

MELBOURNE BUSINESS SCHOOL LIMITED

ABN: 80 007 268 233

ANNUAL FINANCIAL REPORT

31 DECEMBER 2025

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MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report

For the year ended 31 December 2025

The Directors present their report together with the consolidated financial statements of the Group comprising of Melbourne Business School Limited ("the Company") and its subsidiaries, for the year ended 31 December 2025 and the auditor's report thereon.

Directors' qualifications, experience and special responsibilities

The Directors in office during the financial year or as at the date of this report are below:

Name:	Qualifications:	Experience:	Special responsibilities:
Mr. Ken MacKenzie Appointed: June 2023	BEng (McGill), FIEA, FAICD	<u>Former Chair:</u> BHP Group. <u>Strategic Advisor:</u> Barrenjoey <u>Member:</u> Advisory Board of American Securities Capital Partners LLC. <u>Former CEO and Managing Director:</u> Amcor Ltd. <u>Chair:</u> Applied EV	<u>Chair</u> of the Board <u>Member:</u> Remuneration & Nominations Committee; Properties & Facilities Committee
Mr. Anthony Burgess AO Appointed: May 2013 Ceased: 19 May 2025	BCom (Hons) (Melb), MBA (Distinction) Harvard, CPA, F Fin	<u>Chairman:</u> Flagstaff Partners Pty Ltd. <u>Director:</u> Diversified United Investment Ltd.; The Ian Potter Foundation Limited <u>Chairman:</u> Melbourne Foundation for Business & Economics, University of Melbourne <u>Member:</u> Faculty of Business and Economics Advisory Board, The University of Melbourne.	<u>Chair:</u> Investment Committee <u>Member:</u> Finance, Risk & Audit Committee
Professor Jennifer George Appointed: November 2023	PhD – Operations, Information and Technology (Stanford), BSc (Hons) - Operations Research (Canterbury)	<u>Dean:</u> Melbourne Business School Ltd. <u>Co-Dean:</u> Faculty of Business and Economics at the University of Melbourne <u>Former CEO:</u> Converge International <u>Former Director:</u> Ansvar Insurance Australia <u>Former Advisory Board Member:</u> Dahlsens Building Centres Pty Ltd; Centre for Business Analytics, Melbourne Business School <u>Member:</u> Chief Executive Women	<u>Member:</u> Investment Committee; Properties & Facilities Committee

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Directors' Report (continued)

Directors' qualifications, experience and special responsibilities (continued)

Name:	Qualifications:	Experience:	Special responsibilities:
Ms Janelle Hopkins Appointed: March 2023	BCom (UniMelb), MBA (AGSM - UNSW), GAICD	<u>Former CFO:</u> REA Group <u>Director:</u> Alannah and Madeline Foundation <u>Member:</u> Chief Executive Women <u>Former Group CFO:</u> Australia Post <u>Former Chair:</u> Group of 100	<u>Chair:</u> Finance, Risk & Audit Committee (from 1 April 2026); Investment Committee
Mr. Robert Johanson AO Appointed: March 2017 Ceased: 30 March 2026	BA, LL.M (Melb), MBA (Harvard)	<u>Director:</u> Neuclone Ltd.; Robert Salzer Foundation; Australian Friends of Asha	<u>Chair:</u> Finance, Risk & Audit Committee (until 30 March 2026); <u>Member:</u> Investment Committee
Professor Emma Johnston AO Appointed: 1 October 2025 Ceased: 26 December 2025	PhD (Melb), FAA, FTSE	<u>Vice-Chancellor:</u> The University of Melbourne <u>Governor:</u> Ian Potter Foundation <u>Board Member:</u> CSIRO	
Professor Paul Kofman Appointed: May 2013	PhD (Erasmus Universiteit Rotterdam), B Ec (Erasmus Universiteit Rotterdam)	<u>Dean:</u> Faculty of Business and Economics, The University of Melbourne.	
Mr. Cameron Leitch Appointed: March 2017	MBA (Distinction) Melb	<u>Former Partner:</u> McKinsey & Company. <u>President:</u> Australia Music Association Board <u>Former CEO:</u> SoundBay	<u>Member:</u> Remuneration & Nominations Committee
Professor Geoffrey Martin Appointed: March 2020	PhD, IE Business School (Madrid); MBA (Melb); BComm, UNSW; ACA, Institute of Chartered Accountants	<u>Professor of Strategy:</u> Melbourne Business School Ltd	

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Directors' Report (continued)

Directors' qualifications, experience and special responsibilities (continued)

Name:	Qualifications:	Experience:	Special responsibilities:
<p>Ms. Rebecca McGrath AM Appointed: March 2023</p>	<p>BTP (Hons), MA (App.Sci), FAICD</p>	<p><u>Chair:</u> Investa Property Group</p> <p><u>Non-Executive Director:</u> Macquarie Group Limited and Macquarie Bank Limited; Djerriwarrh Investments Limited; UniSuper.</p> <p><u>Member:</u> Chief Executive Women; ASIC Corporate Governance Consultative Panel</p> <p><u>Former President:</u> Victorian Council: AICD</p> <p><u>Former Chair:</u> OZ Minerals; Scania Australia Pty Ltd; Kilfinan Australia</p> <p><u>Former CFO / Vice President Operations:</u> BP</p> <p><u>Former Non-Executive Director:</u> Goldman Group; Incitec Pivot Ltd.; CSR Ltd; Big Sky Credit Union</p>	<p><u>Member:</u> Finance, Risk & Audit Committee</p>
<p>Ms. Brooke Miller Appointed: March 2023</p>	<p>MLArch (Melb), Bachelor of Urban and Environmental Planning (Melb), Cert. Dip. Horticulture (Burnley College, Melb Uni), MBA (Melb), GAICD</p>	<p><u>Former President Asia Pacific:</u> Lineage</p> <p><u>State Director for Biosciences Research Centre:</u> Agribio Australia</p> <p><u>Member:</u> Chief Executive Women</p> <p><u>Former Member:</u> Centre for Business Analytics Advisory Board, Melbourne Business School</p> <p><u>Former Trustee:</u> Committee for Economic Development of Australia</p> <p><u>Former Vice President Asia Pacific:</u> Castrol (BP)</p>	<p><u>Chair:</u> Properties and Facilities Committee</p> <p><u>Member:</u> Remuneration and Nominations Committee</p>
<p>Ms. Claire Rogers Appointed: December 2020</p>	<p>BA, MBA (Melb), FAICD</p>	<p><u>Chair:</u> Australian Red Cross</p> <p><u>CEO / Managing Partner:</u> CEO Mastermind Advisory Services</p> <p><u>Former CEO:</u> World Vision Australia.</p> <p><u>Director:</u> Spiire Limited; Victorian Funds Management Corporation (VFMC); auDA: .au Domain Administration; Oho Pty Ltd (formerly Duty of Care); Red Cross Lifeblood</p> <p><u>Member:</u> Chief Executive Women</p>	<p><u>Chair:</u> Remuneration & Nominations Committee</p>

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Directors' Report (continued)

Directors' qualifications, experience and special responsibilities (continued)

Name:	Qualifications:	Experience:	Special responsibilities:
Ms. Wendy Stops Appointed: 20 May 2025	B.A.Sci., FAICD	<u>Non-Executive Director:</u> Coles; PwC Australia; Hall & Wilcox <u>Chair:</u> Fitted for Work Future Fund; Institute for Digital Innovation & AI (IDIA) Advisory Board <u>Member:</u> Chief Executive Women (CEW); AICD Governance of Innovation & Technology Panel; Carlton Football Club Foundation Board <u>Former Chair:</u> Fitted for Work; Blackmores Group <u>Former Non-executive Director:</u> Commonwealth Bank of Australia; Altium <u>Former Member:</u> University of Melbourne Council (incl Deputy Chancellor); CEW Scholarships and Leaders Development Committees	<u>Member:</u> Finance, Risk & Audit Committee
Mr. Wesley Walden Appointed: 26 March 2025	BEng (Civil) (UniSQ), M Environmental Management (UQ), MBA, Rupert Murdoch Fellow (Melb)	<u>Managing Partner:</u> McKinsey and Company ANZ <u>Former Member:</u> Grattan Institute Public Policy Committee; Cathy Freeman Foundation Board	<u>Member:</u> Properties and Facilities Committee

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Directors' meetings

The meeting attendance by directors during the year 1 January 2025 to 31 December 2025 is noted below:

	Board		Finance, Risk & Audit Committee		Investment Committee		Remuneration & Nominations Committee		Properties & Facilities Committee	
	A	B	A	B	A	B	A	B	A	B
Mr Ken MacKenzie	4	4					4	4	4	4
Mr Anthony Burgess AO	1	1	1	1	4	4				
Professor Jennifer George	4	4			4	4			4	4
Ms Janelle Hopkins	4	4	3	4	3	4				
Mr Robert Johanson AO	4	4	4	4	4	4				
Professor Emma Johnston AO	1	4								
Prof. Paul Kofman	2	4								
Mr Cameron Leitch	4	4					4	4		
Professor Geoffrey Martin	4	4								
Ms Rebecca McGrath AM	4	4	4	4						
Ms Brooke Miller	3	4					3	4	3	4
Ms Claire Rogers	4	4					4	4		
Ms Wendy Stops	3	3	2	2						
Mr Wesley Walden	3	3							1	2

Column A – indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee.

