

**Townsville Catholic Education
Annual report
for the year ended 31 December 2022**

Townsville Catholic Education

Annual report - 31 December 2022

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The Responsible Persons present their report on Townsville Catholic Education for the year ended 31 December 2022. Throughout the report, Townsville Catholic Education is referred to as the Combined Entity or TCE.

Principal activities

During the year the principal continuing activities of Townsville Catholic Education (TCE) consisted of the provision of education to students across 29 Catholic schools and employing more than 2,200 staff throughout the Diocese.

Our mission is to provide services to our Catholic school communities which support them in achieving quality outcomes for students and in promoting the ongoing development of Catholic Education. A full list of individual entities comprising the Combined Entity is provided in note 18 to the financial statements and includes:

- Primary schools: 18
- Secondary colleges: 5
- Prep to Year 12 colleges: 5
- Prep to Year 9 school: 1

TCE operates under the direction of Bishop Tim Harris, Bishop of the Diocese of Townsville and under the organisational leadership of the Executive Director, Ms Jacqui Francis.

Townsville Catholic Education is based in Townsville, employing more than 2,200 staff, including 70 who service schools in various areas of specialty - religious education, curriculum, ICT, Indigenous education, counselling, speech pathology, hearing and vision impairment, early years education, employment services, finance, planning and development and marketing.

There was no significant change in the nature of the activities of the Combined Entity during the year.

Townsville Catholic Education Diocesan Education Council

The Diocesan Education Council (DEC) is the advisory body representing Catholic Education within the Catholic Diocese of Townsville. Headed by the Bishop, the DEC comprises members who reflect the interests and views of various groups associated with the teaching mission of the Church. The DEC in conjunction with the Executive Director and Senior Leadership Team ensure the direction of the organisation runs in harmony with the Church's mission and vision for catholic education within the Diocese.

Review of operations

The surplus from ordinary activities amounted to \$18,343,602 (2021: \$25,093,371).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Combined Entity during the year.

Event since the end of the financial year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected the Combined Entity's operations, results or state of affairs, or may do so in future years.

Environmental regulation

The Combined Entity is not affected by any significant environmental regulation in respect of its operations, however, is very aware of environmental impacts of systemic schools and therefore have and are investing heavily in solar power.

Insurance of officers and indemnities

During the financial year, Townsville Catholic Education paid a premium of \$30,661 (2021: \$8,521) to insure the officers of the Combined Entity

Insurance of officers and indemnities (continued)

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Combined Entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Combined Entity. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012* is set out on page 3.

Rounding of amounts

Amounts in the Responsible Persons' report have been rounded off to the nearest dollar.



Jacqui Francis
Executive Director



Timothy J Harris DD
Most Reverend Bishop of Townsville

Townsville
27 June 2023



Auditor's Independence Declaration

As lead auditor for the audit of Townsville Catholic Education for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'Darren Jenns'.

Darren Jenns
Partner
PricewaterhouseCoopers

Brisbane
27 June 2023

Townsville Catholic Education

Financial report - 31 December 2022

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These financial statements are the combined financial statements of the Combined Entity consisting of all ACNC registered entities associated with Townsville Catholic Education. A list of entities is included in note 18.

The financial statements are presented in Australian dollars (\$).

Townsville Catholic Education is domiciled in Australia. Its registered office and principal place of business is:

2 Gardenia Avenue,
Kirwan, Queensland, 4817.

Townsville Catholic Education
Combined statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Notes	2022 \$	2021 \$
Revenue	2	284,142,430	277,374,974
Other income	3	3,985,019	3,718,086
Other losses - net	4(a)	(86,223)	(4,251,330)
Property occupancy and utilities expenses		(12,788,752)	(13,539,912)
Employee benefits expense		(199,361,857)	(188,007,747)
Depreciation and amortisation expense		(14,959,463)	(13,998,402)
Teaching material expenses		(13,916,936)	(11,737,903)
Trading activity expenses		(3,808,553)	(3,664,638)
Plant and equipment expenses		(3,698,605)	(3,243,414)
Insurance		(3,279,821)	(3,073,671)
Lease payments for short-term and low value leases		(1,513,923)	-
Consultants and professional fees		(1,476,184)	(1,625,011)
Boarding expenses		(1,627,735)	(1,380,382)
Licences, levies and memberships		(3,789,713)	(2,700,688)
Other expenses		(8,077,257)	(7,489,742)
Finance costs	4(b)	(1,398,825)	(1,286,849)
Surplus for the year		18,343,602	25,093,371
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year		18,343,602	25,093,371

