



31 December 2022
Annual Financial Statements



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The Trustee presents their report together with the audited financial statements and independent auditor's report, on the Sydney Catholic Schools Trust (referred to hereafter as the 'Trust' or 'SCS') for the financial year ended 31 December 2022.

1. Trustee company

The Trustee of the Trust is Sydney Catholic Schools Limited (SCS Ltd). The Directors who served on the Board of SCS Ltd at any time during or since the end of the financial year are:

Very Reverend Dr Gerald Gleeson (Chairperson)

Bishop Daniel Meagher

Appointed 30 March 2022

Reverend Fr Michael McLean

Retired 24 August 2022

Catherine Thill

Hayden Ramsay

Loretta Di Mento

Michael Digges

Stephen Newton

William (Mark) McCrossin

2. Information on the company secretary

Desiree Blackett (Resigned 15 July 2022)

Jacqueline Frost (Appointed 15 July 2022)

3. Principal activities

The principal activities of SCS during the course of the financial year was the provision of school education for students from Kindergarten to Year 12 across 149 Catholic systemic schools in the Catholic Archdiocese of Sydney.

4. Review of results

Student and staffing statistics

	2022	2021
Student numbers (August census)		
Primary	39,770	39,509
Secondary	31,939	31,635
Total	71,709	71,144
Catholicity of students		
Primary	70.6%	72.2%
Secondary	69.9%	70.9%
Total	70.3%	71.6%
Number of schools		
Primary	111	111
Secondary	34	35
K-12 Schools	4	3
Total	149	149
Staff numbers (Headcount)		
Teaching staff	7,845	7,548
Support staff	2,635	2,233
System staff	599	557
Total staff	11,079	10,338
Financial assistance		
Number of bursaries awarded	5,693	6,297
	\$'000	\$'000
Monetary value of bursaries awarded (\$'000):		
Bursaries provided	6,422	7,260
Covid-19 bursaries provided	-	5,097
Total financial assistance provided	6,422	12,357

4. Review of results continued

Income and operational expenditure

A review of the Trust's operations during the financial year, and the results of those operations, is as follows:

	2022 \$'000	2021 \$'000
Revenue		
Government grants	999,582	941,690
Fees and charges	242,080	212,140
Finance and other income	38,731	25,426
Total income	1,280,393	1,179,256
Operating expenditure		
Employee related expenses	857,955	827,241
Operating expenses	267,733	170,582
Depreciation and Amortisation	88,295	75,236
Finance and other expenses	25,557	18,470
Total expenses	1,239,540	1,091,529
Net operating surplus	40,853	87,727

Government grants increased 6.1% from 2021 due to increases in enrolments, additional base funding and an increase in the number of students with disabilities, which attracts funding allowance.

Fees and charges increased by 14.1% from 2021 due to increased enrolments and the lessening impact of the Covid-19 pandemic.

Employee related expenses increased by 3.7% with enrolments growth and the award increase in the enterprise agreement.

Operating expenses increased by 57.0% from 2021 due to the lessening impact of the Covid-19 pandemic on spending and the recommencement of activities and events in schools that had been cancelled in the prior year.

4. Review of results continued

	2022	2021
	\$'000	\$'000
Capital expenditure on schools		
Building and refurbishment of schools	138,287	67,796
Land acquisitions	3,257	58,380
Other capital expenditure	5,493	92,496
Total capital expenditure	147,037	218,672

SCS has a long term capital plan to develop and invest in our schools infrastructure to create more contemporary learning environments and to meet enrolment demand.

In 2022, over \$141.5 million was expended on school capital works and land acquisition. In addition, SCS spent \$53.2 million on school maintenance.

The Trust also entered into a contract to purchase 52-58 William Street, Woolloomooloo on 19 September 2022. A deposit of \$4.65m was paid in September 2022 and the balance of \$88.773m was settled in March 2023.

Borrowings

The Trust's capital works programme has historically been funded mainly via borrowings. In 2022, SCS' borrowings were \$319.1 million (2021: \$344.7 million).

The borrowings are on market commercial terms with facilities arranged through the Catholic Development Fund of the Catholic Archdiocese of Sydney. As at the end of 2022, the interest rate on the loans was 7.13% (2021: 4.09%) per annum.

4. Review of results continued

The Trust holds cash reserves to meet its future obligations and future projects planned.

Targeted minimum cash holdings

	2022 \$'000
The Trust has the following cash commitments going forward into 2023 in the next 12 months:	
Trade and other payables (Net of trade receivables)	59,343
Borrowings and lease liabilities payable in less than 1 year	37,731
Contingency reserves*	71,496
Purchase of buildings under contract	88,773
Capital expenditure commitments for schools projects (net of debt finance)	53,968
Grants and fees in advance	8,679
Targeted minimum cash holdings	319,990

* Contingency reserves are reserves required to cover payroll expenditure from the beginning of the year until just prior to the receipt of the first instalments of government recurrent funding in early February each year.

Cash holdings

	2022 \$'000
Cash and financial assets held as at 31 December 2022 are as follows:	
Cash and Cash Equivalents	317,973
Short Term Financial Assets	8,698
Total cash and financial assets available	326,671

The net surplus between cash holdings and targeted minimum cash holdings as at year end is \$6.7m.

5. Subsequent Events

Catholic Church Insurance (CCI), the Trust's main insurer, provided advice that it was no longer willing to bear the risks associated with the adverse development of professional standards claims. On 29 May 2023, CCI advised that they had been voluntarily placed in an orderly run off and would not be renewing SCS' general insurance policies after they expire on 30 September 2023. The Directors are confident that SCS will successfully secure alternate insurance coverage. CCI paid an amount of \$12.6m towards these liabilities on 31 March 2023 as part of an agreement with the Catholic Archdiocese of Sydney. Ongoing claims will not be funded out of government funding or parent fees. The transaction has been treated as an adjusting subsequent event, with a provision recognised for associated costs totalling \$40.0m recorded on the balance sheet. Please refer to notes 18 and 25 of the notes to the financial statements.