Column B – indicates the number of meetings held during the period the Director was a member of the Board and/or Committee.

Board meetings

Mr Walden was appointed to the Board on 26 March 2025.

Ms Stops was appointed to the Board on 20 May 2025.

Professor Johnston AO was appointed on 10 February 2025 and ceased as a Director on 26 December 2025.

Mr Burgess AO ceased as a Director on 19 May 2025.

Finance, Risk & Audit Committee

Mr Burgess AO ceased as a member of the Committee on 19 May 2025.

Ms Stops was appointed to the Committee on 12 June 2025.

Professor George is not a member of this Committee but attends meetings.

Investment Committee

Mr Burgess AO ceased as a Director on 19 May 2025 but remains Chair of the Investment Committee.

Mr Glen Brennan was appointed to the Committee on 6 March 2025 as a non-Director member. Mr Brennan is a Partner at KPMG and CEO of Arrilla Indigenous Consulting.

Properties & Facilities Committee

Mr Frank Zipfinger was appointed to the Committee on 28 February 2025 as a non-Director member. Mr Zipfinger is a former Director of Melbourne Business School and former Chairman and Managing Partner of King & Wood Mallesons.

Mr Walden was appointed to the Committee on 12 June 2025.

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Directors' Report (continued)

Company Secretary

The Company Secretaries for the full year were:

- Ms Charly Stephens
- Ms Victoria Nadalin
- Mr Andrew Taplin

Corporate Governance

The corporate objective of the Melbourne Business School (the School) is to provide education, training and research. Good corporate governance is a fundamental part of the culture and business practices of the Company.

Melbourne Business School's corporate governance incorporates those principles outlined below:

- Lay a solid foundation for management oversight
- Have a Board of effective composition, size and commitment to adequately discharge its responsibilities
- Promote ethical and responsible decision making
- Have a structure to independently verify and safeguard the integrity of the controlled entities' financial reporting
- Make timely and balanced disclosure of all material matters concerning the controlled entities
- Recognise and manage risk
- Fairly review and actively encourage enhanced Board and management performance
- Recognise the legitimate interests of all stakeholders

Role of the Board

The primary role of the Board is to set and review strategic and operating objectives; enhance the reputation of the Company and to protect the interests of all stakeholders.

To fulfil this role, the Board is responsible for the overall corporate governance of the Company including: formulating and overseeing strategic direction, establishing and monitoring the achievement of management's goals, approving and monitoring capital expenditure, appointing and reviewing succession policies for Directors and senior executives, ensuring the integrity of internal control and management systems, and enhancing the reputation of the School. It is also responsible for approving and monitoring financial and other reporting.

The Company's Constitution provides that the Board will consist of 17 directors, including three members appointed by University of Melbourne, and the University of Melbourne Vice-Chancellor. The Board is currently comprised of 13 directors. As the Melbourne University Business School Association has ceased to exist, no director can be appointed from this association.

The Board has ultimate responsibility for the strategic direction and control of Melbourne Business School. The Board has delegated the Company's day-to-day management to the Dean, to deliver the strategic direction and goals determined by the Board. From time to time the Board may delegate other responsibilities to Board Committees and management.

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Board processes

To assist in the execution of its responsibilities, the Board has established Board Committees including an Investment Committee, a Finance, Risk & Audit Committee, a Governance, Remuneration & Nominations Committee, and a Properties and Facilities Committee. These Committees have charters which are reviewed on a regular basis.

The full Board currently holds four scheduled meetings each year, plus an Annual General Meeting, and any additional meetings as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared by the Chair, Dean and Company Secretaries. Standing items include: Dean's Report, Financial Report, OH&S, strategic matters, governance and compliance. Board papers are circulated in advance. Executives are regularly involved in Board discussions and Directors have other opportunities, including visits to the School campus, for contact with a wider group of employees.

Finance, Risk & Audit Committee

The Charter under which the Finance, Risk & Audit Committee operates was reviewed and approved by the Board on 27 August 2024.

The Committee comprises at least three non-executive Directors, appointed by the Board. The Board Chair, the Dean and the Chief Financial Officer, the external auditors and other executive officers of the Company are invited to attend as required.

The members of the Finance, Risk & Audit Committee during the year were:

Mr Johanson AO (Chair) (ceased 30 March 2026)

Mr Burgess AO (ceased 19 May 2025)

Ms Hopkins (Chair from 1 April 2026)

Ms McGrath AM

Ms Stops (appointed 12 June 2025)

The Committee assists the Board of Directors to fulfil its responsibilities in overseeing financial, accounting and risk management together with audit and internal control systems.

The Committee meets at least three times a year and provides a report to each subsequent Board Meeting.

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Investment Committee

The Charter under which the Investment Committee operates was reviewed and approved by the Board on 28 November 2024. The Committee comprises three or more non-executive Directors appointed by the Board, in addition to the Dean. The Chief Financial Officer and other executive officers of the Company are invited to attend as required.

The members of the Investment Committee during the year were:

Mr Burgess AO (Chair)
Professor George
Mr Johanson AO
Ms Hopkins
Mr G Brennan

The Committee recommends, reviews, and reports to the Board on:

- Overall investment objectives and investment strategy;
- Appointment, management and review of the investment advisor;
- Performance of the portfolio; and
- Administration of the Melbourne Business School Public Fund.

The Committee meets at least three times a year and provides a report to each subsequent Board meeting.

Governance, Remuneration & Nominations Committee

The Charter under which the Governance, Remuneration and Nominations Committee operates was reviewed and approved by the Board on 27 August 2024. The Committee comprises not less than two non-executive Directors, appointed by the Board, in addition to the Chair of the Committee, who will be a non-executive Director.

The Dean, Chief People & Culture Officer (for Remuneration items) and other executive officers of the Company are invited to attend as required.

The members of the Remuneration and Nominations Committee during the year were:

Ms Rogers (Chair)
Mr Leitch
Mr MacKenzie
Ms Miller

The Committee recommends, reviews, and reports to the Board on:

- Overall remuneration and people strategy;
- Dean's performance incentives and hurdles; and
- Board structure, membership, tenure and succession planning.

The Committee meets at least two times a year and provides a report to each subsequent Board meeting.

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Directors' Report (continued)

Properties and Facilities Committee

The Properties and Facilities Committee Charter was last approved by the Board on 28 March 2024. The Committee was formed to assist the Board to fulfil its corporate governance and overseeing responsibilities in relation to the properties and facilities owned by the Company.

The Committee comprises not less than two and no more than five members, all of whom shall be non-executive Directors appointed by the Board, in addition to the Dean.

Executive officers of the Company are invited to attend as required.

The members of the Properties and Facilities Committee during the year were:

Ms Miller (Chair)

Professor George

Mr MacKenzie

Mr Walden (appointed 12 June 2025)

Mr Zipfinger (appointed 28 February 2025)

The Committee assists the Board to manage the School's properties and facilities to meet the School's overall strategy by:

- Monitoring building and site improvement projects;
- Overseeing property sales and acquisitions;
- Making recommendations to the Board for significant capital investment in properties and facilities; and
- Liaising with the University of Melbourne on major property and facility projects;

The Committee meets at least once per year and provides a report at each subsequent Board meeting.

General information

The Group consists of the Melbourne Business School Limited and its subsidiary MBS Management Development (Malaysia) Sdn Bhd. The Melbourne Business School Limited was incorporated under the Corporations Act on 19 October 1987 as a Public Company Limited by Guarantee. Every member of the Company undertakes to contribute to the property of the Company, in the event of the Company being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Company (contracted before they cease to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding \$100.

MBS Management Development (Malaysia) Sdn Bhd was incorporated under the Malaysian Companies Act, 1965 as a Private Company on 5 February 2015.

Long term objective

In association with the University of Melbourne Faculty of Business & Economics, the long-term objective of the Melbourne Business School is to be among the top-ranked providers of business education within its region (Asia-Pacific). In addition, the Melbourne Business School aims to be the first choice of students and clients seeking business education experiences in its region and esteemed globally as a leading supplier of academic and business-relevant research.

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Short term objectives

In the short term the Company's objectives are to:

- Ensure that its educational programs anticipate and respond to the needs of the market, across the School's award and executive education portfolios;
- Harness digital technologies to grow its existing markets and develop new ones on a spectrum of lifelong learning;
- Continue to produce world class impactful research that is translated into the School's teaching and thought leadership;
- Increase and enrich engagement with the business community, including the School's alumni network, to continue building mutually beneficial relationships;
- Continue to invest in enhancement of its human and physical resources in order to execute on the School's strategy; and
- Build on its financially strong base, increasing revenue and contribution to enable the School to continue to invest in its future growth.

Strategies for achieving objectives

In 2025 management of the Melbourne Business School, with the approval of the Board, initiated strategies to meet short and long term objectives. These included:

- Developing new short course and award programs for launch in 2026;
- Expansion of MBS Asia into Indonesia;
- Expansion of client reach;
- Increased focus on corporate relations;
- Collaborating with the University of Melbourne;
- Re-launching the MBS brand and increasing marketing activities; and
- Considering the development of business school property assets.