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

**Townsville Catholic Education
Combined balance sheet
As at 31 December 2022**

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	112,374,014	92,686,626
Trade receivables	6	5,225,190	3,863,074
Inventories		217,640	173,528
Other financial assets		-	32,011
Total current assets		117,816,844	96,755,239
Non-current assets			
Property, plant and equipment	7	479,682,198	472,621,639
Right-of-use assets	8	293,234	543,517
Total non-current assets		479,975,432	473,165,156
Total assets		597,792,276	569,920,395
LIABILITIES			
Current liabilities			
Lease liabilities	8	232,011	251,905
Trade and other payables	9	19,145,335	12,876,019
Borrowings	10	4,816,801	4,574,559
Employee benefit obligations	11	26,932,599	25,375,272
Deferred income		1,590,210	1,006,640
Total current liabilities		52,716,956	44,084,395
Non-current liabilities			
Lease liabilities	8	208,879	349,452
Borrowings	10	27,273,948	26,293,406
Employee benefit obligations	11	5,546,699	5,490,950
Total non-current liabilities		33,029,526	32,133,808
Total liabilities		85,746,482	76,218,203
Net assets		512,045,794	493,702,192
EQUITY			
Retained earnings		512,045,794	493,702,192
Total equity		512,045,794	493,702,192

The above combined balance sheet should be read in conjunction with the accompanying notes.

Townsville Catholic Education
Combined statement of changes in equity
For the year ended 31 December 2022

	Retained earnings \$
Balance at 1 January 2021	<u>468,608,821</u>
Surplus for the year	25,093,371
Other comprehensive income/(loss)	-
Total comprehensive income for the year	<u>25,093,371</u>
Balance at 31 December 2021	<u>493,702,192</u>
 Balance at 1 January 2022	 <u>493,702,192</u>
Surplus for the year for the year	18,343,602
Other comprehensive income/(loss)	-
Total comprehensive income for the year	<u>18,343,602</u>
Balance at 31 December 2022	<u>512,045,794</u>

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

Townsville Catholic Education
Combined statement of cash flows
For the year ended 31 December 2022

	2022	2021
Notes	\$	\$
Cash flows from operating activities		
Profit for the year	18,343,602	25,093,371
Depreciation and amortisation	14,959,463	13,998,402
Net (gain)/loss on sale of non-current assets	(50,953)	538,823
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(1,330,105)	1,541,674
Decrease/(increase) in inventories	(44,112)	24,125
Decrease in trade and other payables	6,269,311	(2,248,384)
Increase in other operating liabilities	2,196,650	975,191
Net cash inflow from operating activities	40,343,856	39,923,202
Cash flows from investing activities		
Payments for property, plant and equipment	(22,099,033)	(28,975,514)
Receipts from term deposits	-	34,499,968
Proceeds from sale of property, plant and equipment	489,366	683,396
Net cash (outflow) inflow from investing activities	(21,609,667)	6,207,850
Cash flows from financing activities		
Proceeds from borrowings	5,853,654	4,267,649
Repayment of borrowings	(4,630,870)	(4,884,005)
Principal elements of lease payments	(269,585)	(329,332)
Net cash inflow (outflow) from financing activities	953,199	(945,688)
Net increase in cash and cash equivalents	19,687,388	45,185,364
Cash and cash equivalents at the beginning of the financial year	92,686,626	47,501,262
Cash and cash equivalents at end of year	112,374,014	92,686,626

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

1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Combined Entity consisting of the entities listed in note 18 as if they had together formed a Combined Entity throughout the periods presented.

(a) Basis of preparation

These general purpose financial statements have been prepared to satisfy the reporting obligations of the individual entities listed in note 18 which are collectively referred to as Townsville Catholic Education for the purpose of complying with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* requirements and for distribution to the Bishop for the purpose of fulfilling the Combined Entity's reporting obligations under the *Code of Canon Law 1983*. The combined financial statements present the combined results of the entities listed in note 18 for the year ended 31 December 2022. Townsville Catholic Education is a not-for-profit entity for the purpose of preparing the financial statements.

The combined financial statements are an aggregation of financial information of the entities listed in note 18 for the specific purpose outlined above.

(i) Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The combined financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) and the requirements of the *ACNC Act 2012* except that the Combined Entity does not constitute a consolidated entity as defined in AASB 10 *Consolidated Financial Statements*. The combined financial statements comply with AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* as issued by the AASB.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

(iii) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(iv) New and amended standards adopted by the Combined Entity

The Combined Entity has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2022:

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments* [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141].

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Combined Entity. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(vi) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Combined Entity's accounting policies.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(vii) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars (\$), which is the Combined Entity's functional and presentation currency.

(b) Principles of combination

The combined financial statements incorporate the assets and liabilities of the entities listed in note 18 as at 31 December 2022 and the results of these entities for the year then ended. These entities do not form a consolidated group of legal parents and subsidiaries. The combination process eliminates transactions between entities within the Combined Entity and any unrealised gains on transactions between entities in the Combined Entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of the combined entities have been changed where necessary to ensure consistency with the policies adopted by the Combined Entity.