The Trust's investment portfolio was subject to a notable decline to in value to \$160.5m (2021: \$181.8m) due to significant market volatility experienced during the year. However, the portfolio has since recovered to \$168.5m at the end of May 2023.

6. Significant changes in the state of affairs

There were no significant changes in the state of affairs.

Approved by the Sydney Catholic Schools Ltd as Trustee for the Sydney Catholic Schools Trust:



Very Reverend Dr Gerald Gleeson (Chairperson)

Director of Sydney Catholic Schools Limited on behalf of Sydney Catholic Schools Trust

Dated 29 June 2023

Sydney, Australia



Michael Digges

Director of Sydney Catholic Schools Limited on behalf of Sydney Catholic Schools Trust

Dated 29 June 2023

Sydney, Australia

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Revenue			
Government grants	7	999,582	941,690
Fees and charges	8	242,080	212,140
Interest and dividends	9	20,081	10,273
Other income	10	18,650	15,153
TOTAL REVENUE		1,280,393	1,179,256
Expenses			
Employee related expenses	11	857,955	827,241
Operating expenses	12	267,733	170,582
Depreciation and amortisation	19, 20	88,295	75,236
Finance costs	13	19,730	14,997
Other expenses	14	5,827	3,473
TOTAL EXPENSES		1,239,540	1,091,529
NET OPERATING RESULT		40,853	87,727
Other Comprehensive Income			
Items that will never be reclassified to profit or loss:			
Net (loss)/gain on revaluation of financial assets		(20,103)	24,813
TOTAL COMPREHENSIVE INCOME		20,750	112,540

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

Statement of Financial Position

As at 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalent	15	317,973	334,283
Restricted use assets - Cash and cash equivalents	15	33,158	32,359
Trade and other receivables	16	38,889	28,448
Financial assets	17	8,698	24,866
Other current assets	18	24,768	11,768
TOTAL CURRENT ASSETS		423,486	431,724
Non-current assets			
Property, plant and equipment	19	2,165,683	2,107,823
Financial assets	21	69,000	77,840
Restricted use assets - Financial assets	21	91,466	104,004
Intangible assets	20	-	23
Other non-current assets	18	-	814
TOTAL NON-CURRENT ASSETS		2,326,149	2,290,504
TOTAL ASSETS		2,749,635	2,722,228
Liabilities			
Current liabilities			
Trade and other payables	23	98,232	82,747
Deferred revenue	24	8,679	14,703
Loans and borrowings	22	33,948	34,033
Lease liabilities	22	3,783	3,578
Provisions	25	162,919	173,427
TOTAL CURRENT LIABILITIES		307,561	308,488
Non-current liabilities			
Loans and borrowings	22	285,124	310,674
Lease liabilities	22	23,127	25,258
Provisions	25	58,018	22,753
TOTAL NON-CURRENT LIABILITIES		366,269	358,685
TOTAL LIABILITIES		673,830	667,173
NET ASSETS		2,075,805	2,055,055
Equity			
Accumulated funds		163,631	110,960
Reserves on acquisition	26	1,774,640	1,774,640
Asset revaluation reserve	26	13,152	30,880
Special purpose reserve	26	124,382	138,575
TOTAL EQUITY		2,075,805	2,055,055

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2022

	Notes	Reserves on Acquisition \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Special Purpose Reserve \$'000	Total Equity \$'000
Balance at 1 January 2022		1,774,640	110,960	30,880	138,575	2,055,055
Net result for the year		-	40,853	-	-	40,853
Unrealised loss upon revaluation of investments		-	-	(20,103)	-	(20,103)
Realised loss upon sale of investments		-	(2,375)	2,375	-	-
Transfers to reserves		-	14,193	-	(14,193)	-
Total comprehensive income for the year		-	52,671	(17,728)	(14,193)	20,750
Balance at 31 December 2022		1,774,640	163,631	13,152	124,382	2,075,805

	Notes	Reserves on Acquisition \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Special Purpose Reserve \$'000	Total Equity \$'000
Balance at 1 January 2021		1,774,640	37,717	5,797	124,361	1,942,515
Net result for the year		-	87,727	-	-	87,727
Unrealised gain upon revaluation of investments		-	-	24,813	-	24,813
Realised loss upon sale of investments		-	(270)	270	-	-
Transfers to reserves		-	(14,214)	-	14,214	-
Total comprehensive income for the year		-	73,243	25,083	14,214	112,540
Balance at 31 December 2021		1,774,640	110,960	30,880	138,575	2,055,055

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

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Surplus for the year		40,853	87,727
<i>Adjustments for:</i>			
Depreciation and amortisation	19, 20	88,295	75,236
Net (gain)/loss on disposal of property, plant and equipment		722	(68)
Provision for doubtful debts		2,497	(1,469)
Dividend income	9	(14,601)	(9,411)
Interest income	9	(5,480)	(862)
Interest expense	13	18,309	13,778
		130,595	164,931
<i>Change in operating assets and liabilities:</i>			
Changes in trade and other receivables		(12,937)	(1,560)
Changes in other operating assets		(12,186)	212
Changes in trade and other payables		15,485	14,435
Changes in other provisions		24,757	12,886
Changes in deferred revenue		(6,024)	9,814
		139,690	200,718
Interest received		5,480	862
Interest paid		(18,309)	(13,778)
NET CASH FROM OPERATING ACTIVITIES		126,861	187,802
Cash flows from investing activities			
Dividends received	9	14,601	9,411
Proceeds from sale of property, plant and equipment		183	2,081
Proceeds from sale of investments		30,653	12,349
Acquisition of other investments		(29,379)	(13,806)
Proceeds/ (Acquisition of) from maturation of long term deposits	17	16,168	(12,237)
Purchases of property, plant and equipment	19	(147,037)	(218,672)
NET CASH (USED IN) INVESTING ACTIVITIES		(114,811)	(220,874)
Cash flows from financing activities			
Proceeds from loans and borrowings	22	9,600	60,202
Repayment of loans and borrowings	22	(35,235)	(27,389)
Payment of lease liabilities		(1,926)	(2,821)
NET CASH (USED IN)/ FROM FINANCING ACTIVITIES		(27,561)	29,992
Net decrease in cash and cash equivalents		(15,511)	(3,080)
Cash and cash equivalents at the beginning of the financial year		366,642	369,722
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	15	351,131	366,642