Principal activities

The principal activities of the Melbourne Business School during the course of the financial year ended 31 December 2025 were the provision of educational services (award and non-award), academic research and engagement with Alumni and organisations. There were no significant changes in the nature of activities of the Group during the year.

Principal activities assisting the objectives

The principal activities of the Company are, in the main, the dissemination of the knowledge of business and management to learners and executives and the development of ongoing relationships with these stakeholders. The income derived from these activities provides the finances to further invest in educational services, research and to improve the variety of offerings to students and participants. Educational services are closely measured by student and participant surveys. These surveys give a clear indication of how the School is tracking against its objectives and provides valuable feedback on its activities.

Measurement of performance

The Company measures its success against local and international business school rankings, historical performance, financial targets, learner evaluations and alumni outcomes. The targets are measurable and objective and are monitored by the School Board on a regular basis throughout the year.

Chief Executive Officer

Professor Jennifer George – Dean and School Director

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Executive Leadership Team

Professor Tava Olsen – Deputy Dean, Academic
Mr Magnus Gittins – Chief Executive Education Officer
Ms Julie Catanach – Chief People & Culture Officer (until 11 April 2025)
Mr Glenn Bar – Chief Operating Officer
Mr Andrew Taplin – Chief Financial Officer
Mr Amanda Robertson – Chief People & Culture Officer (from 12 April 2025)

Register of Business Names

Mt Eliza Centre for Executive Education
Mt Eliza Executive Education
Melbourne Master of Business Administration
Melbourne Executive Education
Melbourne Business School Foundation
Mt Eliza Business School

Registered Address

The registered office of the Melbourne Business School Limited is 200 Leicester Street Carlton VIC 3053.

Review and Results of Operations

The Group continued to operate post-graduate award courses, management/executive education programs and conduct research in the field of business during the year. In addition, the Group continued to hire out its facilities for educational purposes throughout the year.

During the year an agreement was signed with BHP to provide funding of \$20 million over 6 years support the activities of the Dilin Duwa Centre for Indigenous Business Leadership, which is a collaboration between the School and the Faculty of Business and Economics at the University of Melbourne. An initial instalment of \$10 million was received in 2025 and recognised as revenue upon receipt in accordance with AASB 1058 *Income of Not-for-Profit Entities*. The activities relating to this funding will be carried out over the term of the agreement, creating a timing difference between recognition of revenue and associated expenditure.

The consolidated surplus for the year ended 31 December 2025 was \$5,290,451 (2024: consolidated deficit of \$13,029,533).

Investments

The investment portfolio is managed by the Investment Committee comprising of members who have expertise in financial markets. The portfolio is managed to a long-term investment horizon. The value of the portfolio, after funding School operations and excluding cash balances, as at 31 December 2025 was \$128,315,163 (2024: \$123,590,902).

Dividends

Melbourne Business School Limited is a company limited by guarantee and is prohibited by its Constitution from paying a dividend to its members.

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

State of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

Environmental regulation

The Group's operations are subject to general environmental regulations under both Commonwealth and State legislation. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

The Company's OH&S policy requires the Company to provide a working environment which is safe and to minimise risks to health. The Company is committed to ensuring the safety, health, welfare and rehabilitation of its staff, students, visitors and all stakeholders.

Events subsequent to Reporting Date

No item, transaction or event of a material and unusual nature has occurred since 31 December 2025 which is likely, in the opinion of the directors of the Company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

Workforce data

Staff numbers as at 31 December	2025	2024
Full Time Equivalent		
- Academics	47	44
- General	162	163
Total	209	207
Casual Staff	47	59

Staff of the Company

The Company employed 209 full time equivalent staff at 31 December 2025 (2024: 207), excluding casuals.

Likely developments

The Group will continue to pursue its policy of improving program quality, increasing brand recognition, maintaining financial strength and offering high quality services and facilities.

Equal Opportunity Policy

The Company has in place an Equal Opportunity Policy, which includes policies relating to anti-discrimination, equal employment opportunity, harassment and victimisation.

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Appropriate Workplace Behaviour Policy

The Company has in place an Appropriate Workplace Behaviour Policy, which includes policies relating to conflict of interest, whistleblower protection and personal and professional behaviour standards.

Whistleblower Policy

The Company has in place a Whistleblower Policy to encourage and protect those involved in identifying and calling out misconduct and harm to staff, students and stakeholders.

Consolidated Operational Performance and Financial Position

The following table presents the financial results with comparative information on the Group's operating performance and financial position over the previous five (5) years:

<i>in thousands of dollars</i>	Actual 2025	Actual 2024	Actual 2023	Actual 2022	Actual 2021
Revenue (inclusive of investment income)	88,669	70,878	68,566	62,119	55,691
Gain/(Loss) on Financial Assets at FVTPL	1,230	1,248	3,158	(7,400)	1,701
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	89,899	72,126	71,724	54,719	57,392
Expenses					
Operating expenses (inclusive of finance expense)	84,186	84,862	81,683	68,970	55,855
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	84,186	84,862	81,683	68,970	55,855
Operating results from ordinary activities	5,713	(12,736)	(9,959)	(14,251)	1,537
Income tax expense	(423)	(293)	(59)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Surplus/(deficit) for the year	5,290	(13,029)	(10,018)	(14,251)	1,537
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets (at year end)	314,520	294,697	284,124	284,128	293,778

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Consultancy Services

Payments made during the year to consultants engaged by the Group were:

Consultants costing less than \$100,000	Project	Expenditure 2025	Expenditure 2024	Future expenditure
<i>In thousands of dollars</i>				
Payments to Consultants	Various	571	563	Unquantified

Key services provided include legal advice, project management, risk management, planning and general consulting services.

Consultants costing more than \$100,000	Project	Expenditure 2025	Expenditure 2024	Future expenditure
<i>In thousands of dollars</i>				
Alkemiz Pty Ltd	Implementation of Apply Portal	168	-	Unquantified
Luminary Digital Pty Ltd	Digital Roadmap and Website Rebranding work	121	-	Unquantified
Cara Stokes t/a Projects Group	Project management of Pelham st development	115	-	Unquantified
Aurion Corporation	Implementation of new payroll system	-	116	Unquantified

Number of consultants engaged in 2025: 26 (2024: 17).

The total fees paid to the consultants do not include GST.

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' Report (continued)

Indemnification and Insurance of Officers and Auditors

Insurance Premiums

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretaries and executive officers of the Company against a liability incurred by such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 18 and forms part of the Directors' report for the year ended 31 December 2025.

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that instrument, all amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



Ken MacKenzie
Director
2 April 2026



Professor Jennifer George
Director
2 April 2026

Auditor-General's Independence Declaration

To the Directors, Melbourne Business School Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Melbourne Business School Limited for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
9 April 2026

Kevin Chan
as delegate for the Auditor-General of Victoria

MELBOURNE BUSINESS SCHOOL LIMITED

Consolidated income statement

for the year ended 31 December 2025

<i>in thousands of dollars</i>	Note	2025	2024
Continuing operations			
Revenue			
Award programs		43,176	41,795
Corporate programs		26,980	21,735
Dilin Duwa Centre funding		10,000	-
Other operating revenue		4,070	3,209
Total Revenue		84,226	66,739
Expenditure			
Online Program Management partner fees		4,930	3,101
Advertising and promotion		3,236	2,680
Catering and cleaning		2,462	2,315
Consulting and other professional		1,707	1,803
Depreciation and amortisation	3(a)	4,500	4,210
Employee benefits	3(c)	43,582	48,134
External teaching and facilitation		9,890	9,133
Hire of equipment & facilities		1,757	1,456
Information technology		2,573	3,099
Research		1,310	1,324
Travel		1,568	1,160
Other expenses		6,500	6,299
Total Expenditure		84,015	84,714
Results from operating activities		211	(17,975)
Finance income			
Investment income	2	4,443	4,139
		4,443	4,139
Finance expense			
Financial expenses		(171)	(148)
		(171)	(148)
Results from operating activities after finance income and finance expenses		4,483	(13,984)
Gain/(Loss) on Financial Assets at FVTPL		1,230	1,248
Income tax expense	1(q)	(423)	(293)
Surplus/(Deficit)		5,290	(13,029)

The notes on pages 24 to 66 are an integral part of these consolidated financial statements.

MELBOURNE BUSINESS SCHOOL LIMITED**Consolidated statement of other comprehensive income (OCI)**

for the year ended 31 December 2025

<i>in thousands of dollars</i>	Note	2025	2024
Surplus/(Deficit)		5,290	(13,029)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign operations - foreign currency translation differences		16	112
<i>Items that will not be classified to profit or loss:</i>			
Net change in fair value of equity investments at FVOCI		7,419	12,678
Revaluation of property, plant and equipment	7	7,098	10,812
Other comprehensive income		14,533	23,602
Total comprehensive income		19,823	10,573

The notes on pages 24 to 66 are an integral part of these consolidated financial statements.

