253,445**
Net assets attributable to unitholders - liability		**146,426,827**	**128,231,093**

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

Statement of changes in unitholder funds
For the year ended 30 June 2026

	Net assets attributable to unitholders
	$
At 1 July 2024	**117,245,098**
Operating profit for the year	4,971,142
Distribution paid to unitholders	(6,253,385)
Movement in net assets attributable to unitholders	(1,282,243)
Other comprehensive income	6,480,716
Total comprehensive income for the year	**5,198,473**
Realised gain/(loss) on equity instruments carried at fair value through comprehensive income	**320,934**
Transactions with unitholders	
Applications	10,309,669
Redemptions	(4,843,081)
Total transactions with unitholders	5,466,588
At 30 June 2025	**128,231,093**
At 1 July 2025	**128,231,093**
Operating profit for the year	9,173,924
Distribution paid to unitholders	(6,625,627)
Movement in net assets attributable to unitholders	2,548,297
Other comprehensive income	788,761
Total comprehensive income for the year	**3,337,058**
Realised gain/(loss) on equity instruments carried at fair value through comprehensive income	(1,089,248)
Transactions with unitholders	
Applications	18,835,458
Redemptions	(2,887,534)
Total transactions with unitholders	15,947,924
At 30 June 2026	**146,426,827**

Under the Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity (refer to Note 2.3 (b)). As a result, there was no equity at the start or end of the year.

The above statement of changes in unitholder funds should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 30 June 2026

	Notes	2026 $	2025 $
Operating activities			
Payment of expenses		(1,413,878)	(1,348,017)
Investment income received		703,932	589,355
Net cash flows used in operating activities		**(709,946)**	**(758,662)**
Investing activities			
Proceeds from sale of investments		2,860,995	15,250,480
Purchase of investments		(8,400,000)	(11,060,000)
Net cash flows (used in) / generated from investing activities		**(5,539,005)**	**4,190,480**
Financing activities			
Applications for units received		17,821,775	8,157,423
Redemptions paid to unitholders		(2,887,534)	(4,843,081)
Distributions paid		(5,105,384)	(4,967,096)
Net cash flows from / (used in) financing activities		**9,828,857**	**(1,652,754)**
Net increase (decrease) in cash and cash equivalents		3,579,906	1,779,064
Cash and cash equivalents at 1 July		3,846,269	2,067,205
Cash and cash equivalents at 30 June	4	7,426,175	3,846,269

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

Notes to the financial statements
For the year ended 30 June 2026

1. Corporate information

The financial statements of Anglican Funds Management - Endowment Fund (the "Fund"), an operating cost centre of The Synod of the Diocese of Adelaide of the Anglican Church of Australia Incorporated (the "Association"), for the year ended 30 June 2026 were authorised bv the Diocesan Council on 9 Seotember 2026.

The financial statements have been prepared to comply with the requirement of the ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813, that separate financial statements be prepared and audited for the Endowment Fund.

The Fund is a managed investment scheme with funds invested with a view to generating stable long term returns for investors.

The registered office and principal place of business of the Fund is 18 King William Rd, North Adelaide, SA 5006, Australia.

2. Material accounting policy information

2.1 Basis of preparation

These general purpose financial statements have been prepared in compliance with the requirements of the Australian Accounting Standards - Simplified Disclosures as set out in *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. The Fund is a not-for-profit entity for the purposes of preparing these financial statements.

The financial statements have been prepared on a historical cost basis, except for investments that have been measured at fair value.
The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non current. All balances except investments, are expected to be recovered or settled within 12 months. In the case of investments, the portfolio is managed based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar ($).

2.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

There are no material changes in accounting policies and disclosures adopted by the fund as compared to the previous year. The fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the financial statements
For the year ended 30 June 2026

2. Material accounting policy information (continued)
2.3 Summary of material accounting policy information
a) Financial Instruments
(i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost except for investments which are subsequently measured at fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Subsequent measurement
Financial assets at amortised cost
Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Other Receivables
The Fund's financial assets at amortised cost include other receivables. A receivable represents the Fund's right to an amount of consideration that is unconditional (ie only the passage of time is required before payment of the consideration is due).

Financial assets designated at fair value through OCI
Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The Fund elected to classify irrevocably its investments under this category.

Notes to the financial statements
For the year ended 30 June 2026

2. Material accounting policy information (continued)

2.3 Summary of material accounting policy information (continued)

a) Financial Instruments (continued)

(i) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Impairment of financial assets

The Fund recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the financial statements
For the year ended 30 June 2026

2. Material accounting policy information (continued)
2.3 Summary of material accounting policy information (continued)
a) Financial Instruments (continued)
(i) Financial assets (continued)

For other receivables, the Fund applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and other payables, net of directly attributable transaction costs.

The Fund's financial liabilities includes other payables and distribution payable.

Subsequent measurement
Other payables

Other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid and arise when the Fund becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

b) Net assets attributable to unitholders

Units are recognised at the value of consideration received by the Fund. Where the Fund purchases its own issued units under a buyback, the consideration paid, including any directly attributable transaction costs, is deducted from unitholder funds.

Units are classified as equity when they satisfy the following criteria under *AASB 132 Financial instruments: Presentation*:

- the financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the financial instrument is in the class of instruments that is subordinate to all other classes of instruments and there is an identical contractual obligation for the Fund to deliver a pro rata share of its net assets on liquidation;
- there is no other instrument that has total cash flows based substantially on the profit or loss, change in recognised net assets or change in fair value of recognised and unrecognised net assets of the entity, and has the effect of substantially restricting or fixing the residual return to the unitholders.

