



ADF
Fuelling Catholic Mission

Annual Report

For the year ended
31 December 2025

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General Manager's Report **For the year ended 31 December 2025**

The General Manager of the Archdiocesan Development Fund (ADF) presents the financial report of the ADF for the year ended 31 December 2025.

Purpose of the Financial Report

The financial report has been prepared for:

- Distribution to the Archbishop of Brisbane for the purpose of fulfilling the Agency's reporting obligations under the 1983 Code of Canon Law.
- Lodgement with the Australian Securities and Investments Commission.

Scope of the Financial Statements

The ADF's 2025 financial statements have been prepared to fulfil financial reporting requirements under Canon Law and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

Structure of the Agency

The ADF is an agency operating within The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane (The Corporation) and has a registered trading name under the Archdiocesan Australian Business Number of 25 328 758 007.

The Corporation was established pursuant to Letters Patent issued under the *Religious Educational and Charitable Institutions Act of 1861* (RECI Act) and while the RECI Act has been repealed, the *Associations Incorporation Act 1981 (Qld)* (AI Act) provides that the RECI Act is deemed to continue to have full force and effect in respect of bodies incorporated by Letters Patent under its provisions. The effect of this is that as the Corporation was incorporated under the RECI Act, it is not a company regulated by the Corporations Act nor subject to its legislative requirements.

In terms of civil law, the ADF is a basic religious charity and is not required to lodge audited financial statements with the Australian Charities and Not-for-Profit Commission (ACNC).

The ADF operates with exemptions from the provisions of the *Corporations Act 2001* by the Australian Securities and Investment Commission (ASIC) and the *Banking Act 1959* by the Australian Prudential Regulation Authority (APRA).

Principal Activities

The ADF is a provider of loans, treasury services and facilitates banking services within the Archdiocese of Brisbane and various Catholic entities including agencies, other Dioceses, parishes, other charitable entities with juridical status and charitable entities associated with the Catholic Church (on the basis of the Archbishop's approval). The ADF continues to help the helpers, supporting pastoral ministries, initiatives and the mission of the Church.

Review of Operations

The ADF recorded Total Comprehensive Income for the financial year ended 31 December 2025 of \$16.7m (2024: \$20.2m). This result consists of two components being an Operating Surplus of \$49.7m (2024: \$53.2m) and a contribution to the Archdiocese of \$33.0m (2024: \$33.0m).

In terms of the operating result, the following movements were noted over the 2025 year:

- Interest income decreased by \$1.6m (1.13%) to \$144.8m from the 2024 result of \$146.4m. The decrease was primarily driven by lower investment yields following three cash rate cuts by the RBA during the year. This was partially offset by higher loan volumes.
- Interest expense decreased by \$0.2m (0.29%) to \$88.8m from the 2024 result of \$89.0m. The decrease was primarily driven by lower cost of funds which was partially offset by increased customer fund volumes.

- Other income of \$0.3m (2024: \$2.6m) relates predominantly to market movements and maturities associated with the corporate bond investment mandate managed by Queensland Investment Corporation (QIC).

Liquidity and Capital Adequacy Management

The ADF, as steward of customer funds, ensures it has sufficient cash reserves to meet customer funding obligations as and when required, and provide for Catholic entities' future capital investment.

Liquidity levels are managed to ensure appropriate levels of funding for all customer demographics are available within documented arrangements. Note 15(d) details liquidity risk management.

As at 31 December 2025, the ADF held \$950.2m (2024: \$1,003.5m) of cash and investments, and \$1,421.1m (2024: \$1,177.4m) in loans to meet current commitments and future capital needs. The Agency's 31 December 2025 commitments include \$21.4m (2024: \$18.8m) of current payables, \$2,175.9m (2024: \$2,007.6m) of current interest-bearing liabilities and \$0.4m (2024: \$0.3m) of current employee entitlements. The Agency's share of undrawn loans amounts to \$517.9m (2024: \$658.8m) which are to be funded at a future date; some of which extend beyond the next 12 months.

Changes in the State of Affairs

There was no significant change in the state of affairs of the ADF during the financial year.

Dated this 25th day of March 2026 in Brisbane, Queensland.



Andrew Musial
General Manager



Independent auditor's report

To the Archbishop of the Archdiocese of Brisbane in respect of Archdiocesan Development Fund

Our opinion

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Archdiocesan Development Fund (the Agency) as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with Sections 15 and 16 of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 and Australian Accounting Standards to the extent described in Note 2 of the financial report.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information;
- the statement by Vicar General and General Manager.

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

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Independence

We are independent of the Agency in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note 2 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of distribution to the Archbishop of the Archdiocese of Brisbane to fulfil financial reporting requirements under the 1983 Code of Canon Law and to meet the requirements of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Archdiocesan Development Fund and the Archbishop of the Archdiocese of Brisbane and should not be distributed to or used by parties other than Archdiocesan Development Fund and the Archbishop of the Archdiocese of Brisbane. Our opinion is not modified in respect of this matter.

Other information

The members of the board are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of management and the members of the board for the financial report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Sections 15 and 16 of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 and Australian Accounting Standards to the extent described in Note 2 of the financial report and for such internal control as Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The members of the board have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the needs of the Archbishop of the Archdiocese of Brisbane.

In preparing the financial report, Management is responsible for assessing the ability of the Agency 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 Agency or to cease operations, or has no realistic alternative but to do so.

The members of the board are responsible for overseeing the Agency'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 the 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/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Kristy van Horck'.