(c) Revenue recognition

(i) Tuition fees and levies income

Tuition fees and levies income represents income relating to tuition costs and boarding school income for school students. This falls under AASB15 and the revenue is recognised over time as the students receive the tuition or boarding services and results in a deferred income amount if paid in advance for future periods.

(ii) Grant and capital income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement. State and Federal Government funding is required to be spent or committed to be spent within the calendar year in which it is received for education purposes. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Combined Entity considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital funding income represents grants provided to acquire or construct a recognisable non-financial asset (e.g. land, buildings, infrastructure, plant and equipment) to be controlled by the Combined Entity. This falls under AASB 1058 and the revenue is recognised over time as the asset is acquired or constructed.

(iii) Trading activities

Sale of goods revenue is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.

(iv) Interest income

Interest income is recognised using the effective interest method.

(v) Other income

Other income is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met.

1 Summary of significant accounting policies (continued)

(d) Income tax

The Townsville Catholic Education is exempt from income tax under section 50-5 of the *Income Tax Assessment Act 1997*.

(e) Leases

The Combined Entity leases various premises, equipment and vehicles. Rental contracts are typically made for fixed periods of 2 to 10 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Combined Entity allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Combined Entity is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Combined Entity under residual value guarantees,
- the exercise price of a purchase option if the Combined Entity is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Combined Entity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Combined Entity, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Combined Entity:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received,
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Combined Entity entities use that rate as a starting point to determine the incremental borrowing rate.

The Combined Entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1 Summary of significant accounting policies (continued)

(e) Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Combined Entity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Combined Entity. These are used to maximise operational flexibility in terms of managing the assets used in the Combined Entity's operations. The majority of extension and termination options held are exercisable only by the Combined Entity and not by the respective lessor.

Leases at significantly below market value - concessionary/peppercorn leases

TCE has number of leases at significantly below market rates for land and buildings used for various purposes. The leases are generally between 2 and 25 years and require payments between \$1 and \$10,000 per annum. The use of the right-to-use asset is restricted by the lessors to specified services which TCE must provide, these services are detailed in the leases. DEC does not believe that any of the leases in place are individually material.

(f) Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(g) Cash and cash equivalents

For the purpose of presentation in the combined statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Combined Entity's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use.

The Block Grant Authority (BGA) equity reserve represents the residual financial interest of the Commonwealth and State in BGA related capital projects. Refer to note 13(a)(ii) for further detail on this external contractual obligation with the Commonwealth and State governments.

All other reserves are held for internal cash allocation purposes.

1 Summary of significant accounting policies (continued)

(h) Trade receivables

Trade receivables are amounts due from parents, guardians and customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and/or by the end of the school term or year depending on the class of receivable and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Combined Entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Combined Entity applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the tuition fee receipts over a period of 36 months before 31 December 2022 and the corresponding historical credit losses experienced within this period.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(j) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation, unless fair value has been used as a deemed cost to account for not initially recognised assets for the first time. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Combined Entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

• Buildings	15 - 60 years
• Refurbishments and extensive modifications	15 - 60 years
• Plant and equipment	5 - 60 years
• Motor vehicles	3 - 20 years
• Furniture, fittings and equipment	5 - 10 years
• Technology	3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

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

1 Summary of significant accounting policies (continued)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Combined Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are removed from the combined balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Combined Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

(m) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the year in which they are incurred.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The wages and salary liabilities are presented as current payables in the combined balance sheet. The annual leave obligations are presented as current employee benefit obligations in the combined balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

1 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Other long-term employee benefit obligations (continued)

The obligations are presented as current liabilities in the combined balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Combined Entity pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The Combined Entity has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the combined balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(p) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest dollar.

2 Revenue

The Combined Entity derives revenue from the transfer of services over time and trading activity at a point in time. Government grants received for capital purposes are generally over the construction or acquisition period. Below are the revenue streams recognised:

	2022	2021
	\$	\$
Grants and subsidies revenue	234,402,388	224,305,781
Tuition fees and levies	40,853,900	40,620,014
Capital grants and subsidies revenue	3,491,014	7,182,121
Trading activity income	5,395,128	5,267,058
Total revenue	284,142,430	277,374,974

3 Other income

	2022	2021
	\$	\$
Rental and sub-lease rental income	545,462	847,182
Interest income	180,685	640,696
Other income	3,258,872	2,230,208
	3,985,019	3,718,086

4 Other gains/(losses) and expense items

(a) Other gains/(losses) - net

	2022	2021
	\$	\$
Net gain/(loss) on disposal of property, plant and equipment	50,953	(538,823)
Net impairment losses	(137,176)	(3,712,507)
	(86,223)	(4,251,330)

