

Townsville Catholic Education
Annual report
for the year ended 31 December 2021

Townsville Catholic Education

Annual report - 31 December 2021

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The Responsible Persons present their report on Townsville Catholic Education for the year ended 31 December 2021. 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.

- 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.

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 Director and Leadership team ensure the direction of the organisation runs in harmony with the Church's mission and vision for catholic education in the Diocese.

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

Review of operations

The surplus from ordinary activities amounted to \$25,093,371 (2020: \$10,028,984).

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 2021 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.

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
23 June 2022



Auditor's Independence Declaration

As lead auditor for the audit of Townsville Catholic Education for the year ended 31 December 2021, 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
23 June 2022

Townsville Catholic Education

Financial report - 31 December 2021

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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 19.

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 2021

	Notes	2021 \$	Unaudited 2020 \$
Revenue	3	277,374,974	257,737,197
Other income	4	3,718,086	3,740,758
Other losses - net	5(a)	(4,251,330)	(7,946,491)
Property occupancy and utilities expenses		(13,539,912)	(14,740,702)
Employee benefits expense		(188,007,747)	(179,610,544)
Depreciation and amortisation expense		(13,998,402)	(16,212,415)
Teaching material expenses		(11,737,903)	(11,274,916)
Trading activity expenses		(3,664,638)	(3,398,292)
Plant and equipment expenses		(3,243,414)	(2,860,098)
Insurance		(3,073,671)	(2,489,494)
Consultants and professional fees		(1,625,011)	(1,241,930)
Boarding expenses		(1,380,382)	(1,506,653)
Licences, levies and memberships		(2,700,688)	(2,553,268)
Other expenses		(7,489,742)	(6,064,448)
Finance costs	5(b)	(1,286,849)	(1,549,720)
Surplus for the year		25,093,371	10,028,984
 Other comprehensive income/(loss) for the year, net of tax		 -	 -
 Total comprehensive income for the year		 25,093,371	 10,028,984

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 2021**

	Notes	2021 \$	Unaudited 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	92,686,626	47,501,262
Trade receivables	7	3,863,074	5,404,747
Inventories		173,528	197,653
Other financial assets		32,011	-
Total current assets		96,755,239	53,103,662
Non-current assets			
Long term deposits at amortised cost		-	34,531,979
Property, plant and equipment	8	472,621,639	458,567,744
Right-of-use assets	9	543,517	546,023
Total non-current assets		473,165,156	493,645,746
Total assets		569,920,395	546,749,408
LIABILITIES			
Current liabilities			
Lease liabilities	9	251,905	152,006
Trade and other payables	10	12,876,019	15,124,399
Borrowings	11	4,574,559	4,920,472
Employee benefit obligations	12	25,375,272	23,972,952
Deferred income		1,006,640	1,613,921
Total current liabilities		44,084,395	45,783,750
Non-current liabilities			
Lease liabilities	9	349,452	482,187
Borrowings	11	26,293,406	26,563,851
Employee benefit obligations	12	5,490,950	5,310,799
Total non-current liabilities		32,133,808	32,356,837
Total liabilities		76,218,203	78,140,587
Net assets		493,702,192	468,608,821
EQUITY			
Retained earnings		493,702,192	468,608,821
Total equity		493,702,192	468,608,821

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 2021

	Retained earnings \$
Balance at 1 January 2020 - unaudited	<u>458,579,837</u>
Surplus for the year	10,028,984
Other comprehensive income/(loss)	-
Total comprehensive income for the year	<u>10,028,984</u>
Balance at 31 December 2020 - unaudited	<u>468,608,821</u>
 Balance at 1 January 2021	 <u>468,608,821</u>
Surplus for the year 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>