Kristy van Horck
Partner

Brisbane
25 March 2026

Statement of Comprehensive Income

for the year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Interest income	3	144,762	146,411
Interest expense	3	(88,758)	(89,012)
Net interest income		56,004	57,399
Other income	3	340	2,599
Total income		56,344	59,998
Administration expenses		(4,955)	(4,850)
Bank charges		(1,159)	(1,116)
Office occupancy		(260)	(367)
Depreciation		(117)	(109)
Net profit/(loss) on sale of fixed assets		(1)	11
Contribution to Congregation of Leaders of Religious Institutes Queensland		(200)	(350)
Operating surplus before contribution		49,652	53,217
Contribution to the Archdiocese of Brisbane	4	(33,000)	(33,000)
Operating surplus for the year		16,652	20,217
Other comprehensive income/(expense)		-	-
Total comprehensive income for the year		16,652	20,217

The statement of comprehensive income is to be read in conjunction with the attached notes.

Statement of Financial Position

as at 31 December 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Cash	5	180,214	191,234
Receivables and other assets	6	12,157	14,938
Financial assets	7	770,028	812,273
Loans for Catholic projects	8	1,421,060	1,177,377
Property, plant and equipment		902	922
Total assets		2,384,361	2,196,744
Liabilities			
Payables	9	21,433	18,764
Customers' funds	10	2,175,852	2,007,650
Provisions		448	354
Total liabilities		2,197,733	2,026,768
Net assets		186,628	169,976
Equity			
Accumulated Funds	11	186,628	169,976
Total Equity		186,628	169,976

The statement of financial position is to be read in conjunction with the attached notes.

Statement of Changes in Equity
for the year ended 31 December 2025

	Note	Accumulated Funds	Total
		\$'000	\$'000
Opening Balance at 1 January 2024	11	149,759	149,759
Operating surplus for the year		20,217	20,217
Balance at 31 December 2024	11	169,976	169,976
Operating surplus for the year		16,652	16,652
Balance at 31 December 2025	11	186,628	186,628

The statement of changes in equity is to be read in conjunction with the attached notes.

Statement of Cash Flows

for the year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Interest received		149,331	141,736
Interest paid		(89,103)	(86,434)
Payments to suppliers and employees		(6,900)	(5,565)
Net increase (decrease) from Customers' funds		168,202	98,730
Net (increase) decrease from Loans for Catholic projects		(243,683)	7,332
Net (increase) decrease from Money Market Term deposits		22,500	80,500
Other income		165	2,599
Net cash inflow from operating activities	13	512	238,898
Cash flows from investing activities			
Proceeds from sale of plant and equipment		25	31
Payments for plant and equipment		(123)	(89)
Proceeds from the disposal of investment		276,731	549,840
Payment for the purchase of investments		(258,165)	(807,918)
Net cash inflow (outflow) from investing activities		18,468	(258,136)
Cash flows from financing activities			
Contributions to the Archdiocese of Brisbane		(30,000)	(31,000)
Net cash outflow from financing activities		(30,000)	(31,000)
Net increase (decrease) in cash		(11,020)	(50,238)
Cash at the beginning of the financial period		191,234	241,472
Cash at end of year	5	180,214	191,234

The statement of cash flows is to be read in conjunction with the attached notes.

Index to notes to and forming part of the Special Purpose Financial Statements
For the year ended 31 December 2025

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Notes to and forming part of the Special Purpose Financial Statements

1. Archdiocesan Development Fund information

The ADF is part of the Archdiocese. The Archdiocese exists under and operates in accordance with the 1983 Code of Canon Law. The Archdiocese also operates in civil law as an Agency of The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane (the Corporation) which was incorporated by Letters Patent on 25 July 1935 under the RECI Act.

The mandate of the ADF is to be the provider of loans and facilitate banking services within the Archdiocese, including Agencies and Parishes, as well as other Catholic Entities with Juridic status and Charitable Entities associated with the Catholic Church (on the basis of the Archbishop's approval).

In addition, the ADF will make annual contributions to the Archdiocese including agencies at the direction of the Archbishop to assist in funding the activities of the Catholic Church.

The business office of the ADF is 229 Elizabeth Street, Brisbane QLD 4000.

2. Summary of material accounting policies

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

(a) Basis of material accounting policies

The ADF is not a reporting entity as defined in Statements of Accounting Concepts SAC 1 Definition of the Reporting Entity because there are no users dependent on general purpose financial statements. For the purposes of preparing the Financial Statements, the ADF is a not-for-profit entity.

This special purpose financial report has been prepared for the sole purpose of distribution to the Archbishop to fulfil financial reporting requirements under 1983 Code of Canon Law and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 and must not be used for any other purpose. The accounting policies adopted in the preparation of the financial statements are, in the opinion of the ADF Board (the Board), appropriate to meet the needs of the Archbishop. Unless otherwise noted, amounts are denominated in Australian dollars.

Compliance with Australian Accounting Standards

These special purpose financial statements have been prepared in accordance with all the recognition and measurement requirements of Australian Accounting Standards and Interpretations.

Historical cost convention

The financial report is prepared in accordance with the historical cost convention except for financial assets through profit and loss that have been measured at fair value. The presentation currency of the financial statements is Australian Dollars.

Critical estimates, and judgements

The preparation of financial statements requires the use of certain accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise its judgement in applying the ADF's accounting policies. An accounting estimate has been provided in the calculation of long service leave entitlements, provision for expected credit losses and financial assets at fair value through profit or loss.

New and amended standards adopted

There are no new and amended accounting standards that became effective as of 1 January 2025 that have a material impact to the ADF.

New standards and interpretations not yet adopted

Certain new accounting standards have been published that are not yet mandatory for 31 December 2025 reporting periods and have not been early adopted by the ADF. Apart from AASB18, these standards are not expected to have a material impact on the ADF in the current or future reporting periods and on foreseeable future transactions.