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

1. Reporting entity

These financial statements comprise the Sydney Catholic Schools Trust ('SCS' or 'the Trust') and are as at and for the year ended 31 December 2022. SCS Trust is a discretionary investment trust and is a not-for-profit entity, registered with the Australian Charities and Not-for-profit Commission (ACNC). The Trust's registered office is at:
Level 23, 680 George Street Sydney NSW 2002

2. Basis of accounting

These financial statements are general purpose financial statements that have been prepared in accordance with:

- Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board; and
- Australian Charities and Not-for-profit Commission Act 2012.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Trust as a result of the change in the basis of preparation.

The financial statements were authorised for issue by the Trustee on 29 June 2023. Details of the Trust's significant accounting policies are included in note 6.

3. Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Trust's functional currency.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Trust's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Estimates and judgements

Information about estimates and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Current assets – Trade and other receivables (note 16)
- Provisions – Long service leave (note 11, 25)
- Provisions – Uninsured claims (note 25)

5. Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments other than term deposits for which the fair value basis of accounting has been applied.

6. Significant accounting policies

The Trust has consistently applied the following accounting policies in these financial statements, which is outlined below.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Income tax

Under Division 50, subsection 5 of the Income Tax Assessment Act 1997, the Sydney Catholic Schools Trust is exempt from income tax. Consequently no income tax has been provided for in the financial report.

Goods and services tax

Revenues, expenses and assets are recognised net of Goods and Services Tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In such circumstances, the GST is recognised as part of the expense or cost of the asset. Receivables and payables are stated at the amounts including GST. The net amount of GST recoverable from or payable to the ATO is stated as a current asset or current liability at balance date.

Financial instruments**Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when SCS Trust becomes a party to the contractual provision of the instrument. A financial instrument is initially measured at fair value plus transactions costs that are directly attributable to its acquisition.

Classification

On initial recognition, a financial instrument is classified as fair value through other comprehensive income (FVOCI) or as measured at amortised cost. SCS Trust's managed investment funds are classified as FVOCI financial instruments. All other financial instruments are classified as measured at amortised cost.

Subsequent measurement

Financial instruments (including managed investment funds) classified as FVOCI are subsequently measured at fair value. Dividend income is recognised in profit or loss unless the dividend clearly represents a recovery of part of the investment. Other net gains and losses are recognised in other comprehensive income. Financial instruments classified as measured at amortised cost (including term deposits and trade receivables) are subsequently measured at amortised cost. The amortised cost of a financial asset is reduced by impairment loss.

Reserves on Acquisition

Reserves on Acquisition are recognised on the basis that the same party, being the Catholic Archdiocese of Sydney, had power and control over the operations, assets and liabilities that were transferred to the Trust, before and after the transfer. Accordingly, the assets and liabilities acquired by the Trust have been recognised using their respective book values at the date of transfer.

	2022 \$'000	2021 \$'000
7. Revenue – Government Grants		
Commonwealth – general recurrent grants	777,618	726,449
Commonwealth – specific purpose grants	686	547
Commonwealth capital building grants	5,266	9,266
State – per capita grants	206,714	196,368
State – specific purpose grants	9,298	9,060
	999,582	941,690

Recognition and measurement**Government grants with no conditions**

Grants with no conditions attached are recognised immediately as per AASB 1058 Income of Not-for-Profit Entities.

Government grants with conditions and related to income

Government grants are recognised as revenue in the period in which the grants are intended to be utilised.

Grants received for the specific purpose that services are delivered, or conditions fulfilled, are considered reciprocal. Such grants are recognised as revenue as services are performed or conditions fulfilled.

Government grants with conditions and related to assets

Government grants related to assets are government grants whose primary condition is that the Trust should purchase, construct or otherwise acquire long-term assets for education purposes. Grants are recognised in the statement of profit or loss when (or as) the entity satisfies its obligation under the conditions of the grant.

8. Revenue – Fees and Charges

School building levies	34,698	31,987
Information and communication technology levies (ICT levies)	14,954	9,721
Tuition fees and local school-based fees	192,428	170,432
	242,080	212,140

As at 31 December 2022, SCS has deferred revenue of \$5.82 million (2021: \$13.46 million) for school fees and charges paid in advance (see note 24).

Recognition and measurement

School building levies, ICT levies, tuition fees and local school-based charges invoiced to parents and carers are recognised as revenue in the school year in which the services were rendered. Fee discounts are recognised as a reduction in fees and charges, and in the same period the revenue was recognised.

At the reporting date, the amounts owed to the Trust (Trade and other receivables – see note 16) were assessed as to the probable recovery. Based on this assessment a provision for impairment was raised which is recognised in the profit or loss under operating expense.

	2022 \$'000	2021 \$'000
9. Interest and Dividends		
Interest income	5,480	862
Dividends	14,601	9,411
	20,081	10,273

Recognition and measurement

Interest income is recognised using the effective interest method. Dividend income is recognised in the profit or loss on the date that the Trust's right to receive payment is established.