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 2021

	2021	Unaudited 2020
Notes	\$	\$
Cash flows from operating activities		
Profit for the year	25,093,371	10,028,984
Depreciation and amortisation	13,998,402	16,212,415
Net (gain) loss on sale of non-current assets	538,823	6,662,467
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,541,674	1,997,955
Decrease/(increase) in inventories	24,125	(17,759)
Decrease in trade and other payables	(2,248,384)	(3,299,240)
Increase in other operating liabilities	975,191	3,217,731
Net cash inflow from operating activities	<u>39,923,202</u>	<u>34,802,553</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(28,975,514)	(32,764,636)
Receipts from term deposits	34,499,968	-
Proceeds from sale of property, plant and equipment	683,396	424,862
Net cash inflow (outflow) from investing activities	<u>6,207,850</u>	<u>(32,339,774)</u>
Cash flows from financing activities		
Proceeds from borrowings	4,267,649	5,936,338
Repayment of borrowings	(4,884,005)	(4,296,996)
Principal elements of lease payments	(329,332)	(199,483)
Net cash (outflow) inflow from financing activities	<u>(945,688)</u>	<u>1,439,859</u>
Net increase in cash and cash equivalents	45,185,364	3,902,638
Cash and cash equivalents at the beginning of the financial year	47,501,262	43,598,624
Cash and cash equivalents at end of year	6 <u>92,686,626</u>	<u>47,501,262</u>

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 19 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 19 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 19 for the year ended 31 December 2021. 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 19 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 2021:

- AASB 2020-4 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions* [AASB 16]
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2* [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139]

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.

The Combined Entity also elected to adopt the following amendments early:

- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

These are the Combined Entity's first general purpose financial statements prepared in accordance with AASB 1060. As permitted by the amended AASB 1053 *Application of Tiers of Australian Accounting Standards*, the Combined Entity has not provided comparative information for those disclosures that it had not previously made.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(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 2021 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(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 19 as at 31 December 2021 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.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

(ii) Grant and capital income (continued)

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.

(d) Income tax

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 payments 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.

1 Summary of significant accounting policies (continued)

(e) Leases (continued)

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.

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.

1 Summary of significant accounting policies (continued)

(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 and 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.

(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.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 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
• 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)).

1 Summary of significant accounting policies (continued)

(j) Property, plant and equipment (continued)

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.

(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.

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.

(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.

1 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and other leave types that 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.

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 Critical estimates and judgements

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. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Critical accounting estimates and assumptions

The Combined Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of assets

The Combined Entity tests annually whether assets have suffered any impairment, in accordance with the accounting policy stated in note 1(f). The recoverable amounts are determined based on valuation methodologies relevant to the Combined Entity which may be indicative of impairment triggers.

(ii) Useful lives of property, plant and equipment

The Combined Entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on expected useful lives of the asset. Management reviews useful lives annually.

Townsville Catholic Education
Notes to the combined financial statements
31 December 2021
(continued)

3 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 recognised as revenue over the construction or acquisition period. Below are the revenue streams recognised:

	2021	Unaudited 2020
	\$	\$
Grants and subsidies revenue	228,986,323	212,235,968
Tuition fees and levies	35,939,472	33,804,936
Capital grants and subsidies revenue	7,182,121	7,944,263
Trading activity income	5,267,058	3,752,030
Total revenue	277,374,974	257,737,197

4 Other income

	2021	Unaudited 2020
	\$	\$
Rental and sub-lease rental income	847,182	811,936
Interest income	640,696	1,195,283
Other income	2,230,208	1,733,539
	3,718,086	3,740,758

5 Other gains/(losses) and expense items

(a) Other gains/(losses) - net

	2021	Unaudited 2020
	\$	\$
Net loss on disposal of property, plant and equipment	(538,823)	(6,662,467)
Net impairment losses	(3,712,507)	(1,284,024)
	(4,251,330)	(7,946,491)

(b) Finance costs

	2021	Unaudited 2020
	\$	\$
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	(1,286,849)	(1,549,720)
Finance costs expensed	(1,286,849)	(1,549,720)

Townsville Catholic Education
Notes to the combined financial statements
31 December 2021
(continued)

6 Cash and cash equivalents

	2021	Unaudited 2020
	\$	\$
Cash in hand	27,356	19,217
Bank balances	44,027,742	38,784,663
Deposits at call	48,631,528	8,697,382
	<u>92,686,626</u>	<u>47,501,262</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.