AASB 18 will replace AASB 101 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though AASB 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of comprehensive income. The ADF prepares special purpose financial reports and Management is currently assessing the detailed implications of applying the new standard on the financial statements and whether it will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so, if applied, the comparative information for the financial year ending 31 December 2026 will be restated in accordance with AASB 18

(b) Cash and cash equivalents

Cash and cash equivalents includes cash in banks, net of outstanding bank overdrafts, and short-term investments that are convertible into cash with an insignificant risk of changes in value and with maturities of three months or less from investment date.

(c) Financial instruments

Financial assets and financial liabilities are recognised when the ADF becomes a party to the contractual provisions of the financial instrument. The ADF derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when sold.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i) Financial assets

All financial assets are recognised and derecognised on a settlement date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at Fair Value through Profit or Loss (FVTPL).

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost.
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at Fair Value through Other Comprehensive Income (FVTOCI).
- all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and investment in unit trusts are subsequently measured at Fair Value through Profit or Loss (FVTPL).

However, the ADF may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the ADF may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in OCI; and
- the ADF may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

As at 31 December 2025, the ADF has not made any of the above election of designation and has measured and classified the financial assets in accordance with their cash flow characteristics and business model.

Debt instruments at amortised cost

The ADF assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the ADF's business model for managing the asset. The ADF classifies and measures at amortised cost, assets where contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

An assessment of business models for recognising financial assets is fundamental to the classification of a financial asset. The ADF determines the business models at a level that reflects how ADF's financial assets are managed together to achieve a particular business objective. The ADF's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

At initial recognition of a financial asset, the ADF determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The ADF reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

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

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option

These assets are measured at fair value, with any gains/losses arising on re-measurement recognised in profit or loss.

ii) Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the ADF or a contract that will or may be settled in the ADF's own equity instruments

and is a non-derivative contract for which the ADF is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the ADF's own equity instruments.

Financial liabilities are classified and subsequently measured at amortised cost; the ADF does not have any financial liabilities that are classified or designated as at FVTPL.

iii) Derivative financial instruments

The ADF holds derivatives in accordance with the ADF's documented investment strategy, being to mitigate foreign exchange and interest rate risks. The ADF enters into various derivatives including forward contracts, options and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

iv) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Any exchange differences are recognised in the statement of Comprehensive Income in the "other income" line item.

v) Impairment

The ADF assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The ADF recognises an impairment provision for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

For trade debtors, the ADF applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Refer Note 15(c) credit risk.

(d) Trade payables

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

(e) Provisions

Provisions are recognised when the ADF has a present (legal or constructive) obligation as a result of a past event, it is probable the fund will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Annual leave

Annual leave expected to be settled within 12 months of reporting date are recognised in provisions 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

Long service leave is recognised as a present entitlement when an unconditional legal entitlement arises after a qualifying period of service (being 7 years). This current liability is recognised in the provision for employee entitlements using a nominal basis for measurement. Long service leave, which is not a present entitlement, i.e., employees have not satisfied the qualifying period of service, is recognised using an estimate of the present value of expected future payments and disclosed as provisions.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian Corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(f) Goods and services tax (GST)

Incomes, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

(g) Rounding of amounts

Amounts shown in the financial report have been rounded to the nearest thousand dollars, or in certain cases, the nearest whole dollar.

(h) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the ADF invests (the 'functional currency'). The financial statements are presented in Australian dollars which is the ADF's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the profit or loss.

3. Income recognition

The ADF's significant income sources are:

Interest

Interest is recognised in the financial statements on an Effective Interest Rate (EIR) basis. This is calculated by applying the effective interest rate to the gross carrying account of the financial asset.

Other income

Other income consists of realised and unrealised market movements on financial instruments measured at FVTPL, foreign currency translation movements, and fee income relating to commitment fees on unutilised facilities.

(a) Net Interest income

The following table shows the amount of interest income and expense.

	Note	2025 \$'000	2024 \$'000
<i>Interest income</i>			
Loans for Catholic projects	2 (c)(i)	72,221	72,131
Financial Assets – Measured at amortised cost	2 (c)(i)	72,541	74,280
		144,762	146,411
<i>Interest expense</i>			
Customers' funds – At Call	2(c)(ii)	77,150	82,688
Customers' funds – Term Investments	2(c)(ii)	11,608	6,324
		88,758	89,012

(b) Other income

	2025 \$'000	2024 \$'000
<i>Non-interest income</i>		
Fee income	165	381
Unrealised gains (losses) on financial assets	(925)	339
Realised gains on financial assets	1,100	1,879
	340	2,599

4. Contribution by the ADF to the Archdiocese of Brisbane

	2025 \$'000	2024 \$'000
Archdiocese of Brisbane	33,000	33,000
	33,000	33,000

The ADF makes an annual distribution to the Archdiocese of Brisbane to fund key pastoral ministries and initiatives. In 2025, a distribution of \$16m (2024: \$16m) was approved by the ADF Board with a further special distribution of \$17.0m (2024: \$17.0m). As at 31 December 2025, there is an outstanding balance of \$17.0m (2024: \$14.0m) to the Archdiocese of Brisbane.

5. Cash and cash equivalents

	Note	2025 \$'000	2024 \$'000
Cash at bank		3,914	5,234
Short-term Investments	2(b)	176,300	186,000
		180,214	191,234

The cash at bank bears floating interest rates of the RBA cash rate plus a margin of between 0.05% and 0.10%.