10. Other Income

Donations and fundraising	3,376	2,462
Rent	4,867	2,903
Gain/(loss) on sale of fixed assets	(722)	68
Other income	11,129	9,720
	18,650	15,153

Recognition and measurement**Donations and fundraising**

Income from donations and fundraising is recognised in the period in which the donations were received or fundraising events were conducted.

Rent income

Income from rent is recognised in the period on a straight-line basis. Discounts are recognised as a reduction in rent income, and in the same period the revenue was recognised.

Other income

Other income includes sale of goods such as canteen and uniform sales. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns and discounts.

	2022 \$'000	2021 \$'000
11. Employee Related Expenses		
Wages and salaries	724,618	688,728
Superannuation	90,478	86,519
Workers compensation	2,848	2,552
Stipends	1,165	1,352
Fringe benefits tax	9,457	10,604
Other employee costs and benefits	29,389	37,486
	857,955	827,241

Recognition and measurement**Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Trust has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Liabilities for salaries and wages, including annual leave and on-costs are measured on an undiscounted basis.

The provision for annual leave is based on the employee's pro-rata entitlement and valued at current salary rates including on-costs and leave loading. Annual leave is expected to be settled within 12 months and accounted for as a current liability.

Defined contribution plans

Obligations for contributions to a defined contribution plan are expensed as the related service is provided.

Long service leave

The provision for long service leave is based on current award entitlements and where appropriate includes associated on-costs.

Long service leave is recognised and measured for all employees from the date of employment. Long service leave is valued including on-costs as at the reporting date and is based on an independent actuarial valuation performed on a regular basis.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. Other financial assumptions applied include the discount rate based on the yield of high quality corporate bonds with terms consistent with the duration of the liabilities as well as projected salary increases.

Notes to the Financial Statements continued

For the year ended 31 December 2022

	2022 \$'000	2021 \$'000
12. Operating Expenses		
Teaching resource expenses	64,521	40,386
Travel & entertainment expense	3,721	3,409
Marketing related expense	2,479	1,709
Administration expense	36,396	24,790
Audit expense	1,640	1,901
Legal expense	1,029	314
Uninsured claims expense	23,131	7,110
ICT related expense	42,578	23,040
Occupancy related expense	29,325	26,866
Repairs & maintenance	53,246	31,469
Insurance expense	9,667	9,588
	267,733	170,582
13. Finance Costs		
Expenses relating to leases	878	452
Bank fees and charges	1,421	1,219
Interest expense related to loans	17,431	13,326
	19,730	14,997
14. Other Expenses		
Canteen expenses	2,360	1,558
Uniform shop expenses	1,443	1,245
Public performance and displays	1,374	303
Other expenses	650	367
	5,827	3,473

Notes to the Financial Statements continued

For the year ended 31 December 2022

	2022 \$'000	2021 \$'000
15. Current Assets – Cash and Cash Equivalents		
Cash at bank and on hand	9,671	29,158
Term deposits less than 90 days	308,302	305,125
Unrestricted use assets – Cash and cash equivalents	317,973	334,283
Cash at bank and on hand	3,345	1,639
Term deposits less than 90 days	29,813	30,720
Restricted use assets – Cash and cash equivalents	33,158	32,359
	351,131	366,642

Recognition and measurement

Cash and cash equivalents includes cash on hand, term deposits held at-call with banks, other short-term highly liquid investments with original maturities of three (3) months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Short-term highly liquid investments with original maturities greater than three months are recognised as current financial assets (see note 17).

Refer to note 26 for further details regarding the restricted use assets.

16. Current Assets – Trade and Other Receivables

Trade receivables due from external parties	21,436	23,400
Trade receivables due from a related party (Sydney Catholic Early Childhood Services)	58	4,789
Less: Loss allowance for impairment of receivables	(8,977)	(6,480)
	12,517	21,709
Other receivables	26,372	6,739
	38,889	28,448

Loss allowance

The movement in the allowance for impairment in respect of trade and other receivables was as follows:

Balance at 1 January	6,480	7,949
Impairment loss recognised	4,834	733
Amounts written off	(2,337)	(2,202)
Balance at 31 December	8,977	6,480

	2022	2021
	\$'000	\$'000

16. Current Assets - Trade and Other Receivables continued

Recognition and measurement

Trade and other receivables include amounts due for services performed in the ordinary course of business.

Receivables expected to be collected within twelve (12) months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Other receivables includes insurance receivables that pertain to claims covered by policies held by the Trust with Catholic Church Insurance (CCI) in which these claims are fully or partially covered by the insurance policy. The insurance receivable will be paid as outstanding claims are settled.

Receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method less impairment losses.

Impairment

The Trust has applied the simplified approach under AASB 9 to calculate expected credit losses for receivables. Under this approach, expected credit losses are calculated based on the life of the investment. During this process, the probability of non-payment of receivable is assessed using the single loss rate approach.

17. Current Assets - Financial Assets

Term deposits greater than 90 days but less than 12 months	8,698	24,866
	8,698	24,866

Recognition and measurement

Current financial assets are short-term highly liquid investments with original maturities greater than three (3) months. Term deposits with original maturities greater than 90 days are carried at amortised cost. See Accounting Policies for Financial Instruments note 6.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash at bank, current term deposits and bank overdrafts. Term deposits maturing three (3) months or less are classed as cash equivalents as they can be converted to cash without significant penalties.

Notes to the Financial Statements continued

For the year ended 31 December 2022

	2022 \$'000	2021 \$'000
18. Other Assets		
Current		
Prepayments	24,768	11,768
Non-current		
Prepayments	-	814
	24,768	12,582

Prepayments expected to be expensed within 12 months of the end of the reporting period are classified as current assets. Remaining prepayments are classified as non-current assets.