	2021	Unaudited 2020
	\$	\$
53 week salary reserve	2,300,000	2,300,000
New school development reserve	5,600,000	5,600,000
School assistance reserve	1,500,000	1,500,000
	<u>9,400,000</u>	<u>9,400,000</u>

7 Trade receivables

	2021	Unaudited 2020
	\$	\$
Trade receivables	8,814,500	7,731,732
Loss allowance	(5,967,790)	(3,661,926)
	<u>2,846,710</u>	<u>4,069,806</u>
Other receivables	1,500	280,593
Goods and services tax receivable	746,278	585,857
Prepayments	268,586	468,491
	<u>3,863,074</u>	<u>5,404,747</u>

8 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 2020 - unaudited							
Cost	535,466,179	17,617,945	16,704,693	4,257,586	4,412,075	14,947,052	593,405,530
Accumulated depreciation	(105,649,831)	(9,685,027)	(14,770,243)	(1,456,250)	(3,276,435)	-	(134,837,786)
Net book amount	429,816,348	7,932,918	1,934,450	2,801,336	1,135,640	14,947,052	458,567,744
Year ended 31 December 2021							
Opening net book amount	429,816,348	7,932,918	1,934,450	2,801,336	1,135,640	14,947,052	458,567,744
Additions	234,680	625,105	167,924	699,284	459,611	26,788,910	28,975,514
Disposals	(1,086,135)	(55,489)	-	-	(14,857)	(65,738)	(1,222,219)
Transfers	6,524,898	4,187,019	428,483	(427,843)	738,520	(11,451,077)	-
Depreciation charge	(10,261,561)	(2,177,316)	(241,382)	-	(1,019,141)	-	(13,699,400)
Closing net book amount	425,228,230	10,512,237	2,289,475	3,072,777	1,299,773	30,219,147	472,621,639
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

9 Leases

(a) Amounts recognised in the combined balance sheet

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

	2021 \$	Unaudited 2020 \$
Right-of-use assets		
Buildings	543,517	546,023
	<u>543,517</u>	<u>546,023</u>
Lease liabilities		
Current	251,905	152,006
Non-current	349,452	482,187
	<u>601,357</u>	<u>634,193</u>

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

	2021 \$	Unaudited 2020 \$
Within one year	275,234	247,103
Later than one year but not later than five years	337,465	571,498
Later than five years	28,467	69,667
	<u>641,166</u>	<u>888,268</u>

Additions to the right-of-use assets during the 2021 financial year were \$390,783 (2020: \$54,042).

(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:

	2021 \$	Unaudited 2020 \$
Depreciation charge of right-of-use assets		
Buildings	299,002	151,647
	<u>299,002</u>	<u>151,647</u>
 Interest expense (included in finance cost)	 <u>32,130</u>	 <u>34,194</u>

Townsville Catholic Education
Notes to the combined financial statements
31 December 2021
(continued)

10 Trade and other payables

	2021 \$	Unaudited 2020 \$
Trade payables	1,389,475	1,073,136
Accrued expenses	10,719,887	12,745,819
Other payables	766,657	1,305,444
	<u>12,876,019</u>	<u>15,124,399</u>

11 Borrowings

	Current \$	2021 Non- current \$	Total \$	Current \$	Unaudited 2020 Non- current \$	Total \$
<i>Unsecured</i>						
Diocesan Development Fund	4,574,559	26,293,406	30,867,965	4,920,472	26,563,851	31,484,323
Total unsecured borrowings	<u>4,574,559</u>	<u>26,293,406</u>	<u>30,867,965</u>	<u>4,920,472</u>	<u>26,563,851</u>	<u>31,484,323</u>

12 Employee benefit obligations

	Current \$	2021 Non- current \$	Total \$	Current \$	Unaudited 2020 Non- current \$	Total \$
Annual leave obligations	2,685,243	-	2,685,243	2,490,703	-	2,490,703
Long service leave obligations	21,653,539	5,490,950	27,144,489	20,554,915	5,310,799	25,865,714
Sabbatical leave obligations	1,036,490	-	1,036,490	927,334	-	927,334
	<u>25,375,272</u>	<u>5,490,950</u>	<u>30,866,222</u>	<u>23,972,952</u>	<u>5,310,799</u>	<u>29,283,751</u>

13 Remuneration of auditors

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

	2021 \$	Unaudited 2020 \$
Audit of financial statements	225,000	175,250
Other audit related services	14,000	-
Assistance with the preparation of the financial statements	5,500	-
	<u>244,500</u>	<u>175,250</u>

14 Contingencies

The Combined Entity had contingent liabilities at 31 December 2021 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 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 annually over the 20 years) 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

Various claims may be made against the Combined Entity in the ordinary course of its business activities and may be covered by the Combined Entity's insurer. After consulting legal advisers, the Combined Entity considers that there are no material claims against the Combined Entity as at balance date that required a provision to be recognised in the financial statements.