(b) Finance costs

	2022	2021
	\$	\$
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	(1,398,825)	(1,286,849)
Finance costs expensed	(1,398,825)	(1,286,849)

Townsville Catholic Education
Notes to the combined financial statements
31 December 2022
(continued)

5 Cash and cash equivalents

	2022 \$	2021 \$
Cash in hand	27,486	27,356
Bank balances	58,093,372	44,027,742
Deposits at call	54,253,156	48,631,528
	<u>112,374,014</u>	<u>92,686,626</u>

(a) Restricted cash

The cash and cash equivalents disclosed above and in the combined statement of cash flows include deposits that are subject to restrictions and are therefore not available for general use by the entities within the Combined Entity.

	2022 \$	2021 \$
53 week salary reserve	-	2,300,000
New school development reserve	-	5,600,000
School assistance reserve	2,000,000	1,500,000
Block Grant Authority equity reserve	10,400,000	-
	<u>12,400,000</u>	<u>9,400,000</u>

6 Trade receivables

	2022 \$	2021 \$
Trade receivables	9,095,956	8,814,500
Loss allowance	(5,227,101)	(5,967,790)
	<u>3,868,855</u>	<u>2,846,710</u>
Other receivables	-	1,500
Goods and services tax receivable	659,860	746,278
Prepayments	696,475	268,586
	<u>5,225,190</u>	<u>3,863,074</u>

7 Property, plant and equipment

	Land and buildings \$	Plant and equipment \$	Furniture, fittings and equipment \$	Motor vehicles \$	Computer equipment \$	Work in progress \$	Total \$
At 31 December 2021							
Cost	540,175,496	23,362,661	4,563,916	4,337,300	5,755,652	30,219,147	608,414,172
Accumulated depreciation	(114,947,266)	(12,850,424)	(2,274,441)	(1,264,523)	(4,455,879)	-	(135,792,533)
Net book amount	425,228,230	10,512,237	2,289,475	3,072,777	1,299,773	30,219,147	472,621,639
Year ended 31 December 2022							
Opening net book amount	425,228,230	10,512,237	2,289,475	3,072,777	1,299,773	30,219,147	472,621,639
Additions	229,614	1,068,006	265,426	917,660	286,922	19,331,405	22,099,033
Disposals	-	(1,598)	-	(342,901)	-	(93,914)	(438,413)
Transfers	25,177,903	4,663,272	178,346	-	401,157	(30,420,678)	-
Depreciation charge	(11,445,885)	(1,708,267)	(426,388)	(328,610)	(690,911)	-	(14,600,061)
Closing net book amount	439,189,862	14,533,650	2,306,859	3,318,926	1,296,941	19,035,960	479,682,198
At 31 December 2022							
Cost	565,583,013	29,087,712	5,007,688	4,749,580	6,443,731	19,035,960	629,907,684
Accumulated depreciation	(126,393,151)	(14,554,062)	(2,700,829)	(1,430,654)	(5,146,790)	-	(150,225,486)
Net book amount	439,189,862	14,533,650	2,306,859	3,318,926	1,296,941	19,035,960	479,682,198

8 Leases

(a) Amounts recognised in the combined balance sheet

The combined balance sheet shows the following amounts relating to leases:

	2022 \$	2021 \$
Right-of-use assets		
Buildings	<u>293,234</u>	543,517
Lease liabilities		
Current	232,011	251,905
Non-current	<u>208,879</u>	<u>349,452</u>
	440,890	601,357

Future lease payments in relation to lease liabilities as at year end are as follows:

	2022 \$	2021 \$
Within one year	246,477	275,234
Later than one year but not later than five years	225,072	337,465
Later than five years	-	28,467
	<u>471,549</u>	<u>641,166</u>

Additions to the right-of-use assets during the 2022 financial year were \$108,141 (2021: \$390,783).

(b) Amounts recognised in the combined statement of profit or loss and other comprehensive income

The combined statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2022 \$	2021 \$
Depreciation charge of right-of-use assets		
Buildings	<u>359,402</u>	299,002
Interest expense (included in finance cost)	28,929	32,130
Expense relating to short-term and low value leases	1,513,923	-

Townsville Catholic Education
Notes to the combined financial statements
31 December 2022
(continued)

9 Trade and other payables

	2022	2021
	\$	\$
Trade payables	1,526,865	1,389,475
Accrued expenses	16,867,102	10,719,887
Other payables	751,368	766,657
	<u>19,145,335</u>	<u>12,876,019</u>

10 Borrowings

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
<i>Unsecured</i>						
Diocesan Development Fund	4,816,801	27,273,948	32,090,749	4,574,559	26,293,406	30,867,965
Total unsecured borrowings	<u>4,816,801</u>	<u>27,273,948</u>	<u>32,090,749</u>	<u>4,574,559</u>	<u>26,293,406</u>	<u>30,867,965</u>