Notes to the Financial Statements continued

For the year ended 31 December 2022

19. Non-Current Assets - Property, Plant and Equipment

	Land and Buildings \$'000	Future School Sites \$'000	Construction in Progress \$'000	Right of Use Assets \$'000	Fixture and Fittings \$'000	Computer Hardware \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Notes									
Cost									
Balance at 1 January 2022	2,274,072	207,905	64,085	31,620	143,287	30,659	10,894	1,493	2,764,015
Additions	1,076	3,257	135,663	1,548	1,433	2,618	1,111	332	147,037
Transfers	55,993	4,897	(74,423)	-	5,460	3,789	4,284	-	-
Disposals	(809)	-	-	(365)	-	-	-	(70)	(1,244)
Balance at 31 December 2022	2,330,332	216,059	125,325	32,803	150,180	37,066	16,289	1,755	2,909,808
Accumulated depreciation									
Balance at 1 January 2022	604,047	-	-	3,125	22,723	19,894	5,736	667	656,192
Depreciation	55,924	-	-	3,649	18,500	7,695	2,350	154	88,272
Disposals	(50)	-	-	(238)	-	-	-	(51)	(339)
Balance at 31 December 2022	659,921	-	-	6,536	41,223	27,589	8,086	770	744,125
Carrying amount									
As at 31 December 2022	1,670,411	216,059	125,325	26,267	108,957	9,477	8,203	985	2,165,683

Notes to the Financial Statements continued

For the year ended 31 December 2022

19. Non-Current Assets - Property, Plant and Equipment continued

	Land and Buildings \$'000	Future School Sites \$'000	Construction in Progress \$'000	Right of Use Assets \$'000	Fixture and Fittings \$'000	Computer Hardware \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Cost									
Balance at 1 January 2021	2,173,783	134,689	112,148	11,739	63,202	21,751	7,826	1,563	2,526,701
Additions	-	58,380	67,062	21,758	80,216	8,908	3,068	304	239,696
Movement of work in progress	100,289	14,836	(115,125)	-	-	-	-	-	-
Disposals	-	-	-	(1,877)	(131)	-	-	(374)	(2,382)
Balance at 31 December 2021	2,274,072	207,905	64,085	31,620	143,287	30,659	10,894	1,493	2,764,015
Accumulated depreciation									
Balance at 1 January 2021	550,076	-	-	1,695	10,417	14,279	4,361	663	581,491
Depreciation	53,971	-	-	1,668	12,306	5,615	1,375	135	75,070
Disposals	-	-	-	(238)	-	-	-	(131)	(369)
Balance at 31 December 2021	604,047	-	-	3,125	22,723	19,894	5,736	667	656,192
Carrying amount									
As at 31 December 2021	1,670,025	207,905	64,085	28,495	120,564	10,765	5,158	826	2,107,823

19. Non-Current Assets – Property, Plant and Equipment continued**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Land and buildings

Land and buildings are shown at deemed cost, less subsequent depreciation for buildings.

Future school sites represent land purchased with the intention of setting aside a site for a future school and includes (but is not limited to) land purchased for the purpose of expanding current school sites.

Parish Land and buildings that schools have a right to use have been accounted for as follows:

- Land has not been recognised on the balance sheet.
- Buildings brought on to the balance sheet prior to 1 January 2013 were valued at deemed cost at that date.
- Buildings acquired by SCS after 1 January 2013 are recorded at cost.

Subsequent expenditure

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 Trust and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment using the straight-line basis over their estimated useful lives commencing from the time the asset is available for use, and are recognised in profit or loss. The estimated useful lives of property, plant and equipment are as follows:

Buildings	40 years
Demountable/ Transportable Buildings	10 years
Grounds	10 years
Motor Vehicles	8 years
Furniture and Fittings	10 years
Computer Hardware	3 years
Plant and Equipment	5 years
Right-to-Use Assets	Over the term of the lease

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

20. Non-Current Assets – Intangible Assets

	Computer Software \$'000
Cost	
Balance at 1 January 2022	5,585
Additions	-
Balance at 31 December 2022	<u>5,585</u>
Accumulated depreciation	
Balance at 1 January 2022	5,562
Amortisation	<u>23</u>
Balance at 31 December 2022	<u>5,585</u>
Carrying amount	
As at 31 December 2022	<u>-</u>

	Computer Software \$'000
Cost	
Balance at 1 January 2021	5,585
Additions	-
Balance at 31 December 2021	<u>5,585</u>
Accumulated depreciation	
Balance at 1 January 2021	5,396
Amortisation	<u>166</u>
Balance at 31 December 2021	<u>5,562</u>
Carrying amount	
As at 31 December 2021	<u><u>23</u></u>

Recognition and measurement

Intangible assets are computer software that are acquired by the Trust and have a finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Any gain and loss on disposal of an intangible asset is recognised in profit or loss.

In the event the carrying amount of an intangible asset is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

20. Non-Current Assets – Intangible Assets continued***Subsequent expenditure***

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 Trust and the cost of the item can be measured reliably. All other expenditure is recognised as expenses in profit or loss in the financial period in which they are incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets using the straight-line basis over their estimated useful lives commencing from the time the asset is available for use, and are recognised in profit or loss. The estimated useful lives of intangibles assets are as follows:

Computer Software	3 years
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21. Non-Current Assets – Financial Assets

	2022 \$'000	2021 \$'000
<i>Unrestricted Managed Fund Investments</i>		
Australian equity managed funds	49,849	54,805
International equity managed funds	19,151	23,035
Unrestricted use assets – Financial assets	69,000	77,840
<i>Restricted Managed Fund Investments</i>		
Australian equity managed funds	66,079	73,226
International equity managed funds	25,387	30,778
Restricted use assets – Financial assets	91,466	104,004
	160,466	181,844

Managed funds have been designated as at fair value because they are managed on a fair value basis and their performance actively monitored.