15 Commitments

The Combined Entity had no material commitments at 31 December 2021 (2020: nil).

16 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.

17 Related party transactions

(a) Parent entity

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

(b) Key management personnel compensation

	2021 \$	Unaudited 2020 \$
Total key management personnel compensation	<u>1,485,052</u>	<u>1,278,343</u>

17 Related party transactions (continued)

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2021 \$	Unaudited 2020 \$
<i>Sales and purchases of goods and services</i>		
Reimbursement of wages and other costs	133,212	193,790
Funding received	7,361	77,348
Sale of motor vehicle	-	15,000
Payment of rent and other repairs	(21,619)	(19,160)
Payment of rates and other maintenance	(55,725)	(24,051)
Payment of levies	(760,053)	(1,210,940)

(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:

	2021 \$	Unaudited 2020 \$
Current receivables		
Other related parties	28,983	25,103

(e) Loans to/from related parties

	2021 \$	Unaudited 2020 \$
<i>Loans from other related parties</i>		
Beginning of the year	31,484,324	30,167,015
Loans advanced	4,341,423	5,899,501
Loan repayments received	-	-
Loans repayments made	(4,957,780)	(4,277,480)
Interest charged	1,286,531	1,472,692
Interest paid	(1,286,531)	(1,472,692)
Interest received	-	-
Loans forgiven	-	(304,712)
End of year	30,867,967	31,484,324

(f) Terms and conditions

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

18 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	2021 Opening Balance \$	Receipts \$	Expenditure \$	2021 Closing Balance \$	DDR Fund Name
14503172331	Mundingburra	-	-	-	-	ST JOSEPH'S SCHOOL BUILDING AND MAINTENANCE FUND
14503172331	Mundingburra	104,987	7,721	7,721	104,987	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 ST FRANCIS
65201324628	Cranbrook	-	-	-	-	ST FRANCIS SCHOOL HUGHENDEN SCHOOL BUILDING FUND
65201324628	Cranbrook	-	-	-	-	HOLY SPIRIT SCHOOL BUILDING AND MAINTENANCE FUND
73492313806	Cloncurry	-	-	-	-	HOLY SPIRIT SCHOOL LIBRARY FUND
92342367468	Rasmussen	-	-	-	-	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 2021
(continued)