6. Receivables and other assets

		2025 \$'000	2024 \$'000
<i>Receivables</i>			
Interest receivables		8,352	11,567
Net GST receivable		1,870	1,117
Trade receivables		1,843	2,104
Total receivables		12,065	14,788
<i>Other assets</i>			
Prepayments		92	150
Total other assets		92	150
Total receivables and other assets		12,157	14,938

7. Financial assets

	Note	2025 \$'000	2024 \$'000
Financial assets at amortised cost			
Money Market Term deposits	2 (c)	64,500	87,000
Debt securities	2 (c)	694,259	719,761
Financial assets at fair value through profit or loss			
Cash Fund Unit Trust	2 (c)	9,939	3,893
Derivatives	2 (c)	1,330	1,619
		770,028	812,273
<i>Maturity analysis</i>			
Less than 12 months		252,382	234,956
Longer than 12 months		517,646	577,317
		770,028	812,273

8. Loans for Catholic projects

	Note	2025 \$'000	2024 \$'000
Term loans		1,280,918	988,625
Lines of credit		140,142	188,752
		1,421,060	1,177,377
<i>Maturity analysis</i>			
Less than 12 months		50,111	38,839
Longer than 12 months		1,370,949	1,138,538
		1,421,060	1,177,377

Concentrations of loans for Catholic projects

The ADF has an exposure to groupings of individual loans which concentrate risk and create exposure to particular segments as follows:

Archdiocesan	433,807	298,121
Parishes	82,486	78,794
Public Juridic Persons	707,448	595,498
Other Catholic Entities	113,356	115,973
Other Diocese	83,963	88,991
	1,421,060	1,177,377

To date, the ADF has not incurred a credit loss, nor do they expect a credit loss to be incurred in future, accordingly there is no expected credit loss as at 31 December 2025 (2024: \$0).

9. Payables

	2025 \$'000	2024 \$'000
Accrued interest payable on customers' funds	2,948	3,293
Other payables	1,235	1,171
Contribution to Archdiocese of Brisbane	17,000	14,000
Contribution to Congregation of Leaders of Religious Institutes Queensland	250	300
	21,433	18,764

10. Customers' funds

	Note	2025 \$'000	2024 \$'000
At Call		1,867,827	1,768,550
Term Investments		308,025	239,100
	2 (h)	2,175,852	2,007,650
Archdiocesan investment subordinated	2 (h)	10,000	10,000

With effect from 19 May 2017 The Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane (the Corporation) has subordinated the sum of \$10m invested by the Corporation in the ADF in favour of the customers' funds (other than the Corporation) of the ADF.

The subordinated amount will be available to meet calls for repayment of invested funds owed to the customers in priority and preference to any call by the Corporation. The Corporation may from time to time vary or revoke the subordinated amount. Any Deed of Revocation or reduction in the subordinated amount will take effect twelve calendar months following execution of the Deed.

Note	2025 \$'000	2024 \$'000
<i>Maturity analysis</i>		
Less than 12 months	2,165,852	1,997,650
Longer than 12 months	10,000	10,000
	2,175,852	2,007,650
<i>Concentration of customers' funds</i>		
Archdiocesan	625,712	628,461
Parishes	294,392	228,619
Public Juridic Persons	950,412	819,840
Other Catholic Entities	150,619	144,630
Other Diocese	154,717	186,100
	2,175,852	2,007,650

11. Accumulated funds

	2025 \$'000	2024 \$'000
Movements in accumulated funds were as follows:		
Accumulated funds at the beginning of the year	169,976	149,759
Operating surplus before contribution	49,652	53,217
Contribution to the Archdiocese of Brisbane	(33,000)	(33,000)
Accumulated funds at the end of the year	186,628	169,976

12. Contingent liabilities

(a) Approved but undrawn loans and lines of credit

At balance date the approved but undrawn loan facilities of customers totalled \$517.9m (2024: \$658.8m). It is expected that many of these facilities will be drawn down within the next 24 months. Of this balance, undrawn lines of credit accounted for \$250.4m (2024: \$163.1m).

(b) Bank guarantees

The ADF has indemnified the Commonwealth Bank of Australia for \$4.28m (2024: \$5.75m) for guarantees on behalf of ADF customers. Management believes no liability will arise as, in the event that the guarantees are called upon, the Fund has the right of redress from the customers.

13. Reconciliation of operating surplus to the net cash inflow from operating activities

	2025	2024
	\$'000	\$'000
Operating surplus before contribution	49,652	53,217
Depreciation	117	109
Amortisation of bonds	1,354	1,075
Gains on financial assets	(175)	(1,075)
Net profit on sale of non-current assets	1	(11)
Change in operating assets and liabilities		
(Increase) Decrease in interest receivable	3,215	(4,675)
(Increase) Decrease in receivables	(434)	969
Increase (Decrease) in payables	14	90
Increase (Decrease) in interest payable	(345)	2,578
Increase (Decrease) in leave provisions	94	59
Increase (Decrease) in customers' funds	168,202	98,730
(Increase) Decrease in loans for Catholic projects	(243,683)	7,332
(Increase) Decrease in investment securities	22,500	80,500
Net cash flow from operating activities	512	238,898

Cash flows on a net basis – cash flows arising from the following activities are presented on a net basis in the statement of cash flows:

- Customer Fund income and withdrawals
- Customer draw downs and repayments
- Investment deposits and withdrawals for investments classified as operating activities.

