

**Townsville Catholic Education
Annual report
for the year ended 31 December 2023**

Townsville Catholic Education

Annual report - 31 December 2023

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The Responsible Persons present their report on Townsville Catholic Education for the year ended 31 December 2023. 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, with the addition of a new school in 2025, and employing more than 2,400 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 20 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 2,400 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.

The Audit and Risk Committee is a standing committee of the DEC established to ensure Townsville Catholic Education attends to its accountability and compliance obligations. The committee may specifically consider compliance with financial and accountability obligations including laws and regulations, effectiveness of risk management processes, conduct and effectiveness of internal and external auditing arrangements and work health and safety compliance and effectiveness.

Review of operations

The deficit from ordinary activities amounted to \$22,154,980 (2022 surplus: \$18,343,602).

Significant changes in the state of affairs

During the year, TCE engaged an actuarial expert, Finity Consulting, to assist with the calculation of a provision for potential claims arising from the National Redress Scheme and civil action. A provision of \$46.3m was recognised.

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

Event since the end of the financial year

On 6 March 2024, the Combined Entity entered into a construction contract for Stage 1 of a new school, Mary Help of Christians Catholic College, Shaw which is anticipated to reach practical completion in January 2025. The Combined Entity also entered into a contract for a capital works project to be undertaken at Good Shepherd Catholic College, Mount Isa.

No other matter or circumstance has arisen since 31 December 2023 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 invested heavily in solar power.

Insurance of officers and indemnities

During the financial year, Townsville Catholic Education paid a premium of \$31,791 (2022: \$30,661) to insure the officers of the Combined Entity

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
18 June 2024



Auditor's Independence Declaration

As lead auditor for the audit of Townsville Catholic Education for the year ended 31 December 2023, 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
18 June 2024

Townsville Catholic Education

Financial report - 31 December 2023

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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 20.

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 2023

	Notes	2023 \$	2022 \$
Revenue	3	317,838,260	284,142,430
Other income	4	4,946,697	3,985,019
Other losses - net	5(a)	(907,707)	(86,223)
Property occupancy and utilities expenses		(14,315,565)	(12,788,752)
Employee benefits expense		(221,009,585)	(199,361,857)
Depreciation and amortisation expense		(15,578,446)	(14,959,463)
Teaching material expenses		(14,531,062)	(13,916,936)
Professional Standards claims expense		(46,300,000)	-
Trading activity expenses		(4,762,174)	(3,808,553)
Plant and equipment expenses		(3,878,158)	(3,698,605)
Insurance		(4,309,628)	(3,279,821)
Lease payments for short-term and low value leases		(1,041,518)	(1,513,923)
Consultants and professional fees		(2,000,017)	(1,476,184)
Boarding expenses		(1,875,857)	(1,627,735)
Licences, levies and memberships		(4,946,784)	(3,789,713)
Other expenses		(7,899,569)	(8,077,257)
Finance costs	5(b)	(1,583,867)	(1,398,825)
(Deficit)/surplus for the year		(22,154,980)	18,343,602
 Other comprehensive income/(loss) for the year, net of tax		 -	 -
 Total comprehensive (loss)/income for the year		 (22,154,980)	 18,343,602

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 2023**

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	110,145,296	112,374,014
Trade receivables	7	5,515,601	5,225,190
Inventories		197,952	217,640
Total current assets		115,858,849	117,816,844
Non-current assets			
Property, plant and equipment	8	511,010,368	479,682,198
Right-of-use assets	9	165,588	293,234
Total non-current assets		511,175,956	479,975,432
Total assets		627,034,805	597,792,276
LIABILITIES			
Current liabilities			
Trade and other payables	10	19,638,973	19,145,335
Lease liabilities	9	58,671	232,011
Borrowings	11	5,446,529	4,816,801
Provisions	12	2,300,000	-
Employee benefit obligations	13	30,489,882	26,932,599
Deferred income		2,194,841	1,590,210
Total current liabilities		60,128,896	52,716,956
Non-current liabilities			
Lease liabilities	9	150,208	208,879
Borrowings	11	28,007,789	27,273,948
Provisions	12	44,000,000	-
Employee benefit obligations	13	4,857,098	5,546,699
Total non-current liabilities		77,015,095	33,029,526
Total liabilities		137,143,991	85,746,482
Net assets		489,890,814	512,045,794
EQUITY			
Retained earnings		489,890,814	512,045,794
Total equity		489,890,814	512,045,794