MELBOURNE BUSINESS SCHOOL LIMITED

Consolidated statement of financial position

as at 31 December 2025

in thousands of dollars

	Note	2025	2024
Assets			
Current Assets			
Cash and cash equivalents	4	21,866	8,168
Trade and other receivables	5	6,535	5,622
Inventories		14	7
Total Current Assets		28,415	13,797
Non-Current Assets			
Investments	6	128,316	123,591
Property, plant and equipment	7	181,959	177,725
Intangible assets	8	1,129	1,383
Total Non-Current Assets		311,404	302,699
Total Assets		339,819	316,496
Liabilities			
Current Liabilities			
Trade and other payables	9	9,267	6,353
Loans and borrowings	11	744	718
Employee benefits	12	8,404	7,995
Contract liabilities	13	5,370	4,959
Total Current Liabilities		23,785	20,025
Non-Current Liabilities			
Loans and borrowings	11	1,000	1,419
Employee benefits	12	514	355
Total Non-Current liabilities		1,514	1,774
Total Liabilities		25,299	21,799
Net Assets		314,520	294,697
Equity			
Reserves	17	233,785	220,144
Capital donations reserve	17	24,873	24,873
Contributed equity		12,339	12,339
Retained earnings		43,523	37,341
Total Equity		314,520	294,697

The notes on pages 24 to 66 are an integral part of these consolidated financial statements.

MELBOURNE BUSINESS SCHOOL LIMITED

Consolidated statement of changes in equity

for the year ended 31 December 2025

in thousands of dollars

	Contributed equity	Capital donations	Translation Reserve	Asset revaluation reserve	Fair value reserve	Realised capital gains	Accumulated income endowment funds	Retained earnings	Total equity
Balance at 1 January 2024	12,339	24,873	(296)	148,261	29,620	16,990	1,873	50,464	284,124
Total comprehensive income									
Surplus/(Deficit)	-	-	-	-	-	-	-	(13,029)	(13,029)
Other comprehensive income	-	-	112	10,812	12,678	-	94	(94)	23,602
Total comprehensive income	-	-	112	10,812	12,678	-	94	(13,123)	10,573
Transfers on realisation of assets	-	-	-	-	(5,252)	5,252	-	-	-
Balance as at 31 December 2024	12,339	24,873	(184)	159,073	37,046	22,242	1,967	37,341	294,697
Balance at 1 January 2025	12,339	24,873	(184)	159,073	37,046	22,242	1,967	37,341	294,697
Total comprehensive income									
Surplus/(Deficit)	-	-	-	-	-	-	-	5,290	5,290
Other comprehensive income	-	-	16	7,098	7,419	-	(892)	892	14,533
Total comprehensive income	-	-	16	7,098	7,419	-	(892)	6,182	19,823
Transfers on realisation of assets	-	-	-	-	(2,880)	2,880	-	-	-
Balance as at 31 December 2025	12,339	24,873	(168)	166,171	41,585	25,122	1,075	43,523	314,520

The notes on pages 24 to 66 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2025

<i>in thousands of dollars</i>	Note	2025	2024
Cash flows from operating activities			
Cash receipts from customers		90,365	72,563
Cash paid to employees		(38,849)	(44,186)
Cash paid to suppliers		(44,191)	(44,522)
Net cash from/(used in) operating activities	16	7,325	(16,145)
Cash flows from investing activities			
Proceeds from sale of investments		13,004	18,043
Payments for investments		(9,160)	(6,008)
Interest received		214	432
Investment income		4,079	4,087
Payments for property, plant and equipment / intangibles		(922)	(1,878)
Net cash from/(used in) investing activities		7,215	14,676
Cash flows from financing activities			
Net (repayments)/proceeds from borrowings		(206)	487
Payment of lease liabilities		(566)	(471)
Payment of lease interest		(86)	(57)
Net cash from/(used in) financing activities	11	(858)	(41)
Net increase/(decrease) in cash and cash equivalents			
		13,682	(1,510)
Cash and cash equivalents at 1 January		8,168	9,566
Effect of movements in exchange rates on cash held		16	112
Cash and cash equivalents at 31 December	4	21,866	8,168

The notes on pages 26 to 66 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Summary of material accounting policy information

(a) (i) Reporting entity

Melbourne Business School Limited (the "Company") is domiciled in Australia. These consolidated financial statements of the Company for the year ended 31 December 2025 comprise the Company and its subsidiary (together referred to as the "Group"). The registered office of the Melbourne Business School Limited is 200 Leicester Street Carlton VIC 3053.

The Melbourne Business School Limited is a not-for-profit entity and is primarily involved in the provision of educational services and academic research.

The Company's Malaysian subsidiary, MBS Management Development (Malaysia) Sd. Bhd., is a for-profit entity established under the *Companies Act 2016* in Malaysia. This company is principally engaged in the provision of management education.

(ii) Basis of accounting

The consolidated financial statements are Tier 1 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASs) adopted by the Australian Accounting Standards Board (AASB) the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulations 2022* (ACNC).

The consolidated financial statements were authorised for issue by the Directors on 2 April 2026.

Going Concern

The Group is expected to generate sufficient cash inflows to meet its near-term operating cashflow needs and to fund the payment of its current liabilities, which include non-cash deferred income liability amounts that mainly comprise fees received in advance. Refer to note 6(c)(iii).

Given the Group's overall financial position, including the liquidity and size of its investment portfolio and the existence of an loan facility of \$20 million with NAB (which was undrawn as at 31 December 2025), the Directors expect the Group to be able to meet its liabilities as they fall due in the next 12 months.

(b) Basis of preparation

(i) Functional and presentation currency

The financial report is presented in Australian dollars which is the Company's functional currency.

(ii) Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that instrument, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

The accounting policies set out below have been applied consistently by the Group to all periods presented in these consolidated financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

(c) Basis of consolidation

(i) Group

The Group consists of the Melbourne Business School Limited and its subsidiary MBS Management Development (Malaysia) Sdn Bhd.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are measured at fair value, having due regard to the net assets of the subsidiaries.

(iii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(iv) Joint arrangements

The Company has an agreement with the University of Melbourne to jointly develop and deliver non-award programs, subject to certain criteria. There was a financial impact of \$0.3 million in respect of these joint arrangements in 2025 (2024: \$nil).

(d) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian dollars at the exchange rate at the reporting date. Foreign currency differences arising from translation are generally recognised in profit or loss. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to Australian dollars at the exchange rates when the fair value was determined. Where a currency is not exchangeable into Australian dollars at the reporting date, the entity estimates the spot exchange rate using an observable exchange rate without adjustment or another estimation technique.

(e) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at exchange rates at the end of the month in which the transactions occurred. Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(f) Property, plant and equipment

(i) Owned assets

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land and buildings are measured at fair value less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

(iii) Valuations

Formal revaluations of land and buildings are performed every three years, or from time to time as determined by the Directors. The fair value of land and buildings is determined from market-based evidence by appraisal that is undertaken by independent professional qualified valuers. The Directors review the carrying value of land and buildings at each balance date to assess whether there has been a material change in valuation of land and buildings that is required to be recorded in the financial statements. Information such as comparable sales evidence, data compiled by the Valuer-General Victoria and proposed changes to the use of land and buildings may be used to undertake this assessment. If this information suggests that there has been a movement of 10% or more in the valuation of land and buildings, then a formal revaluation by an independent professional qualified valuer may be commissioned.

If the carrying amount of land or buildings has increased as a result of a revaluation, the net revaluation increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve. However, the net revaluation increase is recognised in profit or loss to the extent that it reverses a net revaluation decrease of the land or buildings previously recognised in profit or loss.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(f) Property, plant and equipment (continued)

(iii) Valuations (continued)

If the carrying amount of land or buildings has decreased as a result of a revaluation, the net revaluation decrease is recognised in profit and loss. However, the net revaluation decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of land or buildings. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation reserve.

Land and buildings are individually separate classes of property, plant and equipment.

(iv) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Right of use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land and artworks/antiques are not depreciated.

The estimated useful lives in the current and comparative years of items of property, plant and equipment are as follows:

• Buildings	15 - 40 years
• Plant and equipment	10 years
• Computer equipment	3 years
• Chattels, equipment and facilities	10 years
• Furniture and fittings	10 years

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

(g) Intangible assets

Intangible assets relate to computer software and online teaching assets. These items are stated at cost less accumulated amortisation and impairment loss.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life of the School's intangible assets for the current and comparative periods is three (3) years; this is reviewed at each reporting period and adjusted if appropriate.

(i) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(h) Financial instruments

(i) Financial assets— Recognition and initial measurement

The Group initially recognises loans and receivables and debt securities on the date that they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but it retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(ii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but it retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(h) Financial instruments (continued)

(iv) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value through Profit & Loss (FVTPL). Financial assets are not reclassified subsequent to the initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will never be reclassified to profit or loss.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning long-term capital returns or contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(h) Financial instruments (continued)

(iv) Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are measured at fair value. Net gains and losses, including any interest or dividend income, are measured in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Managed fund and debt investments at FVTPL	These assets are measured at fair value. Net gains and losses, including any interest income, are measured in profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) Inventories

Inventories comprise of consumables and are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of 3 months or less from the acquisition date that are subject to an insignificant risk of change in their fair value.