Dividends paid to SCS during the year from equity securities amounted to \$14.6 million (2021: \$9.41 million). See Significant Accounting Policies in note 6.

Refer to note 26 for further details regarding the restricted use assets.

21. Non-Current Assets – Financial Assets continued

Recognition and measurement

On initial recognition, a financial asset is classified as measured at Fair Value in Other Comprehensive Income (FVOCI) – equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless SCS changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

On initial recognition of an equity investment that is not held for trading, SCS may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This elect is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI or described above are measured at Fair Value Through Profit or Loss (FVTPL).

Subsequent measurement

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Notes to the Financial Statements continued

For the year ended 31 December 2022

	2022 \$'000	2021 \$'000
22. Loans and Borrowings		
Current Liabilities		
Unsecured bank loans	33,948	34,033
Lease liabilities	3,783	3,578
	37,731	37,611
Non-Current Liabilities		
Unsecured bank loans	285,124	310,674
Lease liabilities	23,127	25,258
	308,251	335,932
	345,982	373,543

Bank loans

All unsecured bank loans are funded through the Catholic Development Fund and there are no restrictive loan covenants or additional loan fees. The interest paid on borrowings was \$17.43 million (2021: \$13.33 million) for the reported period. The average interest rate on borrowings is 5.61% (2021: 4.07%). As at the end of 2022, the interest rate on loans was 7.13% (2021: 4.09%).

Balance at 1 January	344,707	311,894
Proceeds from loans	9,600	60,202
Repayment of loans	(35,235)	(27,389)
Balance at 31 December	319,072	344,707

Bank loans - Terms and repayment schedule

			31 December 2022 Carrying amount	31 December 2021 Carrying amount
	Nominal interest rate	Year of maturity		
Unsecured bank loans	4.09% - 7.13%	2023 - 2041	319,072	344,707
Leases	3.00%	2023 - 2054	26,910	28,836
Total interest-bearing liabilities			345,982	373,543

Leases

The interest recognised in the profit or loss is \$0.88 million (2021: \$0.45 million) using the incremental rate of 3%.

Leases - Extension options

Some property leases contain extension options exercisable by the Trust up to 15 months before the end of the non-cancellable contract period. Where practicable, the Trust seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Trust and not by the lessors.

The Trust assess at lease commencement date whether it is reasonably certain to exercise the extension options.

The Trust reassesses whether it is reasonable certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	2022	2021
	\$'000	\$'000

22. Loans and Borrowings continued***Leases – Future lease payments***

The total of future lease payments are disclosed for each of the following periods:

Less than one year	3,783	3,323
One to five years	11,004	10,644
More than five years	12,123	14,869
	26,910	28,836

Recognition and measurement

The Trust has leases for the Central Offices and 5 schools. Each lease is reflected in the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The Trust classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 19).

23. Current Liabilities – Trade and Other Payables

Other trade payables	255	2,135
Accrued expenses	97,977	80,612
	98,232	82,747

Recognition and measurement

Trade and other payables represent the liabilities of goods and services received by the Trust that remain unpaid at the end of the reporting period. These are recognised at cost and are non-interest bearing. See Financial Instruments note 6.

24. Current Liabilities – Deferred Revenue

School fees and charges paid in advance	5,822	13,463
Deferred grant revenue	2,857	1,240
	8,679	14,703

Recognition and measurement

The Trust recognises contract liabilities for consideration received in respect of performance obligations still in progress and reports these amounts as other liabilities in its statement of financial position.

Notes to the Financial Statements continued

For the year ended 31 December 2022

2022
\$'000

2021
\$'000

25. Provisions

	Long Service Leave \$'000	Annual Leave \$'000	Uninsured Claims \$'000	Total \$'000
Balance at 1 January 2022	174,937	7,943	13,300	196,180
Provisions used during the year	(18,775)	(10,289)	(134)	(29,198)
Additional provisions recognised	8,808	11,654	34,714	55,176
Transfers between related entities	(1,221)	-	-	(1,221)
Balance at 31 December 2022	163,749	9,308	47,880	220,937
Current	153,611	9,308	-	162,919
Non-Current	10,138	-	47,880	58,018
	163,749	9,308	47,880	220,937

	Long Service Leave \$'000	Annual Leave \$'000	Uninsured Claims \$'000	Total \$'000
Balance at 1 January 2021	170,041	6,960	6,293	183,294
Provisions used during the year	(15,120)	(8,906)	(102)	(24,128)
Additional provisions recognised	20,258	9,889	7,109	37,256
Transfers between related entities	(242)	-	-	(242)
Balance at 31 December 2021	174,937	7,943	13,300	196,180
Current	165,484	7,943	-	173,427
Non-Current	9,453	-	13,300	22,753
	174,937	7,943	13,300	196,180

Recognition and measurement

A provision is recognised if, as a result of a past event, the Trust has a legal or construction obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

25. Provisions continued

Recognition and measurement continued

Estimation uncertainty

The provision for uninsured claims is an estimate within the financial statements, which is subject to significant estimation uncertainty. The provision pertains to a long-tail liability for claims made against the Trust for breaches of its own professional standards and other matters. Judgement is required as to the application of assumptions in determining the carrying value of the provision.

The key assumptions and sources of estimation uncertainty at the reporting date that have a risk of resulting in a material adjustment to the carrying value of the provision include:

- expected inflationary rate applied on future claims;
- average claims size;
- volume of expected claims;
- the period over which claims are expected to be received;
- the discount rate applied; and
- the proportion of claims being already received via the Redress scheme.

An increase in any of the above points would result in an increase to the provision, with the exception of an increase in the discount rate, which would result in a decrease to the provision.