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 2023

	Retained earnings \$
Balance at 1 January 2022	<u>493,702,192</u>
Surplus 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>
 Balance at 1 January 2023	 <u>512,045,794</u>
Surplus/(deficit) for the year for the year	(22,154,980)
Other comprehensive income/(loss)	-
Total comprehensive loss for the year	<u>(22,154,980)</u>
Balance at 31 December 2023	<u>489,890,814</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 2023**

	2023	2022
Notes	\$	\$
Cash flows from operating activities		
(Deficit)/surplus for the year	(22,154,980)	18,343,602
Depreciation and amortisation	15,578,446	14,959,463
Net gain on sale of non-current assets	(31,817)	(50,953)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(290,411)	(1,330,105)
Decrease/(increase) in inventories	19,688	(44,112)
Increase in trade and other payables	493,638	6,269,311
Increase in other operating liabilities	49,772,313	2,196,650
Net cash inflow from operating activities	43,386,877	40,343,856
Cash flows from investing activities		
Payments for property, plant and equipment	(46,899,899)	(22,099,033)
Proceeds from sale of property, plant and equipment	247,747	489,366
Net cash (outflow) from investing activities	(46,652,152)	(21,609,667)
Cash flows from financing activities		
Proceeds from borrowings	5,404,722	5,853,654
Repayment of borrowings	(4,041,153)	(4,630,870)
Principal elements of lease payments	(327,012)	(269,585)
Net cash inflow from financing activities	1,036,557	953,199
Net (decrease) increase in cash and cash equivalents	(2,228,718)	19,687,388
Cash and cash equivalents at the beginning of the financial year	112,374,014	92,686,626
Cash and cash equivalents at end of year	110,145,296	112,374,014

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

1 Summary of material accounting policies

This note provides a list of all material 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 20 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 20 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 20 for the year ended 31 December 2023. 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 20 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 2023:

- AASB 17 *Insurance Contracts*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

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 2023 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.

1 Summary of material 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 20 as at 31 December 2023 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 material 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 material 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 15(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 material 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 2023 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.

(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.

1 Summary of material accounting policies (continued)

(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) Provisions

Provisions are recognised when the Combined Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) 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 material accounting policies (continued)

(o) 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.

(p) 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.

(q) 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.

(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 is the estimation of provision for civil and redress claims, refer to note 1(n) and 12.

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

	2023 \$	2022 \$
Grants and subsidies revenue	252,255,070	234,402,388
Tuition fees and levies	42,748,798	40,853,900
Capital grants and subsidies revenue	16,706,805	3,491,014
Trading activity income	6,127,587	5,395,128
Total revenue	317,838,260	284,142,430

4 Other income

	2023 \$	2022 \$
Rental and sub-lease rental income	434,896	545,462
Interest income	1,378,572	180,685
Other income	3,133,229	3,258,872
	4,946,697	3,985,019

5 Other gains/(losses) and expense items

(a) Other gains/(losses) - net

	2023 \$	2022 \$
Net gain on disposal of property, plant and equipment	31,817	50,953
Net impairment losses	(939,524)	(137,176)
	(907,707)	(86,223)

(b) Finance costs

	2023 \$	2022 \$
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	(1,583,867)	(1,398,825)
Finance costs expensed	(1,583,867)	(1,398,825)

6 Cash and cash equivalents

	2023 \$	2022 \$
Cash in hand	28,295	27,486
Bank balances	67,618,059	58,093,372
Deposits at call	42,498,942	54,253,156
	<u>110,145,296</u>	<u>112,374,014</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.