11 Employee benefit obligations

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Annual leave obligations	2,856,365	-	2,856,365	2,685,243	-	2,685,243
Long service leave obligations	22,954,065	5,546,699	28,500,764	21,653,539	5,490,950	27,144,489
Sabbatical leave obligations	1,122,169	-	1,122,169	1,036,490	-	1,036,490
	<u>26,932,599</u>	<u>5,546,699</u>	<u>32,479,298</u>	<u>25,375,272</u>	<u>5,490,950</u>	<u>30,866,222</u>

12 Remuneration of auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers:

	2022	2021
	\$	\$
Audit of financial statements	225,000	225,000
Other audit related services	3,060	14,000
Assistance with the preparation of the financial statements	5,500	5,500
	<u>233,560</u>	<u>244,500</u>

13 Contingencies

The Combined Entity had contingent liabilities at 31 December 2022 in respect of:

(i) Payroll liabilities

A review of the payroll masterfile was completed during 2020 which identified a number of anomalies in the underlying data and payroll history. The review has highlighted under and over payment of wages to varying degrees. TCE will potentially be required to rectify underpayments. A full review of the master file and payroll calculations is currently in progress. The full value of any back payment liability is unable to be quantified until this review has been completed.

(ii) Residual financial interest of the Commonwealth and State

The Commonwealth of Australia and the State of Queensland have made grants to a number of the Combined Entity's capital projects. The Commonwealth and State retain for 20 years, a right to repayment of a proportion of the grants (reducing by 5% per annum) if the Combined Entity should sell or otherwise dispose of the facilities or cease to use the facilities principally for the purpose approved by the Commonwealth or State.

The Combined Entity has no plans to sell, dispose of, or cease to use any of these facilities and accordingly no liability is expected to arise.

(iii) Legal claims

The Combined Entity periodically receives claims for alleged incidents that have caused physical, mental or emotional injury to the claimants. Upon notification of such matters, the Combined Entity undertakes a rigorous process to investigate the claims and may in situations provide financial payments to claimants either through a civil law process or through the National Redress Scheme for Institutional Child Sexual Abuse (the Scheme). Payments made to claimants are typically covered by the Combined Entity's insurance policy.

Following a recommendation by the Royal Commission into Institutional Child Sexual Abuse, the Australian Government established the National Redress Scheme for Institutional Child Sexual Abuse which commenced on 1 July 2018. The Combined Entity joined the Scheme in December 2018 as an agency of the Catholic Diocese of Townsville which is included in the Scheme as part of Australian Catholic Redress Limited.

In the context of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, any potential claims made against the Combined Entity where it is probable that an outflow of resources embodying economic benefits may occur, cannot be measured reliably given the quantum of active and/or potential claims having indeterminable value and timing at the reporting date. On this basis, no provision for claims has been recognised in the financial statements.

14 Commitments

The Combined Entity had no material commitments at 31 December 2022 (2021: nil).

15 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Combined Entity, the results of those operations or the state of affairs of the Combined Entity or economic entity in subsequent financial years.

16 Related party transactions

(a) Parent entity

The Combined Entity is controlled by the Bishop of the Catholic Diocese of Townsville.

16 Related party transactions (continued)

(b) Key management personnel compensation

	2022 \$	2021 \$
Total key management personnel compensation	<u>1,582,874</u>	<u>1,485,052</u>

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2022 \$	2021 \$
<i>Sales and purchases of goods and services</i>		
Reimbursement of wages and other costs	165,803	133,212
Funding received	1,000	7,361
Payments for services	(136,667)	-
Payments of rent and other repairs	-	(21,619)
Payments of rates and other maintenance	(104,643)	(55,725)
Payment of levies	(1,469,790)	(760,053)

(d) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

	2022 \$	2021 \$
Current receivables from other related parties	<u>7,234</u>	<u>28,983</u>

(e) Loans to/from related parties

	2022 \$	2021 \$
<i>Loans to other related parties</i>		
Beginning of the year	30,867,967	31,484,324
Loans advanced	5,853,650	4,341,423
Loans repayments made	(4,630,868)	(4,957,780)
Interest charged	1,369,896	1,286,531
Interest paid	(1,369,896)	(1,286,531)
End of year	<u>32,090,749</u>	<u>30,867,967</u>

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

17 Deductible gift recipients

This disclosure note outlines the requirements prescribed by the ACNC Act Subdivision 60-G Collective and Joint Reporting which summarises the Combined Entity's Deductible Gift Recipient (DGR) registrations, cash inflows and outflows and balances at reporting date. Substantial cost to Townsville Catholic Education entities is incurred annually in maintaining and developing the existing school buildings and infrastructure. It is necessary to raise capital income to service related debt or to otherwise support capital works, noting that recurrent funding is not permitted to be used for capital purposes.