(k) Impairment

(i) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for trade receivables are always recognised at an amount equal to lifetime ECLs.

Debt securities are determined to have low credit risk at the reporting date and are measured at 12-month ECLs.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(k) Impairment (continued)

(i) Non-derivative financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for a security because of financial difficulties; or
- Investment grades for debt securities reduce below 'BBB'.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The decrease in impairment loss is reversed through profit and loss.

(l) Dividends

Dividends are prohibited from being paid out of the Company and its controlled entities.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(m) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss as the related service is provided.

(ii) Short term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(n) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when:

- It transfers control over a good or service to a customer;
- Assets are acquired for which the consideration provided is significantly less than fair value and the asset enables the Group to further its objectives;
- The contract does not contain enforceable rights and obligations and does not create sufficiently specific performance obligations.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(n) Revenue (continued)

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of performance obligations, including significant payment terms	Revenue recognition under AASB 15 or AASB 1058
Award programs	<p>Award Program fees are primarily collected from students by the University of Melbourne (UoM).</p> <p>Fees are invoiced by the Group to UoM as follows:</p> <p>MBA programs: 75% at commencement of term; balance upon passing of subject census date.</p> <p>Other programs: upon passing of module census date.</p> <p>Invoices are payable within 14 days.</p>	<p>Revenue is recognised over time on a per subject/module basis, as the services are provided.</p> <p>Revenue is recognised net of fee discounts.</p>
Corporate programs	<p>Corporate program fees are invoiced prior to the commencement of the delivery of the programs and are usually payable within 30 days.</p>	<p>Revenue is recognised over time as the services are provided, with reference to modules delivered.</p>
Conferences	<p>The Group hires out its facilities on an ad hoc basis to corporate customers. Fees are invoiced prior to the commencement of the delivery and are usually payable within 30 days.</p>	<p>Revenue is recognised at a point in time upon completion of the conference.</p>
Corporate memberships & sponsorships	<p>Arrangements with corporate partners for Centre memberships or event sponsorships are invoiced on signing and are usually payable within 30 days.</p>	<p>Revenue is recognised over time as the services are provided.</p>
Fundraising	<p>Donations, including endowments gifted to the Group, are generally not subject to significant performance obligations.</p>	<p>Where gifts are not subject to significant performance obligations, revenue is recognised at a point in time when the donation becomes receivable, which is generally when the cash is received.</p>

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(n) Revenue (continued)

Type of service	Nature and timing of performance obligations, including significant payment terms	Revenue recognition under AASB 15 or AASB 1058
Research	Funding for research initiatives may be received from corporate donors or Government agencies. The timing of receipt of funding is generally subject to agreement with the funding party.	Where the funding arrangement does not contain enforceable rights and obligations, including benefits provided to the grantor or the research has an alternative use and the Group has a right to payment for the research performed to date, revenue is recognised upon receipt, being at a point in time. For all other projects, revenue is recognised over time as the services are provided.
Philanthropic project funding	Funding for research, program development and other initiatives, typically performed by the School's Centres and Institutes, may be received from corporate donors or Government agencies. The timing of receipt of funding is generally subject to agreement with the funding party.	Where the funding arrangement does not contain enforceable rights and obligations, including benefits provided to the grantor or the research has an alternative use and the Group has a right to payment for the research performed to date, revenue is recognised upon receipt, being at a point in time. For all other projects, revenue is recognised over time as the services are provided.

(o) Leases

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for any leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(o) Leases (continued)

(i) As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets.

The Group has elected not to recognise right-of-use assets and lease liabilities for certain leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(o) Leases (continued)

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

(p) Finance income and finance costs

Finance income comprises interest income on funds invested, dividend and trust distribution income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise bank charges and interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains or losses on financial assets and financial liabilities are reported on a net basis.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liabilities.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(q) Income tax

The Australian-incorporated entities of the Group are exempt from income tax under Section 50-5 of the *Income Tax Assessment Act (1997)*.

MBS Management Development (Malaysia) Sdn Bhd is subject to taxation under the *Malaysian Income Tax Act (1967)*. Income Tax expense of \$422,504 has been recognised in 2025 (2024: \$293,292).

(r) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(s) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(t) Use of judgements and estimates

(i) Judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(ii) Measurement of fair values

The financial report is prepared on the historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

- Debt and equity securities are measured at fair value.
- Land and Buildings are measured at fair value.

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(t) Use of judgements and estimates (continued)

(ii) Measurement of fair values (continued)

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures both assets and long positions and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values; this includes the CFO and Management Accountant. The valuation team utilises pricing information provided by the Group's external advisor, Evans and Partners, in respect of the measurement of fair values for its investments.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Finance, Risk & Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the consolidated financial statements

1. Summary of material accounting policy information (continued)

(t) Use of judgements and estimates (continued)

(ii) Measurement of fair values (continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 6 – financial instruments;
- Note 7 – property, plant and equipment.

(u) Application of new and revised accounting standards and interpretations

(i) New and revised accounting standards and interpretations that are mandatory in the current year

In the current year, the Group adopted all new and revised standards and interpretation issued by the Australian Accounting Standards Board effective for the current reporting period.

There are no material new and revised standards, amendments and interpretations effective for the current year that are relevant to the Group.

Notes to the consolidated financial statements

2. Investment income

<i>in thousands of dollars</i>	2025	2024
Dividends	2,778	2,864
Distributions received	1,276	1,085
Interest	389	190
	4,443	4,139

3a. Depreciation and amortisation expense

<i>in thousands of dollars</i>	2025	2024
Buildings and leasehold improvements	1,943	1,949
Plant and equipment, chattels	1,182	1,220
Right-of-use assets	581	483
Intangible assets	794	558
	4,500	4,210

3b. Auditors' remuneration

<i>in dollars</i>	2025	2024
Auditors of the Company		
YH Tan & Associates PLT (Malaysia):		
Audit of financial statements	7,362	7,198
Victorian Auditor-General's Office		
Audit of financial statements	130,000	143,400
	137,362	150,598

Notes to the consolidated financial statements

3c. Employee expenses

<i>in thousands of dollars</i>	2025	2024
Salaries & Wages	33,911	35,376
Superannuation	3,749	3,792
Leave benefits	826	1,186
Other employee expenses	5,096	7,780
	43,582	48,134

4. Cash and cash equivalents

<i>in thousands of dollars</i>	2025	2024
Bank balances	21,866	8,168
Cash and cash equivalents in the statement of cash flows	21,866	8,168

The Group's exposure to credit risk and interest rate risk is disclosed in note 6.

5. Trade and other receivables

<i>in thousands of dollars</i>	2025	2024
Trade receivables	2,688	1,035
Other receivables	2,444	2,648
Prepayments	1,403	1,939
	6,535	5,622

The Group's exposure to credit risk, market risk and impairment losses for trade and other receivables is disclosed in note 6.

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value				
		Amortised Cost	Fair Value Through OCI	Fair Value Through P&L	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2025										
<i>In thousands of dollars</i>										
	<i>Note</i>									
Financial assets measured at fair value	(i)									
Equity securities		-	103,145	-	-	103,145	103,145	-	-	103,145
Managed funds		-	-	22,598	-	22,598	-	22,598	-	22,598
Corporate debt securities		-	-	2,573	-	2,573	2,573	-	-	2,573
		-	103,145	25,171	-	128,316	105,718	22,598	-	128,316
Financial assets not measured at fair value	(ii)									
Cash and cash equivalents	4	21,866	-	-	-	21,866	-	-	-	-
Trade and other receivables	5	5,132	-	-	-	5,132	-	-	-	-
		26,998	-	-	-	26,998	-	-	-	-
Financial liabilities not measured at fair value	(ii)									
Trade payables	9	-	-	-	9,267	9,267	-	-	-	-
Loans and borrowings	11	-	-	-	1,744	1,744	-	-	-	-
		-	-	-	11,011	11,011	-	-	-	-

- (i) Level 1 financial assets comprise of listed securities and are valued based on quoted market prices at balance date. Level 2 financial assets comprise of unlisted securities and are valued based on broker prices at balance date.
- (ii) The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, short term trade receivables, trade payables and finance lease liabilities, because their carrying amounts are a reasonable approximation of fair values.

MELBOURNE BUSINESS SCHOOL LIMITED

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(a) Accounting classifications and fair values (continued)

31 December 2024		Carrying amount				Fair value				
		Amortised Cost	Fair Value Through OCI	Fair Value Through P&L	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<i>In thousands of dollars</i>										
Financial assets measured at fair value		<i>(i)</i>								
Equity securities		-	96,212	-	-	96,212	96,212	-	-	96,212
Managed funds		-	-	24,286	-	24,286	-	24,286	-	24,286
Corporate debt securities		-	-	3,093	-	3,093	3,093	-	-	3,093
		-	96,212	27,379	-	123,591	99,305	24,286	-	123,591
Financial assets not measured at fair value		<i>(ii)</i>								
Cash and cash equivalents	4	8,168	-	-	-	8,168	-	-	-	-
Trade and other receivables	5	3,683	-	-	-	3,683	-	-	-	-
		11,851	-	-	-	11,851	-	-	-	-
Financial liabilities not measured at fair value		<i>(ii)</i>								
Trade payables	9	-	-	-	6,353	6,353	-	-	-	-
Loans and borrowings	11	-	-	-	2,137	2,137	-	-	-	-
		-	-	-	8,490	8,490	-	-	-	-

- (i) Level 1 financial assets comprise of listed securities and are valued based on quoted market prices at balance date. Level 2 financial assets comprise of unlisted securities and are valued based on broker prices at balance date.
- (ii) The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, short term trade receivables, trade payables and finance lease liabilities, because their carrying amounts are a reasonable approximation of fair values.