	2023 \$	2022 \$
School assistance reserve	2,000,000	2,000,000
Block Grant Authority equity reserve	10,400,000	10,400,000
Professional standards reserves	11,400,000	-
	<u>23,800,000</u>	<u>12,400,000</u>

7 Trade receivables

	2023 \$	2022 \$
Trade receivables	9,014,209	9,095,956
Loss allowance	<u>(5,066,504)</u>	<u>(5,227,101)</u>
	3,947,705	3,868,855
Goods and services tax receivable	826,022	659,860
Prepayments	741,874	696,475
	<u>5,515,601</u>	<u>5,225,190</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 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
Year ended 31 December 2023							
Opening net book amount	439,189,862	14,533,650	2,306,859	3,318,926	1,296,941	19,035,960	479,682,198
Additions	2,253	1,438,769	23,985	880,409	477,989	44,076,494	46,899,899
Disposals	(8,924)	(5,337)	-	(201,669)	-	-	(215,930)
Transfers	25,407,861	11,727,874	132,456	-	386,592	(37,654,783)	-
Depreciation charge	(11,359,790)	(2,480,355)	(431,192)	(387,976)	(696,486)	-	(15,355,799)
Closing net book amount	453,231,262	25,214,601	2,032,108	3,609,690	1,465,036	25,457,671	511,010,368
At 31 December 2023							
Cost	590,983,254	42,235,088	5,164,129	5,341,805	7,308,312	25,457,671	676,490,259
Accumulated depreciation	(137,751,992)	(17,020,487)	(3,132,021)	(1,732,115)	(5,843,276)	-	(165,479,891)
Net book amount	453,231,262	25,214,601	2,032,108	3,609,690	1,465,036	25,457,671	511,010,368

9 Leases

(a) Amounts recognised in the combined balance sheet

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

	2023 \$	2022 \$
Right-of-use assets		
Buildings	165,588	293,234
Lease liabilities		
Current	58,671	232,011
Non-current	150,208	208,879
	208,879	440,890

Additions or lease modifications to the right-of-use assets during the 2023 financial year were \$95,001 (2022: \$108,141).

9 Leases (continued)

(a) Amounts recognised in the combined balance sheet (continued)

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

	2023 \$	2022 \$
Within one year	68,063	246,477
Later than one year but not later than five years	157,008	225,072
Later than five years	-	-
	<u>225,071</u>	<u>471,549</u>

(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:

	2023 \$	2022 \$
Depreciation charge of right-of-use assets		
Buildings	<u>222,647</u>	359,402
Interest expense (included in finance cost)	13,420	28,929
Lease payments for short-term and low value leases	1,041,518	1,513,923

10 Trade and other payables

	2023 \$	2022 \$
Trade payables	3,553,357	1,526,865
Accrued expenses	15,249,063	16,867,102
Other payables	836,553	751,368
	<u>19,638,973</u>	<u>19,145,335</u>

11 Borrowings

	Current \$	2023 Non- current \$	Total \$	Current \$	2022 Non- current \$	Total \$
<i>Unsecured</i>						
Diocesan Development Fund	5,446,529	28,007,789	33,454,318	4,816,801	27,273,948	32,090,749
Total unsecured borrowings	<u>5,446,529</u>	<u>28,007,789</u>	<u>33,454,318</u>	<u>4,816,801</u>	<u>27,273,948</u>	<u>32,090,749</u>

12 Provisions

	Current \$	2023 Non- current \$	Total \$	Current \$	2022 Non- current \$	Total \$
Professional Standards claims liability	2,300,000	44,000,000	46,300,000	-	-	-

This provision is in relation to confirmed and alleged past abuse by lay staff for claims arising from the National Redress Scheme and civil action.

The liability is recognised and measured at the present value of the estimated cash flows to be made in respect of all current and future claims from both known and unknown reports as at the reporting date. In determining the present value of the liability, estimates have been made based on historical data and knowledge of active/pending cases. The key underlying assumptions include the quantity of claims, average claim value and probability of successful claims.

Management have engaged an external actuary to estimate the timing of cash outflows based on the status of each potential successful claim. Management has restricted a portion of the Combined Entity's cash reserves in line with the anticipated cash flows for the next three years, refer note 6(a).

Insurance recoveries have not been recognised as a receivable in the current financial period. Refer to note 15 for further information surrounding contingencies relating to this provision.

Movements in each class of provision during the financial year was charged to the surplus or deficit.