This note provides a summary of the DGR's within the combined entities and the movement of cash inflows, outflows and balances throughout the period and at balance date.

ABN	Location	2022 Opening Balance	Receipts	Expenditure	2022 Closing Balance	DDR Fund Name
14503172331	Mundingburra	-	-	-	-	ST JOSEPH'S SCHOOL BUILDING AND MAINTENANCE FUND
14503172331	Mundingburra	104,987	105	-	105,092	THE LIBRARY FUND OF ST JOSEPH'S CATHOLIC SCHOOL MUNDINGBURRA
16587140132	Collinsville	-	-	-	-	ST JOHN BOSCO'S SCHOOL BUILDING FUND
16587140132	Collinsville	-	-	-	-	ST JOHN BOSCO'S SCHOOL LIBRARY FUND
18717189058	Hyde Park	-	-	-	-	ST MARGARET MARYS COLLEGE BUILDING FUND
18726327851	Mount Isa	-	-	-	-	GOOD SHEPHERD CATHOLIC COLLEGE
24322606641	Ingham	-	-	-	-	GILROY SANTA MARIA COLLEGE BUILDING FUND
25345594375	Bowen	-	-	-	-	ROMAN CATHOLIC TRUST CORPORATION FOR THE DIOCESE OF TOWNSVILLE
33241806017	Proserpine	-	-	-	-	ST MARY'S SCHOOL BOWEN SCHOOL BUILDING FUND
40456915826	Charters Towers	-	-	-	-	ST CATHERINE'S SCHOOL BUILDING FUND
46657615434	Abergowrie	-	-	-	-	COLUMBA CATHOLIC COLLEGE BUILDING FUND
50804169199	North Ward	-	-	-	-	ST TERESA'S COLLEGE - ABERGOWRIE BUILDING FUND
50804169199	North Ward	-	-	-	-	ST JOSEPH'S PRIMARY CONVENT SCHOOL BUILDING FUND TOWNVILLE
55121780224	Ayr	-	-	-	-	ST JOSEPH'S THE STRAND SCHOOL LIBRARY FUND
61143763127	Hughenden	-	-	-	-	ROMAN CATHOLIC TRUST CORPORATION FOR THE DIOCESE OF TOWNSVILLE
65201324628	Cranbrook	-	-	-	-	ST FRANCIS SCHOOL BUILDING FUND
65201324628	Cranbrook	-	-	-	-	ST FRANCIS SCHOOL HUGHENDEN SCHOOL BUILDING FUND
73492313806	Cloncurry	-	-	-	-	HOLY SPIRIT SCHOOL BUILDING AND MAINTENANCE FUND
92342367468	Rasmussen	-	-	-	-	HOLY SPIRIT SCHOOL LIBRARY FUND
						ST JOSEPH'S CATHOLIC SCHOOL CLONCURRY BUILDING FUND
						GOOD SHEPHERD CATHOLIC COMMUNITY SCHOOL BUILDING AND MAINTENANCE FUND

Townsville Catholic Education
Notes to the combined financial statements
31 December 2022
(continued)

18 Disaggregated operations

This note discloses the individual entities comprising the Combined Entity and their assets, liabilities and results for the year ended 31 December 2022. It has been prepared for the purpose of complying with a specific condition linked to the approval of the preparation of the combined report. The individually registered entities form part of the Combined Entity for reporting purposes are therefore not audited on a disaggregated basis.