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(b) Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 fair valued for financial instruments in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 1(t).

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Managed funds and debt instruments	The fair value of unlisted managed funds is independently determined and is the quoted redemption price for units held.	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Other financial liabilities*	Discounted cash flows	Not applicable

*Other financial liabilities include lease liabilities

(ii) Transfers between Level 1 and 2

There were no transfers between level 1 and 2 in either direction in the year ended 31 December 2025 or 2024.

(iii) Level 3 fair values

The Group had no Level 3 fair value financial instruments at 31 December 2025 (2024: nil). There were no transfers to or from Level 3 in 2025 or 2024.

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks and their objectives, policies and processes for measuring and managing risk.

(i) *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Finance, Risk & Audit Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Finance, Risk & Audit Committee regularly reviews the risk management framework and risk register, monitors risk management action plans and assesses the effectiveness of management's control system, policy and procedures in areas of significant risk.

(ii) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and investments.

The carrying amount of financial assets represents the maximum exposure risk.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group primarily operates in the Australian region. The Group does not have a significant concentration of transactions with a single customer that would exceed 5% of total transactions, with the exception of the Group's associated entity, the University of Melbourne.

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(ii) Credit risk (continued)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

<i>in thousands of dollars</i>	2025	2024
Cash and cash equivalents	21,866	8,168
Trade and other receivables	5,132	3,683
Investments	128,316	123,591
	155,314	135,442

Trade receivables

The ageing of the Group's trade receivables as at the reporting date was as follows:

<i>in thousands of dollars</i>	Gross 2025	Impairment 2025	Gross 2024	Impairment 2024
Not past due	844	-	518	-
Past due 0-30 days	877	-	397	-
Past due 31-60 days	605	-	29	-
Past due 61-90 days	165	-	40	-
Past due 91+ days	197	-	51	-
	2,688	-	1,035	-

There is no expected credit loss for 2025 (2024: \$nil). Management believes that the credit quality of trade and other receivables that are not past due or impaired are not of a high risk. Management also believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment and customer behaviour.

As at 31 December 2025, the Group's most significant debtor, being Google Australia Pty Ltd accounted for \$293,333 (2024: \$nil) of the trade receivables carrying amount.

Expected credit loss assessment

The Group historically has had a very low rate of debtor defaults. The credit risk grading by two debtor types, being the University of Melbourne and Others, based on historical data and applying historical trends is between 0% to 2%.

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(ii) Credit risk (continued)

Trade receivables (continued)

The loss rate by ageing category based on actual credit loss over the past 2 years is set out as follows:

<i>in thousands of dollars</i>	2025 Gross Carrying Amount	2025 Weighted Average Loss Rate	2024 Gross Carrying Amount	2024 Weighted Average Loss Rate
Not past due	844	0%	518	0%
Past due 0-30 days	877	0%	397	0%
Past due 31-60 days	605	0%	29	0%
Past due 61-90 days	165	0%	40	0%
Past due 91+ days	197	0%	51	0%
	2,688		1,035	

Based on the above, the Group has no significant expected credit loss exposure.

The ageing of the Group's other receivables was current (2024: current). There were no impairment losses with respect to other receivables (2024: \$nil). At 31 December 2025 the Group's most significant other debtor balance, being franking credits receivable, accounted for \$551,000 of the other receivables carrying amount (2024: \$576,000).

Managed fund and debt securities

The Group limits its exposure to credit risk by only investing in liquid managed fund and debt securities and only with counterparties that have a credit rating of at least 'BBB', based on rating agency Standard & Poor's ratings. The Group did not have any significant loss allowances for debt securities.

The Group did not have any managed fund or debt securities that were past due but not impaired at 31 December 2025 (2024: Nil).

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(ii) *Credit risk (continued)*

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counter parties, which are rated 'AA-', based on rating agency Standard & Poor's ratings.

Impairment on cash and cash equivalents have been measured on a 12-month expected credit loss basis and reflects the short maturity of the exposures. The Group considers its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties. The Group does not have any significant loss allowance for cash and cash equivalents,

Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. There were no such guarantees in place at 31 December 2025.

(iii) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company or the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. The Group monitors the level of expected cash inflows with expected cash outflows.

Refer to note 10 for financing facilities available to the Group.

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(iii) Liquidity risk (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities; the amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

2025

in thousands of dollars

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Trade and other payables	9,267	9,267	9,267	-	-	-	-
Loans and borrowings	1,744	1,857	431	371	520	535	-
	11,011	11,124	9,698	371	520	535	-

2024

in thousands of dollars

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Trade and other payables	6,353	6,353	6,353	-	-	-	-
Loans and borrowings	2,137	2,294	408	378	706	802	-
	8,490	8,647	6,761	378	706	802	-

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, equity and debt security prices will affect the Group's income or the value of its holding of financial instruments. Further details of the Group's policies in relation to this risk are included under Other Market Price Risk below.

Currency risk

The Group's exposure to foreign currency risk largely relates to equity instruments, which are generally held via managed investment schemes controlled by experienced fund managers. The Group does not directly hedge against foreign currency movements.

The Investment Committee monitors the Group's exposure to foreign currency risk on a regular basis.

Interest rate risk

The Group's exposure to interest rate risk largely relates to cash and cash equivalents and variable interest securities. Investments in equity securities and short-term receivables and payables are not directly exposed to interest rate risk.

The interest rate profile of the Group's interest-bearing financial instruments as reported to management is as follows:

<i>in thousands of dollars</i>	2025	2024
Cash and cash equivalents	21,866	8,168
Corporate debt securities	2,573	3,093
	24,439	11,261

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at 31 December 2025 would have increased or decreased equity and profit by \$244,390 (2024: \$112,610).

Other market price risk

Price risk arises from equity price risk. The Investment Committee meets with and receives quarterly reports and advice from the Board appointed Investment Advisors.

The primary goal of the Group's investment strategy is to maximise total investment returns over the medium to long-term maintaining an appropriately diversified portfolio and to effectively control investment risk. The Committee is assisted by external and internal advisors in this regard.

Notes to the consolidated financial statements

6. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(iv) Market risk (continued)

Other market price risk (continued)

Sensitivity analysis – other price risk

The Group’s exposure to other price risk arises from its investments:

<i>in thousands of dollars</i>	2025	2024
Total investments	128,316	123,591

A change of 100 basis points in the value of the investments at 31 December 2025 would have increased or decreased total comprehensive income by \$1,283,160 (2024: \$1,235,910). There would also be an impact on profit or loss as a result of any increment/decrement recognised in respect of managed fund and debt instrument movements.

MELBOURNE BUSINESS SCHOOL LIMITED

Notes to the consolidated financial statements

7. Property, plant and equipment

<i>in thousands of dollars</i>	Freehold land	Buildings	Plant and equipment	Computer equipment	Chattels/ equipment and facilities	Right-of-use assets	Artworks/ antiques	Work In progress	Total
Fair value or cost									
Balance at 1 January 2024	104,440	57,863	4,801	108	6,845	2,591	479	1,003	178,130
Additions	-	-	-	-	-	1,508	-	1,878	3,386
Transfers	-	328	38	-	356	-	19	(2,269)	(1,528)
Revaluation	8,350	2,462	-	-	-	-	-	-	10,812
Revaluation depreciation w riteback	-	(3,882)	-	-	-	-	-	-	(3,882)
Disposals/w rite-offs	-	-	-	-	-	(747)	-	(31)	(778)
Balance at 31 December 2024	112,790	56,771	4,839	108	7,201	3,352	498	581	186,140
Balance at 1 January 2025	112,790	56,771	4,839	108	7,201	3,352	498	581	186,140
Additions	-	-	-	6	-	379	15	907	1,307
Transfers	-	434	-	-	353	-	-	(1,237)	(450)
Revaluation	1,750	5,348	-	-	-	-	-	-	7,098
Revaluation depreciation w riteback	-	(1,943)	-	-	-	-	-	-	(1,943)
Disposals/w rite-offs	-	-	(421)	(68)	(1,284)	(930)	-	(15)	(2,718)
Balance at 31 December 2025	114,540	60,610	4,418	46	6,270	2,801	513	236	189,434