	2022 \$'000	2021 \$'000
26. Equity - Reserves		
Reserves on acquisition	1,774,640	1,774,640
Asset revaluation reserve	13,152	30,880
Special purpose reserve	124,382	138,575
	1,912,174	1,944,095

Nature and Purpose of Reserves*Reserves on Acquisition*

On the 1 January 2018, Sydney Catholic Schools transferred its operations, assets and liabilities (the 'Schools') to Sydney Catholic Schools Trust (the 'Trust'). The transaction is a common control transaction on the basis that the same party had power and control over the Schools that were transferred to the Trust, before and after the transfer. Accordingly, the assets and liabilities acquired by the Trust have been recognised using their respective book values at the date of transfer. The Reserves on Acquisition balance is equivalent to the net assets acquired.

Asset Revaluation Reserve

The fair value reserve comprises the cumulative net change in the fair value of the financial assets carried at fair value.

Special Purpose Reserve

The reserve comprises the net assets relating to the Catholic Education Foundation (CEF) and the Endowment Fund. The Catholic Education Foundation and Endowment Fund's assets are restricted use assets and can only be used in accordance with their deed or constitution, the uses include providing financial assistance and advancement of education. In 2022, these net assets remained in accumulated surpluses. For presentation purposes, these net assets have been transferred out of the Trust's accumulated surpluses into the Special Purpose Reserve.

Catholic Education Fund (CEF)

SCS is the beneficiary of fundraising activities conducted by CEF, who raises funds for disadvantaged students enrolled in a school within the Sydney Catholic Schools system. The accumulated funds cannot be used for the Trust's operating purposes and can only be used in accordance with the Foundation's Charter. The total funds distributed from CEF was \$3.21m (2021: \$7.26m) to SCS for the 2022 bursaries.

Endowment Fund

SCS is the beneficiary of the Endowment Fund, whose purpose for the advancement, support, management and operation of education within the Sydney system, including maintaining and improving affordability and accessibility of Catholic education. The accumulated funds cannot be used for the Trust's operating purposes and can only be used in accordance with the Fund Deed. The total funds distributed from the Endowment Fund was \$3.37m (2021: \$0.10m), mostly related to 2022 bursaries.

Notes to the Financial Statements continued

For the year ended 31 December 2022

	2022	2021
	\$'000	\$'000

26. Equity - Reserves continued

Notes	CEF \$'000	Endowment Fund \$'000	Special Purpose Reserve \$'000
Statement of Financial Position as at 31 December 2022			
Current Assets	1,269	32,870	34,139
Non-Current Assets	43,326	50,829	94,155
Total Assets	44,595	83,699	128,294
Current Liabilities	3,890	22	3,912
Non-Current Liabilities	-	-	-
Total Liabilities	3,890	22	3,912
Net Restricted Assets	40,705	83,677	124,382
Percentage of SCS Net Assets	2%	4%	

Notes	CEF \$'000	Endowment Fund \$'000	Special Purpose Reserve \$'000
Statement of Financial Position as at 31 December 2021			
Current Assets	810	33,769	34,579
Non-Current Assets	49,450	54,553	104,003
Total Assets	50,260	88,322	138,582
Current Liabilities	7	-	7
Non-Current Liabilities	-	-	-
Total Liabilities	7	-	7
Net Restricted Assets	50,253	88,322	138,575
Percentage of SCS Net Assets	2%	4%	

	2022 \$'000	2021 \$'000
27. Auditors' Remuneration		
Audit and review services		
Auditors of the Trust - KPMG		
Audit and review of financial statements	1,512	1,363
	1,512	1,363
Assurance services		
Auditors of the Trust - KPMG		
Regulatory assurance services	34	41
	34	41
Other services provided by auditors - Deloitte		
Internal audit services	60	456
Consulting services	240	142
Other services	628	414
	928	1,012

28. Commitments

The Trust's capital expenditure commitment as at 31 December 2022 is \$265.9 million (2021: \$283.3 million) in relation to school construction projects in progress.

The Trust also entered into a contract to purchase 52-58 William Street, Woolloomooloo on 19 September 2022. A deposit of \$4.65m was paid in September 2022 and the balance of \$88.773m was settled in March 2023.

29. Related Parties**Key Management Personnel Compensation**

The key management personnel of the Trust includes the Executive Director and the senior leadership.

The key management personnel compensation was \$3,738,407 for 12.0 FTE (2021: \$3,672,110 for 12.0 FTE) for the year ended 31 December 2022.

Key management personnel are:

Anthony Farley	Executive Director
Dr Anthony Cleary	Director of Mission and Identity
Glenn McLachlan	Director of Finance and Property
Desiree Blackett	Director of Strategy, Policy and Governance and Company Secretary (Resigned in July 2022)
	Acting Director of People and Culture (Resigned in 15 July 2022)
Dr Kate O'Brien	Director of Education and Research
Milton Scott	Director of Information Technology and Systems
Dr Jacqueline Frost	Chief of Staff
	Company Secretary (Appointed 15 July 2022)
Edmund Maher	Director of System Performance
Kevin Carragher	Director of System Performance
Eric Leahy	Director of People and Culture (Appointed 26 September 2022)
Margaret Savage	Director of Governance and Legal (Appointed 26 September 2022)
Graham Beal	Director of People and Culture (Resigned as at 28 January 2022)

29. Related Parties continued

Other related party transactions

The trustee of the Trust is Sydney Catholic Schools Ltd (SCS Ltd). The Directors of SCS Ltd received no compensation. During the year, the Trust, as an entity within the Archdiocese of Sydney, has undertaken transactions with related entities. These transactions were performed on commercial terms and on an arm's length basis, other than as disclosed elsewhere in these financial statements.

The Trust has policies and procedures in place that require staff to register any transactions that take place with related parties or entities and a requirement that documentation be provided to confirm that any transactions made with a related party are at a reasonable market value.