14. Classes of financial assets and financial liabilities

The ADF holds the following financial instruments:

(a) Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

	2025	2024
	\$'000	\$'000
Cash and cash equivalents	180,214	191,234
Receivables	12,157	14,938
Money Market Term deposits	64,500	87,000
Debt securities	694,259	719,761
Loans for Catholic projects	1,421,060	1,177,377
	2,372,190	2,190,310

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

(i) *Classification of financial assets at fair value through profit or loss*

Financial assets measured at FVTPL include the following:

	2025	2024
	\$'000	\$'000
Cash Fund Unit trust	9,939	3,893
Derivatives	1,330	1,619
	11,269	5,512

(ii) *Fair value hierarchy and estimates*

The ADF measures fair values of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by ADF is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(iii) *Financial instruments measured at fair value - Fair value hierarchy*

All financial instruments measured at FVPL are classified as level 1 and level 2 in the fair value hierarchy,

	2025	2024
	\$'000	\$'000
Level 1	9,939	3,893
Level 2	1,330	1,619
	11,269	5,512

There were no transfers during the year between Level 1, Level 2 and Level 3 investments.

(c) Financial Liabilities

Financial Liabilities include the following items:

	2025	2024
	\$'000	\$'000
Subordinated debt	10,000	10,000
Customers' funds	2,165,852	1,997,650
Payables	21,433	18,764
Total Financial Liabilities	2,197,285	2,026,414

15. Risk management policy and objectives

Introduction

The ADF is committed to the management of risk as an integral part of its operations, focusing on strategies to minimise risks in the delivery of its mission and objectives.

Authority, integral to the management of risk, is delegated to the Board, Finance & Risk Committee, and General Manager.

The main elements of risk governance are as follows:

- *Archdiocese*
The Archdiocese exists and operates in accordance with the 1983 Code of Canon Law. The Archdiocese, in turn, provides the primary guidance to the Board and Management of the ADF through the issuance of specific governance policies covering Board processes, strategic directions, human resources, financial management, quality management, risk management, ethics and public relations.
- *The Board*
The Board provides advice and recommendations to Management and the Archbishop in relation to the mandated objectives of the ADF to provide loans and facilitating financial services within the Archdiocese as well as other Catholic entities within Australia.
- *Finance and Risk Committee*
The Finance and Risk Committee is a standing committee of the Board which provides recommendations and advice in relation to the operational functions of the ADF.

The Finance and Risk Committee oversees and appraises the ADF's financial and operational reporting processes, including monitoring the specific risk exposures of the ADF in the areas of liquidity, interest rate, capital management, operating and lending practices to identify and recommend improvements in management policy and strategy to manage risk exposure.

- *ADF Management*
This group, comprising the General Manager and Assistant General Manager is responsible for implementing policies and practices to ensure that all loans, investments, liquidity and capital adequacy requirements, are properly managed and reported.

The ADF provides a range of simple products and services to its customers. The products and services do not contravene the regulatory relief provided by APRA and ASIC.

Surplus funds are invested in accordance with the ADF's Operating Policies. The purpose of this policy is to establish the investment risk management guidelines that the ADF adopts when investing funds that are not immediately required for loan and liquidity purposes. The investment objectives of the ADF are

- To optimise the return on investment within constraints of this Policy.
- To set medium to long term strategic asset allocations for the investment portfolio.
- To identify the most appropriate investment products; and
- To measure and report the performance of individual investments relative to appropriate benchmarks to the Board.

Whilst the ADF operates under a Banking Act 1959 exemption and is not subject to APRA regulations, the Board maintains a risk management framework that also complies with the spirit of relevant prudential standards.

Key risk management policies encompassed in the overall risk management framework include:

- a) Market risk management,
- b) Interest rate risk management,
- c) Credit risk management,
- d) Liquidity risk management, and
- e) Capital management,
- f) Operational risk management

The ADF has undertaken the following strategies to minimise the risks arising from financial instruments.

(a) Market risk

The objective of the ADF's market risk management is to manage and control market risk exposures in order to optimise risk and return.

Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and other volatilities will have an adverse effect on the ADF's financial condition or results. The management of market risk is the responsibility of Management which reports to the Finance & Risk Committee.

The ADF is not exposed to material currency risk or other significant price risk. The ADF does not trade in the financial instruments it holds on its books.

(b) Interest rate risk

Interest rate risk is the risk of variability of the fair value or future cash flows arising from financial instruments due to the changes in interest rates. The ADF's exposure to interest rate risk is managed on a regular basis in accordance with the ADF Operating Policies.

The policy of the ADF is to maintain a balanced strategy by ensuring that the net interest rate gaps between assets and liabilities are not excessive. The ADF currently maintains a net interest gap approaching 1.9% (2024: 2.0%) between its return on assets and cost of funds.

Management performed a sensitivity analysis to assess the impact on operating surplus of a 25bps change in interest rates, using average 2025 volumes. Results are as follows:

- 25bps decrease in the RBA cash rate (no change to the ADF standard rate), operating surplus decreases by \$2.5m per annum.
- 25bps decrease in the ADF standard rate (no change to the cash rate), operating surplus increases by \$2.6m per annum.
- 25bps decrease to both the RBA cash rate and the ADF standard rate has an approximately neutral impact on operating surplus.

In performing the calculation, the following assumptions were applied:

- Interest rate change are applied equally over the loan products and term deposits.
- Term Investment customer funds would all reprice to the new interest rate at the term maturity, or be replaced by debentures with similar terms and rates applicable.
- Loans would be repaid in accordance with the current average repayment rate (or contractual repayment terms).
- The mix of market-linked vs ADF standard-linked balances will remain unchanged.
- Analysis is prepared on an annualised basis using average 2025 volumes.

Whilst these scenarios are general, and do not take into account market timing or expectation, they provide insights as to the impact of movements in interest rates on the operating surplus.

(c) Credit risk

Credit risk is the risk that borrowers, financial institutions and other counterparties will be unable to meet their obligations to the ADF which may result in financial losses. Credit risk arises principally from the ADF's loan book and investment assets.