MELBOURNE BUSINESS SCHOOL LIMITED

Notes to the consolidated financial statements

7. Property, plant and equipment (continued)

<i>in thousands of dollars</i>	Freehold land	Buildings	Plant and equipment	Computer equipment	Chattels/ equipment and facilities	Right-of-use assets	Artw orks/ antiques	Total
Accumulated depreciation and impairment losses								
Balance at 1 January 2024	-	1,933	2,162	108	3,197	1,992	-	9,392
Depreciation	-	1,949	261	-	959	483	-	3,652
Transfers	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Revaluation depreciation w riteback	-	(3,882)	-	-	-	-	-	(3,882)
Disposals/w rite-offs	-	-	-	-	-	(747)	-	(747)
Balance at 31 December 2024	-	-	2,423	108	4,156	1,728	-	8,415
Balance at 1 January 2025	-	-	2,423	108	4,156	1,728	-	8,415
Depreciation	-	1,943	244	2	936	581	-	3,706
Transfers	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Revaluation depreciation w riteback	-	(1,943)	-	-	-	-	-	(1,943)
Disposals/w rite-offs	-	-	(421)	(68)	(1,284)	(930)	-	(2,703)
Balance at 31 December 2025	-	-	2,246	42	3,808	1,379	-	7,475

MELBOURNE BUSINESS SCHOOL LIMITED

Notes to the consolidated financial statements

7. Property, plant and equipment (continued)

<i>in thousands of dollars</i>	Freehold land	Buildings	Plant and equipment	Computer equipment	Chattels/ equipment and facilities	Right-of-use assets	Artworks/ antiques	Work In Progress	Total
Carrying amounts									
At 1 January 2024	104,440	55,930	2,639	-	3,648	599	479	1,003	168,738
At 31 December 2024	112,790	56,771	2,416	-	3,045	1,624	498	581	177,725
At 31 December 2025	114,540	60,610	2,172	4	2,462	1,422	513	236	181,959

Notes to the consolidated financial statements

7. Property, plant and equipment (continued)

Freehold land and buildings

Freehold land and buildings are valued at fair value, being the amount for which the assets could be exchanged between knowledgeable and willing parties in an arm's length transaction, having regard to the highest and best use of the asset for which other parties are willing to pay.

The method used for determining the fair value of these non-current assets is based on independent valuations which approximates fair value.

An independent valuation of freehold land and buildings held by Melbourne Business School Limited was carried out by Colliers International Valuation & Advisory Services (CIVAS (VIC) Pty Ltd) as at 31 December 2025 on the basis of the open market value of the freehold land and current replacement cost for buildings. The fair values estimated in this valuation have been adopted by the Group for the year ended 31 December 2025.

It is the general policy of the Group to commission an independent valuation every 3 years, or from time to time as determined by the Directors. The next planned independent valuation is scheduled for 2028.

Measurement of fair value

The valuations are based on the highest and best use of land and buildings on the School's two sites. For the Leicester Street site this is educational facilities. For the Pelham Street site this was changed in 2024 to that of a development site, following the re-establishment of development plans. The land valuation is categorised as a level 2 fair value based on the inputs to the valuation technique used, being the market approach. The key observable input for the land valuation is the prices of comparable assets sold within a reasonable timeframe of the valuation date. The fair value of the land increases/(decreases) as the comparable land sales value increases/(decreases).

In the current year, a gain of \$1,750,000 was recognised in OCI with respect to land fair value measurement (2024: \$8,350,000). This revaluation increment reflects the adoption of values based on the valuation undertaken as at 31 December 2025.

The buildings valuation is categorised as a level 3 fair value based on the inputs to the valuation technique used, being the current replacement cost approach. The cost approach considers the current replacement costs of the buildings. The key unobservable input to the building component is the replacement costs per square metre. The fair value of the buildings increases/(decreases) as the estimated replacement costs per square metre increases/(decreases).

In the current year, a gain of \$5,348,000 was recognised in OCI with respect to buildings fair value measurement (2024: \$2,462,000). This revaluation increment reflects the adoption of values based on the aforementioned change in highest and best use for the Pelham Street property. The value of additions to buildings during the year was \$434,000 (2024: \$328,000). There were no transfers into or out of level 3 inputs for buildings valuations during the year (2024: nil).

Artwork and antiques

The Directors have reviewed the carrying value of the artwork at the Carlton campus and assessed this has not materially changed.

Notes to the consolidated financial statements

8. Intangible assets

<i>in thousands of dollars</i>	Computer Softw are
Cost	
Balance at 1 January 2024	3,728
Additions	-
Acquisitions - transfers from WIP	1,528
Disposals	-
Balance at 31 December 2024	<u>5,256</u>

Balance at 1 January 2025	5,256
Additions	90
Acquisitions - transfers from WIP	450
Disposals	-
Balance at 31 December 2025	<u>5,796</u>

Accumulated amortisation and impairment losses

Balance at 1 January 2024	3,315
Amortisation	558
Disposals	-
Balance at 31 December 2024	<u>3,873</u>

Balance at 1 January 2025	3,873
Amortisation	794
Disposals	-
Balance at 31 December 2025	<u>4,667</u>

Carrying amounts

At 31 December 2024	<u>1,383</u>
At 31 December 2025	<u>1,129</u>

Notes to the consolidated financial statements

9. Trade and other payables

<i>in thousands of dollars</i>	2025	2024
Trade payables	2,794	2,764
Accruals	6,359	3,467
Other payables	114	122
	<u>9,267</u>	<u>6,353</u>

The Group's exposure to liquidity risk is disclosed in note 6.

10. Financing facilities

<i>in thousands of dollars</i>	2025	2024
Total facilities available		
Bank overdrafts	1,000	1,000
Credit card facility - limited	600	600
Margin loan	20,000	20,000
	<u>21,600</u>	<u>21,600</u>
Facilities utilised at reporting date		
Bank overdrafts	-	-
Credit card facility - limited	-	-
Margin loan	-	-
	<u>-</u>	<u>-</u>
Facilities not used at reporting date		
Bank overdrafts	1,000	1,000
Credit card facility - limited	600	600
Margin loan	20,000	20,000
	<u>21,600</u>	<u>21,600</u>

Credit card facility and bank overdraft

Interest on credit cards and the bank overdraft is charged at prevailing market rates.

These financing facilities are secured against the general position of the Company by way of a negative pledge.

Margin loan facility

Interest on the margin loan is charged at prevailing market rates.

The margin loan facility is secured by listed securities held by the Company.

Notes to the consolidated financial statements

11. Loans and borrowings

(a) Leases as lessee

Lease liabilities

<i>in thousands of dollars</i>	2025		2024	
	Face Value	Carrying Amount	Face Value	Carrying Amount
Current	559	501	561	493
Non-current	1,017	962	1,246	1,157
	<u>1,576</u>	<u>1,463</u>	<u>1,807</u>	<u>1,650</u>

Reconciliation of movements of liabilities to cashflows arising from leases:

<i>in thousands of dollars</i>	2025	2024
Opening balance	1,650	614
Repayment of lease borrowings & related interest	(652)	(528)
New leases	379	1,507
Interest expense	86	57
	<u>1,463</u>	<u>1,650</u>

The leases are in respect of laptops and other IT equipment which have a term of 3-5 years.

(b) Software & support financing

<i>in thousands of dollars</i>	2025	2024
Current	243	225
Non-current	38	262
	<u>281</u>	<u>487</u>

The purchase of software and support services in respect of a network upgrade undertaken in 2024 was funded by Cisco Systems Capital over the term of the service agreement (3 years). The amount financed was equal to the cost of the software and services purchased.

(c) Cash flow

<i>in thousands of dollars</i>	2025	2024
Lease liabilities and interest	(652)	(528)
Software financing	(206)	487
Total financing cash inflow/(outflow)	<u>(858)</u>	<u>(41)</u>

Notes to the consolidated financial statements

12. Employee benefits

Current

in thousands of dollars

	2025	2024
Liability for annual leave	2,853	3,073
Liability for long service leave	4,827	4,410
Liability for bonuses	680	344
Liability for termination payments	44	168
	8,404	7,995

Non-current

in thousands of dollars

Liability for long service leave	514	355
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Defined contribution plans

The Group makes contributions to UniSuper and other employee accumulation superannuation plans at the rate of 12.0% (2024: 11.5%). The amount recognised as an expense for contributions by the Group for the year was \$3,749,274 (2024: \$3,792,883).

13. Contract liabilities

in thousands of dollars

	2025	2024
Corporate fees in advance	3,472	3,003
Student fees	947	1,027
Scholarship funding	752	511
Research grants	199	418
	5,370	4,959

The contract liabilities primarily relate to advance consideration received from students and corporate clients for modules for which revenue is recognised over time. These are substantially recognised as revenue within twelve months of each balance date.

14. Company limited by guarantee

The Company is a company limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company, in the event of the Company being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Company (contracted before they cease to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding \$100.