Statement of profit and loss and other comprehensive income	Revenue from operating activities				Expenses			Net surplus/loss
	Government grants	Tuition fees and levies	Other revenue	Total revenue	Employee expenses	Other expenses	Total expenses	
TCEO	2,610,300		655,625	3,265,925	19,888,231	9,748,932	29,637,163	(26,371,238)
Ingham (Lourdes)	6,034,613	673,944	171,671	6,880,228	4,057,987	897,115	4,955,102	1,925,126
Halifax (St Peter's)	1,027,832	32,528	6,131	1,066,491	772,871	271,895	1,044,766	21,725
Ingham (Gilroy Santa Maria)	8,206,914	1,069,100	226,909	9,502,923	5,913,957	2,416,573	8,330,530	1,172,393
Abergowrie (St Teresa's)	4,543,002	2,379,940	49,401	6,972,343	4,813,711	5,491,314	10,305,025	(3,332,682)
Proserpine (St Catherine's)	11,534,423	1,635,032	796,047	13,965,502	9,076,375	3,232,460	12,308,835	1,656,667
Home Hill (St Colman's)	1,969,067	116,475	68,217	2,153,759	1,042,770	472,633	1,515,403	638,356
Ayr (St Francis)	3,842,801	472,238	123,168	4,438,207	2,637,518	716,959	3,354,477	1,083,730
Collinsville (St John Bosco's)	1,331,309	65,099	50,736	1,447,144	900,759	369,757	1,270,516	176,628
Bowen (St Mary's)	3,859,335	256,458	74,559	4,190,352	2,138,734	534,456	2,673,190	1,517,162
Ayr (Burdekin)	7,207,535	1,030,863	283,254	8,521,652	5,869,453	2,058,758	7,928,211	593,441
Hughenden (St Francis)	1,456,965	70,000	50,245	1,577,210	729,060	307,050	1,036,110	541,100
Cloncurry (St Joseph's)	4,391,053	328,419	185,109	4,904,581	2,952,376	990,597	3,942,973	961,608
Mt Isa (J) (St Joseph's)	5,794,360	831,236	573,726	7,199,322	3,674,994	1,995,438	5,670,432	1,528,890
Mt Isa (K) (St Kieran's)	3,286,218	350,238	122,686	3,759,142	2,512,794	905,902	3,418,696	340,446
Winton (St Patrick's)	1,613,340	29,190	68,555	1,711,085	664,648	389,927	1,054,575	656,510
Mount Isa (Good Shepherd)	10,083,521	1,277,101	404,945	11,765,567	7,843,389	2,585,064	10,428,453	1,337,114
Charters Towers (Columba)	10,324,276	3,581,128	309,208	14,214,612	9,559,711	4,652,445	14,212,156	2,456
Rasmussen (Good Shepherd)	6,699,177	697,390	160,202	7,556,769	4,793,954	1,085,108	5,879,062	1,677,707
Aitkenvale (Holy Spirit)	9,274,879	1,586,583	425,246	11,286,708	6,975,873	2,352,221	9,328,094	1,958,614
Currajong (Marian)	5,157,777	927,399	257,736	6,342,912	4,094,849	1,247,067	5,341,916	1,000,996
Kirwan (Ryan)	32,319,727	6,788,851	1,369,941	40,478,519	26,394,423	7,111,684	33,506,107	6,972,412
Annandale (Southern Cross)	24,082,247	4,250,803	709,297	29,042,347	18,307,942	4,476,547	22,784,489	6,257,858
Deeragun (St Anthony's)	25,621,857	4,393,615	787,298	30,802,770	20,029,244	4,699,062	24,728,306	6,074,464
Burdell (St Clares)	10,482,075	1,728,168	318,980	12,529,223	7,476,386	2,132,880	9,609,266	2,919,957
Mundingburra (St Joseph's)	5,099,943	910,982	234,903	6,245,828	3,985,572	1,253,193	5,238,765	1,007,063
North Ward (St Joseph's)	4,895,259	1,238,900	221,545	6,355,704	4,224,048	1,290,558	5,514,606	841,098
Palm Island (St Michael's)	6,458,747		37,933	6,496,680	2,535,606	1,018,584	3,554,190	2,942,490
Shaw (St Benedicts)	7,430,963	1,121,971	251,318	8,804,252	5,115,781	1,976,828	7,092,609	1,711,643
Hyde Park (Margaret Mary's)	11,253,888	3,010,252	385,554	14,649,694	10,378,841	3,736,456	14,115,297	534,397
Shaw Secondary						4,524	4,524	(4,524)
Total combined amount	237,893,403	40,853,903	9,380,145	288,127,451	199,361,857	70,421,987	269,783,844	18,343,607