13 Employee benefit obligations

	Current \$	2023 Non- current \$	Total \$	Current \$	2022 Non- current \$	Total \$
Annual leave obligations	3,128,079	-	3,128,079	2,856,365	-	2,856,365
Long service leave obligations	26,091,866	4,857,098	30,948,964	22,954,065	5,546,699	28,500,764
Sabbatical leave obligations	1,269,937	-	1,269,937	1,122,169	-	1,122,169
	30,489,882	4,857,098	35,346,980	26,932,599	5,546,699	32,479,298

14 Remuneration of auditors

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

	2023 \$	2022 \$
Audit of financial statements	245,500	225,000
Other audit related services	-	3,060
Assistance with the preparation of the financial statements	5,500	5,500
	251,000	233,560

15 Contingencies

The Combined Entity had contingent liabilities at 31 December 2023 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

As disclosed in note 1(n) and 12, the Combined Entity has provided for an estimated liability for claims arising from the National Redress Scheme and civil action. The Combined Entity held Professional Standards Liability insurance with Catholic Church Insurance (the insurer) until 30 September 2023 for historical claims. It is anticipated that a portion of these claims will be covered by insurance. However, the receipt of insurance recoveries has not been recognised as a receivable as the quantum and value is not considered to be virtually certain. The insurer is currently under a Scheme of Arrangement and uncertainty also exists as to whether claims that are eligible will be able to be funded.

16 Commitments

The Combined Entity had no material commitments at 31 December 2023 (2022: nil).

17 Events occurring after the reporting period

On 6 March 2024, the Combined Entity entered into a construction contract for Stage 1 of a new school, Mary Help of Christians Catholic College, Shaw which is anticipated to reach practical completion in January 2025. The Combined Entity also entered into a contract for a capital works project to be undertaken at Good Shepherd Catholic College, Mount Isa.

No other matters or circumstances have 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.

18 Related party transactions

Townsville Catholic Education - Diocese of Townsville is an agency of RCTC for the Diocese of Townsville. Townsville Catholic Education has determined that its related parties include:

- Diocesan Development Fund
- Townsville Catholic Diocesan Centre
- Parishes
- Centacare North Queensland
- Mary MacKillop Childcare North Queensland
- Queensland Catholic Education Commission
- Saints Catholic College
- NWQICSS
- House of Prayer
- CEnet
- Key management personnel

18 Related party transactions (continued)

(a) Parent entity

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

(b) Key management personnel compensation

	2023 \$	2022 \$
Total key management personnel compensation	<u>1,841,256</u>	<u>1,582,874</u>

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2023 \$	2022 \$
<i>Income and expenditure:</i>		
Interest received from Diocesan Development Fund	1,378,572	180,685
Interest paid to Diocesan Development Fund	(907,707)	(1,369,896)
Income and cost recoveries from related parties	187,571	166,803
Technology subscription and levies to CENet	(1,247,255)	(1,143,411)
Levy payments to Queensland Catholic Education Commission	(1,037,005)	(998,364)
Purchases of goods or services from Townsville Catholic Diocesan Centre	(4,213,610)	(472,871)
Purchases of goods or services from parishes	(113,900)	(162,424)
Purchases of goods or services from other related parties	(117,038)	(77,441)
<i>Other transactions</i>		
Cash held by Diocesan Development Fund	67,558,362	58,147,967

In 2023, due to a change in insurance arrangements, insurance premiums were invoiced to the Catholic Diocese of Townsville in full and distributions of costs were then oncharged to the relevant agencies, including the Combined Entity. This arrangement differs from the prior period, however, is expected to continue in future periods.

(d) Outstanding balances

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

	2023 \$	2022 \$
Current receivables from Mary MacKillop Childcare North Queensland	6,160	7,234
Current receivables from other related parties	1,721	-
	<u>7,881</u>	<u>7,234</u>

18 Related party transactions (continued)

(e) Loans to/from related parties

	2023	2022
	\$	\$
<i>Loans from the Diocesan Development Fund</i>		
Beginning of the year	32,090,749	30,867,967
Loans advanced	5,404,722	5,853,650
Loans repayments made	(4,041,153)	(4,630,868)
Interest charged	1,570,455	1,369,896
Interest paid	(1,570,455)	(1,369,896)
End of year	33,454,318	32,090,749

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and interest free.

Loans and deposits with the Diocesan Development Fund are interest bearing.