Notes to the financial statements
For the year ended 30 June 2026

2. Material accounting policy information (continued)

2.3 Summary of material accounting policy information (continued)

b) Net assets attributable to unitholders (continued)

The units issued by the Fund did not meet all the requirements of AASB 132 Financial instruments: Presentation for classification as equity, and therefore net assets attributable to unitholders are recognised as financial liabilities.

c) Investment income

Investment and other income is recognised in the statement of profit or loss and other comprehensive income when the right to receive has been established, except from when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

All revenue is stated net of GST.

d) Taxes

The Fund is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

e) Distributions

Semi-annually, the Fund distributes amounts as determined by the Anglican Funds Management Board in accordance with Diocesan Council approved policy. Distributions to unitholders are recognised in the statement of profit or loss and other comprehensive income as finance costs. A distribution payable is recognised in the statement of financial position where the amounts remain unpaid at reporting date.

Notes to the financial statements
For the year ended 30 June 2026

3. Significant accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. Cash and cash equivalents

	2026 $	2025 $
Cash at bank	**7,426,175**	**3,846,269**

Out of total Cash at Bank, $7,417,070 (2025 : $3,840,882) is held with the Community Fund (another operating cost centre of the association).

During the year portion of investment income was paid directly into cash accounts held by portfolio managers which is classified under investments for the purposes of these financial statements. Such cash was reinvestment under approved investment strategies. Further a portion of distributions were also reinvested in units rather than paying out in cash.
Most of the differential between income/expense for the year and cash flows are on account of above mentioned non-cash transactions.

5. Other receivables

Net GST receivable	3,141	3,464
Accrued income	7,555,357	1,799,224
Imputation credits receivable	628,447	652,746
	8,186,945	2,455,434

Notes to the financial statements
For the year ended 30 June 2026

6. Investments	2026	2025
Listed on the Australian Stock Exchange - at market value (Level 1)	56,258,318	47,428,479
Hybrid Securities listed on the Australian Stock Exchange (Level 1)	-	6,942,350
Unlisted investments in managed funds - at market value (Level 2)	77,363,854	70,100,842
Cash Management Trusts	944,036	711,164
	134,566,208	**125,182,835**

Investments are purchased primarily as long term investments and not for trading purposes. Investments are classified as fair value through other comprehensive income and carried at market value at the end of the year. Any revaluations to market value are reflected in the Investment Revaluation Reserve. Investment income is brought to account on an accruals basis, when the right to receive payment is established.

Financial assets designated at fair value through OCI

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Gains and losses on these financial assets are/are not recycled to profit or loss as per AASB 9. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Fund elected to classify irrevocably its investments under this category.

Fair value measurement

The Fund measures financial instruments such as investments, at fair value at each reporting date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the financial statements
For the year ended 30 June 2026

6. Investments (continued)
Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

7. Other payables	$	$
Pending unitholder applications	276,600	-
Accrued management fees payable	109,000	98,583
Other creditors	642	-
	386,242	98,583

Accrued managment fees payable of $109,000 (2025 : $97,000) is payable to the Community Fund (another cost centre of the association).

8. Distribution payable

Distributions payable to members	3,366,259	3,154,862

Out of total distributions payable to members, $1,223,817 (2025 : $1,092,833) is payable to Synod (other operating activity of the association).

9. Related party disclosures
The Diocesan Council is the controlling body of the Association, and therefore of the Endowment Fund. The Council comprised 20 members at the end of the financial year (2025: 22 members). None of these members were remunerated by the Fund.

The following transactions have occurred with other cost centres of the association:

Items	Community Fund		AFS Management		Synod		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Investment income	46,693	77,234	-	-	-	-	46,693	77,234
Management fees	1,248,745	579,334	-	556,602	-	-	1,248,745	1,135,936
Interest paid	-	11,363	-	-	-	-	-	11,363
Distributions paid	50,733	25,891	-	-	2,332,114	2,262,505	2,382,847	2,288,396

Notes to the financial statements
For the year ended 30 June 2026

10. Commitments and contingencies

Commitments

The members of the Fund are not aware of any commitments that have arisen in respect of the Fund (30 June 2025: none).

Contingencies

The members of the Fund are not aware of any contingent assets or liabilities that have arisen in respect of the Fund (30 June 2025: none).

11. Events after the reporting period

There were no significant events occurring after the reporting period which may affect either the Fund's operations or results of those operations or the Fund's state of affairs.

12. Auditor's remuneration

The auditor of the Fund is Ernst & Young (Australia).

The fees for the audit of the Fund have been borne and paid by the Association.

Statement by Diocesan Council

In the opinion of the Diocesan Council the accompanying financial statements as set out on pages 1 to 15:

(a) Presents fairly the financial position of Anglican Funds Management - Endowment Fund as at 30 June 2026 and its performance for the year ended on that date in accordance with Australian Accounting Standards - Simplified Disclosures; other mandatory professional reporting requirements and the policies described in Note 2 to the financial statements;

(b) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due; and

(c) Satisfies the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 1985*.

Diocesan Council reports that no officer of the Association or firm of which the officer is a member or a corporation in which the officer has a substantial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, the firm or corporation and the Association.

Diocesan Council also reports that no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

This statement is signed for and on behalf of Diocesan Council by:

The Most Rev'd Dr Bradly Billings
Archbishop of the Diocese of Adelaide
9 September 2026

Mr Joseph Thorp
Registrar and Secretary of Synod
9 September 2026