18 Disaggregated operations (continued)

Statement of financial position

	Assets			Liabilities			Net assets/ liabilities	Total equity
	Total current assets	Total non- current assets	Total assets	Total current liabilities	Total non - current liabilities	Total liabilities		
TCEO	56,720,338	4,142,628	60,862,966	44,486,392	5,627,713	50,114,105	10,748,861	10,748,861
Ingham (Lourdes)	1,228,873	6,060,242	7,289,115	26,156		26,156	7,262,959	7,262,959
Halifax (St Peter's)	229,769	935,532	1,165,301	2,430		2,430	1,162,871	1,162,871
Ingham (Gilroy Santa Maria)	891,936	21,145,142	22,037,078	452,839	2,703,905	3,156,744	18,880,334	18,880,334
Abergowrie (St Teresa's)	54,832	27,718,045	27,772,877	96,265		96,265	27,676,612	27,676,612
Proserpine (St Catherine's)	2,671,203	28,404,671	31,075,874	367,153	722,669	1,089,822	29,986,052	29,986,052
Home Hill (St Colman's)	421,631	2,873,064	3,294,695	26,144	51,823	77,967	3,216,728	3,216,728
Ayr (St Francis)	1,634,427	8,278,600	9,913,027	68,733		68,733	9,844,294	9,844,294
Collinsville (St John Bosco's)	268,659	2,036,406	2,305,065	51,363	144,886	196,249	2,108,816	2,108,816
Bowen (St Mary's)	584,798	3,565,123	4,149,921	123,389	474,787	598,176	3,551,745	3,551,745
Ayr (Burdekin)	1,446,507	18,800,088	20,246,595	383,516	2,005,681	2,389,197	17,857,398	17,857,398
Hughenden (St Francis)	484,497	2,165,845	2,650,342	3,072		3,072	2,647,270	2,647,270
Cloncurry (St Joseph's)	1,614,791	6,514,693	8,129,484	127,970	313,669	441,639	7,687,845	7,687,845
Mt Isa (J) (St Joseph's)	1,321,967	17,929,276	19,251,243	194,029	456,226	650,255	18,600,988	18,600,988
Mt Isa (K) (St Kieran's)	654,126	5,396,622	6,050,748	78,375	361,281	439,656	5,611,092	5,611,092
Winton (St Patrick's)	499,100	1,263,445	1,762,545	5,869		5,869	1,756,676	1,756,676
Mount Isa (Good Shepherd)	2,875,605	21,182,273	24,057,878	546,832	1,786,051	2,332,883	21,724,995	21,724,995
Charters Towers (Columba)	3,270,744	40,221,837	43,492,581	451,228	128,419	579,647	42,912,934	42,912,934
Rasmussen (Good Shepherd)	553,588	10,602,287	11,155,875	150,972	542,987	693,959	10,461,916	10,461,916
Aitkenvale (Holy Spirit)	3,512,964	22,558,145	26,071,109	103,969	1,540,670	1,644,639	24,426,470	24,426,470
Currajong (Marian)	954,417	9,202,701	10,157,118	55,625		55,625	10,101,493	10,101,493
Kirwan (Ryan)	17,330,010	40,461,709	57,791,719	622,784		622,784	57,168,935	57,168,935
Annandale (Southern Cross)	3,890,926	42,875,195	46,766,121	1,142,383	3,933,246	5,075,629	41,690,492	41,690,492
Deeragun (St Anthony's)	3,213,435	39,731,222	42,944,657	1,427,291	5,990,595	7,417,886	35,526,771	35,526,771
Burdell (St Clares)	1,885,282	24,527,315	26,412,597	545,165	2,311,290	2,856,455	23,556,142	23,556,142
Mundingburra (St Joseph's)	2,345,914	8,660,858	11,006,772	66,414		66,414	10,940,358	10,940,358
North Ward (St Joseph's)	1,248,744	9,790,583	11,039,327	168,443	147,844	316,287	10,723,040	10,723,040
Palm Island (St Michael's)	2,154,109	8,770,873	10,924,982	19,115	58,740	77,855	10,847,127	10,847,127
Shaw (St Benedicts)	210,051	25,683,175	25,893,226	789,953	3,727,043	4,516,996	21,376,230	21,376,230
Hyde Park (Margaret Mary's)	3,643,596	18,259,847	21,903,443	133,087		133,087	21,770,356	21,770,356
Shaw Secondary		217,996	217,996				217,996	217,996
Total combined amount	117,816,839	479,975,438	597,792,277	52,716,956	33,029,525	85,746,481	512,045,796	512,045,796

**Townsville Catholic Education
Responsible Persons' declaration
31 December 2022**

In the Responsible Persons' opinion:

- (a) the financial statements and notes set out on pages 4 to 25 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and reporting obligations under the *Code of Canon Law 1983*, including:
 - (i) complying with Accounting Standards - General Purpose Financial Statements - Simplified Disclosures and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Combined Entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Combined Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subsection 60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Jacqui Francis
Executive Director



Timothy J Harris DD
Most Reverend Bishop of Townsville

Townsville
27 June 2023



Independent auditor's report

To the Bishop and members of Diocesan Education Council of Townsville Catholic Education

Our opinion

In our opinion:

The accompanying financial report of Townsville Catholic Education (the Entity) is in accordance with the *Code of Canon Law 1983* and Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the *Code of Canon Law 1983* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The combined financial report comprises:

- the combined balance sheet as at 31 December 2022
- the combined statement of changes in equity for the year then ended
- the combined statement of cash flows for the year then ended
- the combined statement of profit or loss and other comprehensive income for the year then ended
- the notes to the combined financial statements, which include significant accounting policies and other explanatory information
- the declaration of the Responsible Persons.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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

Other information

The Responsible Persons are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Responsible Persons for the financial report

The Responsible Persons are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Code of Canon Law 1983* and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the Responsible Persons determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Darren Jenns'.

Darren Jenns
Partner

Brisbane
27 June 2023