Credit Risk - Loans

For loans, all credit exposures are properly pre-approved, measured and controlled. Details concerning a prospective borrower are subject to a criteria-based decision-making process. Criteria used for this assessment include borrower's capacity to service the value of all loan commitments, including the new loan or facility, performance on existing loans and security on offer to support the loan (for non-Archdiocesan borrowers). All large credit exposure facilities above \$2,000,000 (2024: \$2,000,000) are approved by the Board.

The method of managing credit risk on Loans advanced is by way of strict adherence to the credit assessment policies before loans are approved, and maintaining regular contact with the borrower.

The ADF has established policies over the:

- Credit assessment and approval of loans and facilities covering acceptable risk assessment and security requirements;
- Limits of acceptable exposure over the value to non-mortgage secured loans and concentrations of geographic and industry groups considered a high risk of default;
- Reassessing and review of the credit exposures on loans and facilities;
- Review of compliance with the above policies.

(i) Past due and impaired loans

ADF measures expected credit losses as per Note 2(c)(v).

Management makes judgements about a counterparty's financial situation and the net realisable value of any collateral to determine loss given default. Risks are mitigated by many factors including security requirements, counterparty investments with the ADF and dealings with internal Archdiocesan entities.

There is a three-stage expected credit loss (ECL) model for impairment based on changes in credit quality since initial recognition. Stage 1 requires 12-month ECL for performing assets, Stage 2 requires lifetime ECL for assets with significant credit risk increases, and Stage 3 covers credit-impaired assets, calculating interest on a net basis. The ADF assesses 100% of their loan book as Stage 1 Performing loans.

At 31 December 2025 there are no loans that are past due or impaired (2024: \$0). To date, the ADF has not incurred a credit loss, nor do they expect a credit loss to be incurred in future, accordingly there is no expected credit loss as at 31 December 2025 (2024: \$0).

(ii) Maximum credit risk exposure

The ADF's maximum credit risk exposure, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the Statement of Financial Position. In relation to loans, the maximum credit exposure is the value on the Statement of Financial Position plus the undrawn loan commitments. Details of undrawn loan commitments are shown in Note 12 (a).

(iii) Collateral securing loans

The portion of the loan book to non-Archdiocesan entities for loans in excess of \$7,623,567 (2024: \$7,467,545) is secured by first registered mortgage over property. Therefore, the ADF is exposed to risks in the reduction of the Loan to Value (LVR) cover should the property market be subject to a decline.

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken. The ADF's policy is to carry a 75% Loan to Valuation ratio or less on all loans where security is held. It is the policy of the ADF to allow borrowers with a secured loan or advance reasonable assistance and opportunity to rectify a breach prior to recovery procedures being initiated.

(iv) Concentration risk

Concentration risk is a measurement of the ADF's exposure to an individual counterparty (or group of related parties). The ADF differs significantly from commercial lenders in many ways, including:

- The ADF has a limited number of counterparties that it can lend to.
- Counterparties operate in a limited number of industries, predominantly education, health care, aged care and social welfare.
- The ADF is not a standalone entity, it is an agency of the Corporation.
- Many of the counterparties of the ADF are agencies of the Corporation to and are therefore internal Archdiocesan entities.
- Borrowers from the ADF generally have extensive assets and ADF loans are usually only a small portion of the value of those assets.
- All borrowers from the ADF are contributing to the Mission of the Church. In the event that a counterparty to an ADF loan was unable to meet its commitments, the ADF would always seek ways to continue to support the apostolic work. Sale of any security would only occur after all other avenues had been exhausted.

Below is a summary of loan concentrations by entity type.

	2025	2025	2024	2024
	\$'000	%	\$'000	%
Archdiocesan*	433,807	30%	298,121	25%
Parishes*	82,486	6%	78,794	7%
Public Juridic Persons	707,448	50%	595,498	51%
Other Catholic Entities	113,356	8%	115,973	10%
Other Diocese	83,963	6%	88,991	7%
	1,421,060	100%	1,177,377	100%

* Internal Archdiocesan entities

Concentrations of credit risk arise in the following categories:

Industry	Maximum credit risk exposure for each concentration			
	2025	2025	2024	2024
	\$'000	%	\$'000	%
Education	698,134	49%	531,393	45%
Health care	374,634	26%	290,069	25%
	1,072,768	75%	821,462	70%
Other non-concentrated	348,292	25%	355,915	30%
	1,421,060	100%	1,177,377	100%

Concentrations of credit risk on loans to individual borrowers (including associated borrowers) greater than 10% of capital are detailed as follows:

	2025	2024
Number of loans	12	11
Loan balance (\$m)	530	433

Credit Risk - Investments

For investments, credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the ADF incurring a financial loss. Credit Ratings from reputable ratings agencies are used to assess the credit quality of all investment exposure. The position as at 31 December is shown below:

Issuer Rating Composition – Deposits at Authorised Deposit taking Institutions

Rating	% of Total Portfolio		% of Total Portfolio	
	2025	Prudential Portfolio Limit 2025	2024	Prudential Portfolio Limit 2024
A-1+	92%	100%	100%	100%
A-1	0%	100%	0%	100%
A-2	8%	25%	0%	25%
	100.00%		100.00%	

Issuer Rating Composition – Debt Securities

Rating	% of Total Portfolio		% of Total Portfolio	
	2025	Prudential Portfolio Limit 2025	2024	Prudential Portfolio Limit 2024
AAA	1%	100%	0%	100%
AA	7%	100%	7%	100%
A	76%	100%	83%	100%
BBB	15%	50%	9%	50%
Cash	1%	10%	1%	10%
	100%		100%	

(d) Liquidity risk

Liquidity risk is the risk that the ADF may encounter difficulties raising funds to meet commitments associated with financial instruments e.g. borrowing repayments or customer withdrawal demands. It is the policy of the Board that the ADF maintains adequate cash reserves and committed credit facilities so as to meet the customer withdrawal demands when requested.