19 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	2023 Opening			2023 Closing			DDR Fund Name
		Balance	Receipts	Expenditure	Balance			
14503172331	Mundingburra	\$ -	\$ -	\$ -	\$ -	-		ST JOSEPH'S SCHOOL BUILDING AND MAINTENANCE FUND
14503172331	Mundingburra	\$ 105,092.28	\$ 348.21	\$ -	\$ 105,440.49	-		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 ST MARY'S
33241806017	Proserpine	\$ -	\$ -	\$ -	\$ -	-		ST CATHERINE'S SCHOOL BUILDING FUND
40456915826	Charters Towers	\$ -	\$ -	\$ -	\$ -	-		COLUMBA CATHOLIC COLLEGE BUILDING FUND
46657615434	Abergowrie	\$ -	\$ -	\$ -	\$ -	-		ST TERESA'S COLLEGE - ABERGOWRIE BUILDING FUND
50804169199	North Ward	\$ -	\$ -	\$ -	\$ -	-		ST JOSEPH'S PRIMARY CONVENT SCHOOL BUILDING FUND TOWNVILLE
50804169199	North Ward	\$ -	\$ -	\$ -	\$ -	-		ST JOSEPH'S THE STRAND SCHOOL LIBRARY FUND
55121780224	Ayr	\$ -	\$ -	\$ -	\$ -	-		ROMAN CATHOLIC TRUST CORPORATION FOR THE DIOCESE OF TOWNSVILLE ST FRANCIS
61143763127	Hughenden	\$ -	\$ -	\$ -	\$ -	-		ST FRANCIS SCHOOL HUGHENDEN SCHOOL BUILDING FUND
65201324628	Cranbrook	\$ -	\$ -	\$ -	\$ -	-		HOLY SPIRIT SCHOOL BUILDING AND MAINTENANCE FUND
65201324628	Cranbrook	\$ -	\$ -	\$ -	\$ -	-		HOLY SPIRIT SCHOOL LIBRARY FUND
73492313806	Cloncurry	\$ 4,551.42	\$ 15.08	\$ -	\$ 4,566.50	-		ST JOSEPH'S CATHOLIC SCHOOL CLONCURRY BUILDING FUND
92342367468	Rasmussen	\$ -	\$ -	\$ -	\$ -	-		GOOD SHEPHERD CATHOLIC COMMUNITY SCHOOL BUILDING AND MAINTENCEFUND

Townsville Catholic Education
Notes to the combined financial statements
31 December 2023
(continued)

20 Disaggregated operations

This note discloses the individual entities comprising the Combined Entity and their assets, liabilities and results for the year ended 31 December 2023. It has been prepared for the purpose of complying with a specific condition linked to the approval of the preparation of the combined report.