Notes to the consolidated financial statements

15. Consolidated Entities

Parent entity	Country of incorporation	Ownership interest	
		2025	2024
		%	%
Melbourne Business School Limited			
Subsidiaries			
MBS Management Development (Malaysia) Sdn Bhd	Malaysia	100	100

16. Reconciliation of cash flows from operating activities

<i>in thousands of dollars</i>	Note	2025	2024
Cash flows from operating activities			
Deficit for the year		5,290	(13,029)
<i>Adjustments for:</i>			
Depreciation and amortisation	3(a)	4,500	4,210
Lease finance costs	11	86	57
Investment income	2	(4,443)	(4,139)
Gain/(Loss) on Financial Assets at FVTPL		(1,230)	(1,248)
Operating surplus/(deficit)		4,203	(14,149)
Changes in:			
Trade receivables and other receivables		(764)	(342)
Inventories		(7)	(2)
Trade and other payables		2,914	(1,728)
Contract liabilities		411	(14)
Employee benefits		568	90
Net cash from/(used) operating activities		7,325	(16,145)

17. Reserves

Nature and purpose of reserves are as follows:

Capital donations reserve

The capital donations reserve comprises the funds provided by donor members upon establishment of the Company.

Realised capital gains reserve

The realised capital gains reserve comprises the cumulative gain or loss arising from the disposal of equity instruments.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Notes to the consolidated financial statements

17. Reserves (continued)

Asset revaluation reserve

The asset revaluation reserve relates to the revaluation of existing freehold land and buildings.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at FVOCI.

Accumulated income endowment funds

The accumulated income endowment funds reserve reflects earnings from specific endowments and donations which can only be used to support restricted purposes.

18. Key management personnel disclosures

The Responsible Persons of the Company are the Directors and the Dean (CEO).

The following were specified Directors of the Group at any time during the reporting period, and unless otherwise indicated were Directors for the entire period:

Melbourne Business School Limited

Non-Executive Directors

Mr Ken Mackenzie

Mr Anthony Burgess AO (until 19 May 2025)

Ms Janelle Hopkins

Mr Robert Johanson AO

Professor Paul Kofman

Mr Cameron Leitch

Ms Brooke Miller

Ms Rebecca McGrath AM

Ms Claire Rogers

Ms Wendy Stops (from 20 May 2025)

Mr Wesley Walden (from 26 March 2025)

Professor Emma Johnston AO (from 1 October 2025 until 26 December 2025)

Executive Directors

Professor Jennifer George

Professor Geoffrey Martin

Executives

Mr Glenn Barr

Mr Magnus Gittins

Professor Tava Olsen

Mr Andrew Taplin

Ms Julie Catanach (until 11 April 2025)

Ms Amanda Robertson (from 12 April 2025)

MBS Management Development (Malaysia) Sdn Bhd

Executive Directors

Mr Soong Tze Wei

Professor Jennifer George

Mr Magnus Gittins

Non-Executive Directors did not receive any remuneration in relation to their role as Director.

The remuneration received or receivable by the Accountable Officer during the year was in the range \$640,000 to \$650,000 (2024: \$640,000 - \$650,000).

Notes to the consolidated financial statements

18. Key management personnel disclosures (continued)

Transactions with key management personnel

(i) Executive officers remuneration

<i>in dollars</i>	2025	2024
Short-term employee benefits	2,935,138	3,289,555
Post-employment benefits	250,765	281,078
Other long term benefits	57,398	60,489
Termination benefits	11,607	360,073
	<u>3,254,908</u>	<u>3,991,195</u>
Total number of executive officers	8	10
Total annualised employee equivalent (AEE)	7.0	7.8

(ii) Directors' transactions with the Company or its Controlled Entities

There were no transactions with Directors of the Company in 2025 (2024: \$nil)

There were no Directors or other members of key management personnel that had control or joint control over the Company or the Group.

A number of Directors of the Company, or their Director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. The Board has a conflict of interest policy in place to assist Directors in managing any conflicts that may arise.

From time to time, Directors of the Group may purchase goods and services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers.

Notes to the consolidated financial statements

18. Key management personnel disclosures (continued)

(iii) Other related party transactions

As at the balance date of this report the Group held shares in the following companies that shared common Directors with the Consolidated Entities:

Director:	Shareholding:
Ms J Hopkins	REA Group Ltd
Ms R McGrath AM	Macquarie Group Ltd
Ms W Stops	Coles Group Ltd

Directors noted above did not participate in any decision with respect to the share transactions in which they have an interest.

From time to time, the Directors provide donations to the Company. These donations are non-reciprocal transfers and are provided on an arm's length basis.

19. Non-director and executive related parties

Other related party transactions

Subsidiaries

The Company had the following transactions with its subsidiaries during the year:

- (i) Management fees and cost recoveries charged to MBS Management Development (Malaysia) Sdn Bhd of \$553,000 (2024: \$503,000)
- (ii) Other balances owed by MBS Management Development (Malaysia) Sdn Bhd of \$658,000 (2024: \$918,000)

University of Melbourne

The University of Melbourne ('University') has 45% of the voting rights of members of Melbourne Business School Ltd. The University and its controlled entities are therefore related parties.

<i>in dollars</i>	2025	2024
Revenue/(expense)		
Administrative and maintenance services and goods from the University to the Company	(2,473,083)	(2,833,192)
Sales and charges to the University by the Company	2,247,090	1,536,092
Hire facilities to the University by the Company	193,289	189,952
Educational Management Services to the University by the Company	41,812,214	40,597,467
Amounts owed to the University by the Company	(996,326)	(1,306,290)
Amounts owed to the Company by the University	26,084	58,335

Notes to the consolidated financial statements

19. Non-director and executive related parties (continued)

Donor members

Other related parties consist of donor members. During the financial year the Group provided educational services to staff of donor members under normal commercial terms and conditions. It is not practical to quantify the value of services provided during the financial year.

During the financial year, all transactions between the Company and other related parties were in the ordinary course of business and on normal arm's length commercial terms and conditions.

20. Leases

A. Leases as lessee

The Group leases IT equipment with contract terms of one to five years. These leases also include short-term and/or leases of low-value items. The Group has elected to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the lessee is presented below.

(i) Amounts recognised in profit or loss

In thousands of dollars

2025		
Interest on lease liabilities	86	Note 11
Expenses relating to short-term leases – rent and outgoings	11	
2024		
Interest on lease liabilities	57	Note 11
Expenses relating to short-term leases – rent and outgoings	10	

(ii) Amounts recognised in statement of cash flow

In thousands of dollars

	2025	
Total cash outflow for leases	652	Note 11
<i>In thousands of dollars</i>		
	2024	
Total cash outflow for leases	528	Note 11

B. Leases as lessor

(i) Operating lease

The Group leases out its property on a short-term lease. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2025 was \$175,804 (2024: \$169,145).

Notes to the consolidated financial statements

21. Commitments and contingencies

Commitments amounted to \$nil (2024: \$nil).

Contingencies amounted to \$nil (2024: \$nil).

22. Subsequent events

No item, transaction or event of a material and unusual nature has occurred since 31 December 2025 which is likely, in the opinion of the directors of the company, to affect significantly the operations of the group, the results of those operations, or the state of affairs of the group, in future financial years.

23. Parent entity disclosures

As at, and throughout, the financial year ended 31 December 2025 the parent entity of the Group was Melbourne Business School Limited.

in thousands of dollars

	2025	2024
Result of parent entity		
Deficit for the year	4,738	(13,666)
Other comprehensive income	14,517	23,480
Total comprehensive income for the year	<u>19,255</u>	<u>9,814</u>
Financial position of parent entity at year end		
Current assets	25,417	12,501
Total assets	336,983	315,366
Current liabilities	22,231	19,832
Total liabilities	23,707	21,344
Total equity of the parent entity comprising of:		
Reserves	233,795	220,170
Capital donations	29,993	29,993
Contributed equity	12,339	12,339
Retained profits	37,149	31,520
Total equity	<u>313,276</u>	<u>294,022</u>

Parent entity contingent liabilities amounted to \$nil (2024: \$nil).

MELBOURNE BUSINESS SCHOOL LIMITED

Directors' declaration

In the opinion of the Directors of Melbourne Business School Ltd ("the Company"):

- a) the consolidated financial statements and notes that are set out on pages 21 to 66 are in accordance with the *Australian Charities and Not-for profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance, for the financial year ended on that date;
 - (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The attached financial statements of the Group have been prepared in accordance with the *University of Melbourne Act 2009*; *Financial Management Act 1994*; applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Dated at Melbourne

Signed in accordance with a resolution of the Directors:



Ken MacKenzie
Director
2 April 2026



Professor Jennifer George
Director
2 April 2026

Independent Auditor's Report

To the Directors of Melbourne Business School Limited

Opinion I have audited the financial report of Melbourne Business School Limited (the company) and its controlled entity (together, the group) which comprises the:

- consolidated statement of financial position as at 31 December 2025
- consolidated income statement for the year then ended
- consolidated statement of other comprehensive income for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated statement of cash flows for the year then ended
- notes to the financial statements, including material accounting policy information
- directors' declaration.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the financial position of the group as at 31 December 2025 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company and the group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information The Directors of the company are responsible for the other information, which comprises the information in the Directors' Report for the year ended 31 December 2025, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Directors are responsible for assessing the company's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and the group's internal control. • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors. • conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company and the group to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**Auditor's
responsibilities
for the audit of
the financial
report
(continued)**

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the company and the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the company and the group. I remain solely responsible for my audit opinion.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
9 April 2026



Kevin Chan
as delegate for the Auditor-General of Victoria