The ADF manages liquidity risk by:

- Continuously monitoring actual and daily cash flows and longer term forecasted cash flows;
- Monitoring the maturity profiles of financial assets and financial liabilities;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities; and
- Monitoring the policy liquidity ratio daily.

The ADF has long standing arrangements with other Catholic Development Funds and the Commonwealth Bank of Australia to access funds to provide support to the ADF should this be necessary at short notice.

Securities purchased within the QIC mandate must be listed to allow for quick liquidation and have a term to maturity such that the maximum deviation either side of the Bloomberg AusBond Bank Bill Index does not exceed 0.25 years.

The Australian Prudential Regulatory Authority (APRA) sets and monitors liquidity requirements for Approved Deposit-taking Institutions (ADIs) under Australian Prudential Standard (APS) 210 Liquidity. The ADF operates under a Banking Act 1959 exemption and is not subject to APRA regulations.

CDPF Limited (CDPF) recommended a liquidity policy to Catholic Development Funds to standardise reporting and ensure alignment to the spirit of APRA's prudential policies. Effective 1 January 2025, the ADF's Operating Policy was updated to adopt CDPF's recommended prudential ratios. Whilst the CDPF's recommended liquidity is different to the ADF's previous policy, the spirit and intent of both are aligned.

Notwithstanding the recommendations made by CDPF, it is a matter for the ADF to determine its own liquidity ratio, and to continue to be responsible for measuring, monitoring, and managing its liquidity.

The liquidity ratio shall be calculated as a proportion of total liquid assets to total liabilities based on the following formula:

$$\text{Liquidity ratio} = \frac{\text{Total Liquid Assets}}{\text{Total Liabilities}}$$

Liquid assets accepted by the Board for operation in the ADF, and consistent with CDPF's recommendation, must be free from encumbrance and include:

- Notes and coin and settlement funds;
- Deposits (at call and any other deposits readily converted into cash within two business days) held with ADIs.
- Senior debt securities (secured and unsecured) issued by an ADI.
- Subordinated debt security issued by an ADI. Only 70% of the market value of subordinated debt security issued by an ADI can be used in the calculation of total liquid assets.
- Debentures issued by the CDF of another Arch/Diocese.
- Committed line of credit secured by term deposits or real property assets.
- Unsecured committed line of credit for an approved facility.
- Managed investment portfolios funds available within two business days.

Total Liabilities include on-balance sheet liabilities and irrevocable commitments, including customer investments and trade payables but excludes employee entitlements.

The ADF maintains a minimum liquidity ratio of 9% which complies with CDPF's recommendation. As at the end of each reporting period, for the past 3 years the liquidity ratios (based on the current policy) are as follows:

2025	2024	2023
23.69%	21.35%	20.86%

(e) Capital adequacy

The ADF's objective is to maintain sufficient capital resources to support business activities and operating requirements, and to ensure continuous compliance with capital ratios. To manage the ADF's capital, Management reviews the ratio monthly and monitors major movements in asset levels. The ADF's Operating Policies requires monthly reporting to the Board of the ratio.

The Australian Prudential Regulatory Authority (APRA) sets and monitors capital requirements for Approved Deposit-taking Institutions (ADIs) under Australian Prudential Standard (APS) 110 Capital Adequacy. The ADF operates under a Banking Act 1959 exemption and is not subject to APRA regulations.

CDPF Limited (CDPF) recommended a capital adequacy policy to Catholic Development Funds to standardise reporting and ensure alignment to the spirit of APRA's prudential policies. Effective 1 January 2025, the ADF's Operating Policy was updated to adopt CDPF's recommended prudential ratios. Whilst the CDPF's

recommended capital adequacy is different to the ADF's previous policy, the spirit and intent of both are aligned.

Notwithstanding the recommendations made by CDPF, it is a matter for the ADF to determine its own risk weightings and capital adequacy ratio, and to continue to be responsible for measuring, monitoring, and managing its capital adequacy.

As part of its capital adequacy assessment process the ADF must establish and maintain, in the normal course of business, a capital base based on risk-weighted assets. The ratio, known as the Capital Adequacy ratio, shall be calculated as a proportion of capital to total risk-weighted asset exposure, based on the following formula:

$$\text{Capital Adequacy ratio} = \frac{\text{Total Capital}}{\text{Total risk-weighted assets}}$$

Total Capital

Under the APRA Standard, an ADI must maintain minimum levels of Tier 1 capital and may also hold Tier 2 capital up to certain prescribed limits. Tier 1 capital comprises the highest quality components of capital that fully satisfy the following essential characteristics:

- Provide a permanent and unrestricted commitment of funds.
- Are freely available to absorb losses.
- Do not impose any unavoidable servicing charges against earnings; and
- Rank behind claims of customer funds and other creditors in the event of winding up.

The ADF has applied a modified Capital Adequacy methodology to consider the characteristics of its operating environment. The ADF's Tier 1 capital includes the Accumulated Funds of the ADF.

Tier 2 capital comprises a debenture from the Archdiocese subordinated for this purpose as set out in Note 11.