19 Disaggregated operations

This note discloses the individual entities comprising the Combined Entity and their assets, liabilities and results for the year ended 31 December 2021. It has been prepared for the purpose of complying with a specific condition linked to the approval of the preparation of the combined report. In the prior year, each of the entities listed below prepared and lodged individual financial statements with the ACNC which can be accessed via the ACNC charity register. Comparatives for the year ended 31 December 2020 are therefore not required. 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	3,488,111	-	578,719	4,066,830	18,775,837	9,271,402	28,047,239	(23,980,409)
Ingham (Lourdes)	5,269,080	563,810	170,205	6,003,095	3,434,987	961,617	4,396,604	1,606,491
Halifax (St Peter's)	1,106,564	29,312	6,998	1,142,874	913,241	215,451	1,128,692	14,182
Ingham (Gilroy Santa Maria)	10,599,988	834,428	183,242	11,617,658	5,661,215	2,208,805	7,870,020	3,747,638
Abergowrie (St Teresa's)	4,981,320	1,511,180	86,565	6,579,065	5,101,744	4,904,967	10,006,711	(3,427,646)
Proserpine (St Catherine's)	11,117,684	1,262,998	453,895	12,834,577	8,538,664	2,674,865	11,213,529	1,621,048
Home Hill (St Colman's)	1,898,267	93,024	74,323	2,065,614	939,858	381,229	1,321,087	744,527
Ayr (St Francis)	3,785,942	411,680	88,370	4,285,992	2,444,783	664,886	3,109,669	1,176,323
Collinsville (St John Bosco's)	1,234,642	66,297	53,303	1,354,242	753,668	350,422	1,104,090	250,152
Bowen (St Mary's)	4,256,988	233,708	96,916	4,587,612	2,024,280	535,578	2,559,858	2,027,754
Ayr (Burdekin)	7,465,015	1,063,178	268,349	8,796,542	6,515,125	2,101,534	8,616,659	179,883
Hughenden (St Francis)	1,409,547	71,038	53,103	1,533,688	811,724	454,218	1,265,942	267,746
Cloncurry (St Joseph's)	4,018,376	154,315	147,988	4,320,679	2,363,355	835,718	3,199,073	1,121,606
Mt Isa (J) (St Joseph's)	5,255,576	699,235	795,209	6,750,020	3,461,568	2,319,488	5,781,056	968,964
Mt Isa (K) (St Kieran's)	3,403,340	286,230	118,341	3,807,911	2,168,360	571,910	2,740,270	1,067,641
Winton (St Patrick's)	1,528,392	7,700	41,970	1,578,062	515,069	219,379	734,448	843,614
Mount Isa (Good Shepherd)	9,639,070	1,022,963	312,178	10,974,211	7,391,295	2,361,868	9,753,163	1,221,048
Charters Towers (Columba)	10,702,235	3,619,563	173,322	14,495,120	9,304,365	3,215,311	12,519,676	1,975,444
Rasmussen (Good Shepherd)	6,554,210	771,739	78,446	7,404,395	4,460,157	1,577,722	6,037,879	1,366,516
Aitkenvale (Holy Spirit)	10,138,180	1,492,543	244,638	11,875,361	6,609,536	1,822,054	8,431,590	3,443,771
Currajong (Marian)	4,944,670	908,206	165,434	6,018,310	3,653,859	1,262,371	4,916,230	1,102,080
Kirwan (Ryan)	32,135,249	6,442,914	936,902	39,515,065	24,664,874	7,231,321	31,896,195	7,618,870
Annandale (Southern Cross)	20,052,832	3,584,932	378,113	24,015,877	16,958,389	4,202,935	21,161,324	2,854,553
Deeragun (St Anthony's)	24,697,547	4,022,939	757,875	29,478,361	18,779,815	6,300,245	25,080,060	4,398,301
Burdell (St Clares)	9,726,249	1,590,020	137,481	11,453,750	7,048,786	1,798,125	8,846,911	2,606,839
Mundingburra (St Joseph's)	4,975,024	881,254	163,139	6,019,417	3,957,100	960,962	4,918,062	1,101,355
North Ward (St Joseph's)	4,699,373	1,145,008	117,880	5,962,261	4,119,342	1,087,295	5,206,637	755,624
Palm Island (St Michael's)	5,680,104	(180,087)	71,773	5,571,790	2,536,258	738,424	3,274,682	2,297,108
Shaw (St Benedicts)	9,875,244	400,040	123,384	10,398,668	4,174,406	1,643,790	5,818,196	4,580,472
Hyde Park (Margaret Mary's)	11,529,625	2,949,306	288,138	14,767,069	9,926,088	3,299,105	13,225,193	1,541,876
Total combined amount	236,168,444	35,939,473	7,166,199	279,274,116	188,007,748	66,172,997	254,180,745	25,093,371

Catholic Education Office Diocese of Townsville
Notes to the combined financial statements
31 December 2021
(continued)