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	Other income	Total income	Employee expenses	Other expenses	Total expenses	
TCEO	2,222,912	0	1,441,982	3,664,894	0	3,664,894	22,707,919	62,860,364	85,568,283	(81,903,389)
Ingham (Lourdes)	8,385,373	700,242	173,695	9,259,310	0	9,259,310	4,548,735	1,080,128	5,628,863	3,630,447
Halifax (St Peter's)	1,086,695	34,951	39,264	1,160,910	0	1,160,910	916,195	183,686	1,099,881	61,029
Ingham (Gilroy Santa Maria)	9,365,930	1,086,998	238,139	10,691,067	0	10,691,067	6,359,063	2,216,370	8,575,433	2,115,634
Abergowrie (St Teresa's)	5,343,125	2,726,581	96,538	8,166,244	0	8,166,244	5,635,489	5,364,489	10,999,978	(2,833,734)
Proserpine (St Catherine's)	13,424,451	1,778,495	546,123	15,749,069	0	15,749,069	10,470,601	3,035,719	13,506,320	2,242,749
Home Hill (St Colman's)	2,618,692	162,079	86,877	2,867,648	0	2,867,648	1,291,186	464,636	1,755,822	1,111,826
Ayr (St Francis)	3,787,699	462,379	173,023	4,423,101	0	4,423,101	2,842,491	719,220	3,561,711	861,390
Collinsville (St John Bosco's)	1,462,171	81,499	49,247	1,592,917	0	1,592,917	1,159,050	527,459	1,686,509	(93,592)
Bowen (St Mary's)	4,029,987	303,504	98,628	4,432,119	0	4,432,119	2,262,402	552,584	2,814,986	1,617,133
Ayr (Burdekin)	6,908,160	972,775	315,433	8,196,368	0	8,196,368	6,227,048	1,758,808	7,985,856	210,512
Hughenden (St Francis)	1,380,249	70,825	76,277	1,527,351	0	1,527,351	925,383	359,359	1,284,742	242,609
Cloncurry (St Joseph's)	4,828,704	345,600	215,641	5,389,945	0	5,389,945	3,500,159	916,678	4,416,837	973,108
Mt Isa (J) (St Joseph's)	8,035,852	827,761	407,910	9,271,523	0	9,271,523	3,859,098	1,702,072	5,561,170	3,710,353
Mt Isa (K) (St Kieran's)	3,857,321	284,688	102,806	4,244,815	0	4,244,815	2,503,857	897,903	3,401,760	843,055
Winton (St Patrick's)	1,788,733	43,162	73,406	1,905,301	0	1,905,301	793,074	230,910	1,023,984	881,317
Mount Isa (Good Shepherd)	10,367,257	1,155,144	543,286	12,065,687	0	12,065,687	7,830,377	2,473,834	10,304,211	1,761,476
Charters Towers (Columba)	11,952,867	3,867,423	444,973	16,265,263	0	16,265,263	10,768,396	4,871,629	15,640,025	625,238
Rasmussen (Good Shepherd)	7,088,794	733,705	152,617	7,975,116	0	7,975,116	5,488,369	1,121,784	6,610,153	1,364,963
Aitkenvale (Holy Spirit)	7,794,682	1,594,695	451,812	9,841,189	0	9,841,189	7,628,538	1,717,447	9,345,985	495,204
Currajong (Marian)	5,663,152	1,025,674	246,100	6,934,926	0	6,934,926	4,526,929	1,222,039	5,748,968	1,185,958
Kirwan (Ryan)	33,715,933	6,944,199	1,643,606	42,303,738	0	42,303,738	29,058,220	7,935,320	36,993,540	5,310,198
Annandale (Southern Cross)	26,044,721	4,536,404	753,014	31,334,139	0	31,334,139	20,383,953	4,946,125	25,330,078	6,004,061
Deeragun (St Anthony's)	27,429,175	4,801,071	801,420	33,031,666	0	33,031,666	21,637,545	5,440,545	27,078,090	5,953,576
Burdell (St Clares)	11,471,254	1,798,600	317,492	13,587,346	0	13,587,346	8,452,131	2,575,799	11,027,930	2,559,416
Mundingburra (St Joseph's)	7,656,741	910,435	250,266	8,817,442	0	8,817,442	4,538,954	1,073,391	5,612,345	3,205,097
North Ward (St Joseph's)	5,105,317	1,284,124	240,839	6,630,280	0	6,630,280	4,797,717	1,423,065	6,220,782	409,498
Palm Island (St Michael's)	6,438,944	0	39,763	6,478,707	0	6,478,707	2,589,807	719,897	3,309,704	3,169,003
Shaw (St Benedicts)	16,340,921	1,252,942	192,146	17,786,009	0	17,786,009	6,292,492	2,036,671	8,329,163	9,456,846
Hyde Park (Margaret Mary's)	12,173,436	2,962,843	487,591	15,623,870	0	15,623,870	11,014,408	3,493,370	14,507,778	1,116,092
Shaw (Mary Help of Christians)	1,567,000	0	0	1,567,000	0	1,567,000	0	9,045	9,045	1,557,955
Eliminations				0		0			0	0
Total combined amount	269,336,248	42,748,798	10,699,914	322,784,960	0	322,784,960	221,009,586	123,930,346	344,939,932	(22,154,972)