Capital in the ADF is made up as follows:

	2025	2024
	\$'000	\$'000
Tier 1 capital		
Accumulated funds	186,628	169,976
Net Tier 1 Capital	186,628	169,976
Tier 2 capital		
Subordinated customer funds	10,000	10,000
Net Tier 2 capital	10,000	10,000
Total capital	196,628	179,976

Total risk-weighted Assets

As all assets are not similar in risk, they are individually risk-weighted before valuing them for capital adequacy purposes. The risk weightings, accepted by the Board for operation in the ADF, and consistent with CDPF's recommendation, are as follows:

Asset		Weighting
Cash items	Notes and coins	0%
Claims on ADIs and overseas banks - Original term < 3 months	Rating AAA+ to BBB-	20%
Claims on ADIs and overseas banks - Original term > 3 months	Rating AAA+ to AA-	20%
	Rating A+ to BBB-	50%
Lending	Archdiocese	20%
	Archdiocesan Agency	20%
	Archdiocesan Parish	35%
	All other loans – secured	50%
	All other loans – unsecured	85%

Loans (including Line of Credit Facilities) that have been unconditionally approved but remain undrawn are included in the risk weighting of the category of the underlying Loan.

The level of the capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets. The ADF maintains a minimum capital ratio of 10% of risk weighted assets which complies with CDPF's recommendation. As at the end of each reporting period, for the past 3 years the capital ratios (based on the current policy) are as follows:

2025	2024	2023
16.86%	15.18%	15.99%

16. Maturity profile of financial liabilities

The tables below analyse ADF's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total cash flows	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2025							
Other payables	18,485	-	-	-	-	18,485	21,433
Customer Funds	1,895,410	81,067	193,477	-	-	2,169,954	2,165,852
Archdiocesan investment	-	-	-	-	10,000	10,000	10,000
	1,913,895	81,067	193,477	-	10,000	2,198,439	2,197,285
2024							
Other payables	15,471	-	-	-	-	15,471	18,764
Customer Funds	1,778,593	94,537	127,627	-	-	2,000,757	1,997,650
Archdiocesan investment	-	-	-	-	10,000	10,000	10,000
	1,794,064	94,537	127,627	-	10,000	2,026,228	2,026,414

17. Auditor's remuneration

	2025 \$	2024 \$
Audit and review of financial statements	79,609	75,800
Other assurance services	1,500	1,500
Total remuneration for audit and other assurance services	81,109	77,300

18. Standby arrangements and credit facilities

The ADF has access to an intra-day overdraft facility, subject to annual review.

Standby arrangements	2025 \$'000			2024 \$'000		
	Available	Used	Unused	Available	Used	Unused
CBA	40,000	-	40,000	40,000	-	40,000
Total	40,000	-	40,000	40,000	-	40,000

Contingent liabilities facility

	2025 \$'000	2024 \$'000
Total bank guarantee and indemnity facility provided by CBA	7,000	7,000
Used at balance date	(4,277)	(5,746)
Unused at balance date	2,723	1,254

19. Board remuneration

During the year no remuneration was paid to the ADF Board (2024: \$0).

20. Related Party Disclosures

As described in Note 1, the ADF is an agency of the Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane.

The ADF has determined that its related parties include:

- The Corporation of the Trustees of The Roman Catholic Archdiocese of Brisbane (Archdiocese of Brisbane) including the other Agencies, Parishes and operational activities within the Archdiocese of Brisbane
- Provincial entities of which the Archbishop is one of five members and, as the "Metropolitan" in Queensland, has greater influence than the other members.

(a) Related Party Transactions	2025	2024
	\$	\$
<i>Interest Income</i>		
Archdiocesan Entities	22,118,184	24,505,665
Parishes	4,452,344	6,316,052
Provincial Entities	207,042	291,977
<i>Interest Expense</i>		
Archdiocesan Entities	26,308,253	30,790,096
Parishes	8,797,141	7,828,509
Provincial Entities	8,736,877	8,488,997
<i>Administration Expenses (Management fee and IT services)</i>		
Archdiocesan Entities	988,117	606,215
<i>Office occupancy</i>		
Archdiocesan Entities	229,032	340,257
<i>Contributions to the Archdiocese of Brisbane</i>	33,000,000	33,000,000

Transactions have taken place at arm's length.

(b) Related Party Balances	2025	2024
	\$	\$
<i>Loans for Catholic projects</i>		
Archdiocesan Entities	433,807,398	298,121,340
Parishes	82,486,440	78,794,651
Provincial Entities	3,750,923	4,532,598
<i>Customer's funds</i>		
Archdiocesan Entities	625,712,657	628,460,621
Parishes	294,391,745	228,618,917
Provincial Entities	196,415,576	143,715,478
<i>Payables (Contributions)</i>		
Archdiocesan Entities	17,000,000	14,000,000

(c) Key Management Personnel	2025	2024
The ADF did not provide any remuneration to Key Management Personnel (KMP) during the year (2024: nil). Included in the above related party transactions and balances are the following KMP transactions and balances.		
Management fees paid for services provided by KMP	400,000	375,000
Interest paid	3,922	5,355
Customer's Funds	-	190,402

Statement by Vicar General and General Manager

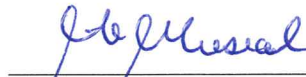
It is our opinion that:

- a) the accompanying Statement of Comprehensive Income gives a true and fair view of the financial performance of the ADF for the year ended 31 December 2025;
- b) the accompanying Statement of Financial Position gives a true and fair view of ADF's state of affairs as at 31 December 2025;
- c) the accompanying Statement of Changes in Equity gives a true and fair view of the movements in equity of the ADF for the year ended 31 December 2025;
- d) the accompanying Statement of Cash Flows gives a true and fair view of the cash flows of the ADF for the year ended 31 December 2025;
- e) the financial statements have been made out in accordance with both the accounting policies described in Note 2 to the financial statements and ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813; and
- f) there are reasonable grounds to believe that the ADF will be able to pay its debts and repay its customers as and when they become due and payable.

Dated this 25th day of March 2026



Fr Peter Dillon
Vicar General
Archdiocese of Brisbane



Andrew Musial
General Manager
Archdiocesan Development Fund