19 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	46,706,200	2,120,211	48,826,411	36,289,060	5,740,427	42,029,487	6,796,924	6,796,924
Ingham (Lourdes)	606,573	6,204,970	6,811,543	8,181	-	8,181	6,803,362	6,803,362
Halifax (St Peter's)	301,827	847,077	1,148,904	(664)	-	(664)	1,149,568	1,149,568
Ingham (Gilroy Santa Maria)	1,105,833	20,553,207	21,659,040	741,394	2,393,344	3,134,738	18,524,302	18,524,302
Abergowrie (St Teresa's)	335,363	29,641,970	29,977,333	180,444	-	180,444	29,796,889	29,796,889
Proserpine (St Catherine's)	2,028,797	28,278,985	30,307,782	313,233	872,478	1,185,711	29,122,071	29,122,071
Home Hill (St Colman's)	283,482	2,951,606	3,235,088	16,349	58,084	74,433	3,160,655	3,160,655
Ayr (St Francis)	1,272,975	8,239,198	9,512,173	22,931	-	22,931	9,489,242	9,489,242
Collinsville (St John Bosco's)	320,376	2,020,899	2,341,275	47,372	163,079	210,451	2,130,824	2,130,824
Bowen (St Mary's)	341,348	3,614,488	3,955,836	121,078	527,921	648,999	3,306,837	3,306,837
Ayr (Burdekin)	1,272,075	19,047,102	20,319,177	360,239	2,215,294	2,575,533	17,743,644	17,743,644
Hughenden (St Francis)	360,311	2,231,320	2,591,631	15,077	-	15,077	2,576,554	2,576,554
Cloncurry (St Joseph's)	1,097,474	6,663,901	7,761,375	156,687	405,646	562,333	7,199,042	7,199,042
Mt Isa (J) (St Joseph's)	1,137,317	17,648,741	18,786,058	175,052	523,081	698,133	18,087,925	18,087,925
Mt Isa (K) (St Kieran's)	199,961	5,425,894	5,625,855	47,194	119,293	166,487	5,459,368	5,459,368
Winton (St Patrick's)	487,514	1,271,454	1,758,968	21,404	-	21,404	1,737,564	1,737,564
Mount Isa (Good Shepherd)	2,267,775	21,563,403	23,831,178	573,582	2,130,702	2,704,284	21,126,894	21,126,894
Charters Towers (Columba)	3,357,555	40,375,295	43,732,850	398,682	196,833	595,515	43,137,335	43,137,335
Rasmussen (Good Shepherd)	363,937	10,012,892	10,376,829	109,585	424,979	534,564	9,842,265	9,842,265
Aitkenvale (Holy Spirit)	2,992,810	22,599,986	25,592,796	77,358	1,540,495	1,617,853	23,974,943	23,974,943
Currajong (Marian)	1,001,054	9,275,422	10,276,476	187,040	-	187,040	10,089,436	10,089,436
Kirwan (Ryan)	14,689,521	40,503,779	55,193,300	555,957	12,032	567,989	54,625,311	54,625,311
Annandale (Southern Cross)	2,813,786	40,764,001	43,577,787	946,518	4,589,485	5,536,003	38,041,784	38,041,784
Deeragun (St Anthony's)	1,258,240	35,863,352	37,121,592	719,785	2,728,023	3,447,808	33,673,784	33,673,784
Burdell (St Clares)	1,349,920	24,889,555	26,239,475	673,449	2,810,773	3,484,222	22,755,253	22,755,253
Mundingburra (St Joseph's)	2,346,574	8,492,259	10,838,833	95,671	-	95,671	10,743,162	10,743,162
North Ward (St Joseph's)	1,189,736	9,742,460	10,932,196	106,787	188,728	295,515	10,636,681	10,636,681
Palm Island (St Michael's)	1,873,333	8,280,711	10,154,044	24,837	66,577	91,414	10,062,630	10,062,630
Shaw (St Benedicts)	375,804	25,311,415	25,687,219	620,457	3,969,693	4,590,150	21,097,069	21,097,069
Hyde Park (Margaret Mary's)	3,017,762	18,729,609	21,747,371	479,655	456,842	936,497	20,810,874	20,810,874
Total combined amount	96,755,233	473,165,162	569,920,395	44,084,394	32,133,809	76,218,203	493,702,192	493,702,192

Townsville Catholic Education
Responsible Persons' declaration
31 December 2021

In the Responsible Persons' opinion:

- (a) the financial statements and notes set out on pages 4 to 26 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 2021 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
23 June 2022



Independent auditor's report

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

Our opinion

In our opinion:

The accompanying combined financial report of Townsville Catholic Education (the Entity) is in accordance with 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 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The combined financial report which comprises:

- the combined balance sheet as at 31 December 2021
- 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 Executive Director is responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2021, 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.

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.

Other matter: prior period combined financial report not audited

The Entity has prepared the combined financial statements in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* for the year ended 31 December 2021. The Entity does not have a requirement to prepare or lodge an audited combined financial report for the year ended 31 December 2020 as the individual registered entities of Townsville Catholic Education prepared financial statements for lodgement under the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* for the year ended 31 December 2020. As individual registered entity audited financial statements have been lodged with the Australian Charities and Not-for-profits Commission for the year ended 31 December 2020, the comparative amounts included in this combined financial report are therefore unaudited.

Responsibilities of management and the Executive Director for the financial report

Management and the Executive Director 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 *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as Management and the Executive Director 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, Management and the Executive Director 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 Management and the Executive Director either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Executive Director is responsible for overseeing the Entity's financial reporting process.



Auditor's responsibilities for the audit of the financial report

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

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

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

PricewaterhouseCoopers

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

Darren Jenns
Partner

Brisbane
23 June 2022