20 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	61,245,741	4,311,638	65,557,379	51,334,777	48,918,520	100,253,297	(34,695,918)	(34,695,918)
Ingham (Lourdes)	1,083,433	8,211,900	9,295,333	24,808	0	24,808	9,270,525	9,270,525
Halifax (St Peter's)	346,561	908,858	1,255,419	5,361	0	5,361	1,250,058	1,250,058
Ingham (Gilroy Santa Maria)	1,137,139	21,222,441	22,359,580	430,726	2,571,170	3,001,896	19,357,684	19,357,684
Abergowrie (St Teresa's)	1,712,020	26,140,152	27,852,172	70,916	0	70,916	27,781,256	27,781,256
Proserpine (St Catherine's)	2,401,374	28,095,714	30,497,088	163,429	43,153	206,582	30,290,506	30,290,506
Home Hill (St Colman's)	493,114	2,853,545	3,346,659	16,560	45,673	62,233	3,284,426	3,284,426
Ayr (St Francis)	1,496,598	8,601,413	10,098,011	155,413	0	155,413	9,942,598	9,942,598
Collinsville (St John Bosco's)	265,263	1,965,988	2,231,251	41,907	124,826	166,733	2,064,518	2,064,518
Bowen (St Mary's)	721,348	3,527,883	4,249,231	115,972	422,842	538,814	3,710,417	3,710,417
Ayr (Burdekin)	1,993,910	18,305,722	20,299,632	366,237	1,801,598	2,167,835	18,131,797	18,131,797
Hughenden (St Francis)	427,460	2,250,294	2,677,754	10,939	0	10,939	2,666,815	2,666,815
Cloncurry (St Joseph's)	804,130	7,660,911	8,465,041	149,370	220,264	369,634	8,095,407	8,095,407
Mt Isa (J) (St Joseph's)	775,680	21,765,909	22,541,589	212,771	891,658	1,104,429	21,437,160	21,437,160
Mt Isa (K) (St Kieran's)	598,483	5,273,475	5,871,958	78,690	322,338	401,028	5,470,930	5,470,930
Winton (St Patrick's)	567,009	1,346,622	1,913,631	4,532	0	4,532	1,909,099	1,909,099
Mount Isa (Good Shepherd)	2,842,295	21,100,713	23,943,008	542,273	1,440,212	1,982,485	21,960,523	21,960,523
Charters Towers (Columba)	2,110,273	40,978,234	43,088,507	482,062	95,725	577,787	42,510,720	42,510,720
Rasmussen (Good Shepherd)	925,895	10,466,504	11,392,399	168,292	679,609	847,901	10,544,498	10,544,498
Aitkenvale (Holy Spirit)	1,444,324	25,103,157	26,547,481	87,217	1,540,495	1,627,712	24,919,769	24,919,769
Currajong (Marian)	1,394,798	8,974,125	10,368,923	103,586	0	103,586	10,265,337	10,265,337
Kirwan (Ryan)	10,646,266	47,856,566	58,502,832	473,329	0	473,329	58,029,503	58,029,503
Annandale (Southern Cross)	2,680,796	46,442,904	49,123,700	981,297	3,325,489	4,306,786	44,816,914	44,816,914
Deeragun (St Anthony's)	3,660,683	38,831,094	42,491,777	1,368,797	5,225,535	6,594,332	35,897,445	35,897,445
Burdell (St Clares)	2,327,936	23,939,736	26,267,672	664,042	2,017,801	2,681,843	23,585,829	23,585,829
Mundingburra (St Joseph's)	2,467,310	8,806,694	11,274,004	57,583	0	57,583	11,216,421	11,216,421
North Ward (St Joseph's)	1,009,102	9,918,687	10,927,789	216,446	106,380	322,826	10,604,963	10,604,963
Palm Island (St Michael's)	1,880,028	9,522,323	11,402,351	17,442	45,632	63,074	11,339,277	11,339,277
Shaw (St Benedicts)	639,908	38,580,210	39,220,118	1,488,285	7,176,175	8,664,460	30,555,658	30,555,658
Hyde Park (Margaret Mary's)	5,759,971	17,170,618	22,930,589	295,833	0	295,833	22,634,756	22,634,756
Shaw (Mary Help of Christians)	0	1,041,931	1,041,931	0	0	0	1,041,931	1,041,931
Eliminations			0			0	0	0
Total combined amount	115,858,848	511,175,961	627,034,809	60,128,892	77,015,095	137,143,987	489,890,822	489,890,822

**Townsville Catholic Education
Responsible Persons' declaration
31 December 2023**

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 2023 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 2022*.



Jacqui Francis
Executive Director



Timothy J Harris DD
Most Reverend Bishop of Townsville

Townsville
18 June 2024



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 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 2023 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 Regulations 2022*.

What we have audited

The combined financial report comprises:

- the combined balance sheet as at 31 December 2023
- 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, including material accounting policy information 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 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of 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 *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
18 June 2024