SCS maintains a related party register. Transactions listed on the register are assessed to ensure reasonable market value (RMV).

	Service Type	Expenditure \$'000	Income \$'000
Services for year ended 31 December 2022			
Catholic Development Fund, Archdiocese of Sydney (Interest paid on loans and interest received on deposits)	Banking	17,431	5,479
Catholic Church Insurance	Insurance	14,020	-
Catholic Church Insurance	Investment Management	285	-
CatholicCare	Schools Counselling	12,143	-
Catholic Education Network	IT	6,529	-
Catholic Employment Relations Ltd	Industrial Relations	433	-
Sydney Catholic Early Childhood Services	Licence Fees	5	549
Sydney Catholic Early Childhood Services	Project Costs	6,214	6,525
Other related parties		16,466	7,892
		73,525	20,445
Services for year ended 31 December 2021			
Catholic Development Fund, Archdiocese of Sydney (Interest paid on loans and interest received on deposits)	Banking	14,542	863
Catholic Church Insurance	Insurance	12,831	-
Catholic Church Insurance	Investment Management	309	106
CatholicCare	Schools Counselling	8,774	9
Catholic Education Network	IT	6,091	-
Catholic Employment Relations Ltd	Industrial Relations	433	-
Sydney Catholic Early Childhood Services	Licence Fees	46	503
Other related parties		36,268	2,137
		79,294	3,617

29. Related Parties continued**Other related party transactions continued**

	Payable \$'000	Receivable \$'000
Payable to and receivable from as at 31 December 2022		
Catholic Development Fund, Archdiocese of Sydney	319,072	1,720
Catholic Archdiocese of Sydney	-	12,590
CatholicCare	2,347	-
Sydney Catholic Early Childhood Services	-	58
	321,419	14,368
Payable to and receivable from as at 31 December 2021		
Catholic Development Fund, Archdiocese of Sydney	344,707	61
CatholicCare	2,111	-
Sydney Catholic Early Childhood Services	-	4,789
	346,818	4,850

Related party licence agreements

School land and buildings located within the precincts of Archdiocesan parishes are used and maintained by the Trust under a license agreement.

30. Contingencies

As at 31 December 2022, SCS issued \$731,924 (2021: \$75,000) in bank guarantees in favour of various statutory authorities, payable in the event of unexpected costs incurred as a result of unforeseen damage caused during the course of school construction projects.

In common with organisations across Australia, SCS has undertaken a process to assess any potential liabilities for annual and long service leave and other employee benefits which may be due to employees under casual working arrangements. Based on the analysis of data, the Trustees consider that appropriate provision has been made for any liability. Evolution of this matter through the courts may give rise to additional liabilities but at present any such liability cannot be reliably estimated.

31. Subsequent Events

Catholic Church Insurance (CCI), the Trust's main insurer, provided advice that it was no longer willing to bear the risks associated with the adverse development of professional standards claims. On 29 May 2023, CCI advised that they had been voluntarily placed in an orderly run off and would not be renewing SCS' general insurance policies after they expire on 30 September 2023. The Directors are confident that SCS will successfully secure alternate insurance coverage. CCI paid an amount of \$12.6m towards these liabilities on 31 March 2023 as part of an agreement with the Catholic Archdiocese of Sydney. Ongoing claims will not be funded out of government funding or parent fees. The transaction has been treated as an adjusting subsequent event, with a provision recognised for associated costs totalling \$40.0m recorded on the balance sheet. Please refer to notes 18 and 25 of the notes to the financial statements.

The Trust's investment portfolio was subject to a notable decline to in value to \$160.5m (2021: \$181.8m) due to significant market volatility experienced during the year. However, the portfolio has since recovered to \$168.5m at the end of May 2023.

Trustee's Declaration

For the year ended 31 December 2022

In the opinion of the Directors of Sydney Catholic Schools Ltd as Trustee for the Sydney Catholic Schools Trust (the Trust):

- 1) the financial statements and notes that are set out on pages 9 to 38 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - i) giving a true and fair view of the Trust's financial position as at 31 December 2022 and of its performance, for the financial year ended on that date; and
 - ii) complying with *Australian Accounting Standards – Simplified Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
- 2) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Approved by the Sydney Catholic Schools Limited as Trustee for the Sydney Catholic Schools Trust

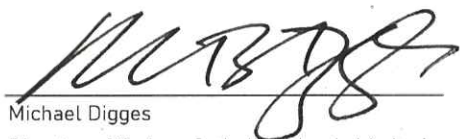


Very Reverend Dr Gerald Gleeson (Chairperson)

Director of Sydney Catholic Schools Ltd on behalf of Sydney Catholic Schools Trust

Dated 29 June 2023

Sydney, Australia



Michael Digges

Director of Sydney Catholic Schools Limited on behalf of Sydney Catholic Schools Trust

Dated 29 June 2023

Sydney, Australia



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of Sydney Catholic Schools Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Graeme Scott

Partner

Sydney

29 June 2023



Independent Auditor's Report

To the Members of Sydney Catholic Schools Trust

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Sydney Catholic Schools Trust (the Trust).

In our opinion, the accompanying Financial Report of the Trust is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- giving a true and fair view of the Trust's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards - Simplified Disclosures Framework and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC).

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2022;
- Statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Trustee's declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 are independent of the Trust in accordance with ACNC Act 2012 the ethical requirements of the *Accounting Professional and 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 fulfilled our other ethical responsibilities in accordance with the Code.



Other Information

Other Information is financial and non-financial information in Sydney Catholic School Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Trustees are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Trustees for the Financial Report

The Trustees are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures Framework* and the ACNC;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit.



We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- iv. Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Trust to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

KPMG

Graeme Scott

Partner

Sydney

29 June 2023