



Sydney Catholic Schools Trust

ABN 26 158 447 082

Annual Financial Report

31 December 2020

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# Trustee's Report

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For the year ended 31 December 2020

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 2020.

## 1. Trustee Company

The Trustee of the Trust is Sydney Catholic Schools Limited (SCS Ltd). The trustees 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)

Yolanda Chorazyczewski Retired 12 August 2020

Loretta Di Mento

Anthony Lane Retired 12 August 2020

Anna Dickinson Retired 12 August 2020

Stephen Newton

Reverend Fr Michael McLean

Hayden Ramsay

Michael Digges

Clare Baxter

Catherine Thill Appointed 11 September 2020

William McCrossin Appointed 11 September 2020

Elizabeth Labone Appointed 11 September 2020, Retired 4 January 2021

## 2. Information on the company secretary

Desiree Blackett Appointed 1 January 2020 to current

## 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 150 Catholic systemic schools in the Catholic Archdiocese of Sydney.

## Trustee's Report continued

For the year ended 31 December 2020

### 4. Review of results

Income Statement	Notes	2020 \$'000	2019 \$'000
<b>Government Grants</b>			
Commonwealth – general recurrent grants		656,191	611,059
Commonwealth – specific purpose grants		841	469
Commonwealth capital building grants		10,299	13,742
State – per capita grants		185,018	172,511
State – specific purpose grants		6,950	7,192
	7	<b>859,299</b>	<b>804,973</b>
Fees and Charges	8	205,564	225,713
Finance Income	9	7,509	14,551
Other Income	10	17,176	21,605
<b>Total Income</b>		<b>1,089,548</b>	<b>1,066,842</b>
Employee related expenses	11	787,831	756,111
Operating expenses		166,445	181,381
Depreciation and Amortisation	18, 19	63,384	55,027
Finance costs	12	12,456	13,632
Other expenses	13	3,417	4,776
<b>Total Expenses</b>		<b>1,033,533</b>	<b>1,010,927</b>
<b>Net Operating Result</b>		<b>56,015</b>	<b>55,915</b>

SCS total income in 2020 was \$1,089.5 million (2019: \$1,066.8 million). This included \$859.3 million (2019: \$805 million) in Commonwealth and State Government Grants. The Government Grants comprised of \$841.2 million (2019: \$783.6 million) in recurring grants, \$7.8 million (2019: \$7.7 million) in special purpose grants and \$10.3 million (2019: \$13.7 million) in capital building grants. Recurring grants are received in January, June, October and November of each year. The recurrent grants from Commonwealth and State Government are required to be spent and have been spent in the calendar year in which the grants were provided. Consequently, no government funds are retained as reserves for future obligations.

Fees and charges amounted to \$205.6 million (2019: \$225.7 million) and include tuition fees, building and ICT levies and local school-based fees which contribute to the cost of staffing our schools, operating costs and for providing modern, contemporary learning spaces for our students.

The major expense for SCS is the salary costs of teachers and support staff for schools and these amount to \$787.8 million (2019: \$756.1 million). Salary costs represented 94% (2019: 96%) of the total value of recurrent grants received from Government in 2020.

## Trustee's Report continued

For the year ended 31 December 2020

### 4. Review of results continued

#### Cash and financial assets

SCS manages its cash and financial assets to ensure it has asset reserves for the Trust's long term financial stability and sustainability. The cash position maintained allows SCS to:

- meet its obligations as they fall due;
- have a contingency reserve to meet unexpected events, equivalent of one month's payroll;
- have access to finance facilities that support its long term strategic plan;
- finance its school building and refurbishment programs;
- meet the financial ratios established by the NSW Education Standards Authority.

The reconciliation of cash reserves as at 31 December 2020 is as follows:

	2020 \$'000	2019 \$'000
<b>Cash and Financial Assets</b>		
Cash and Cash Equivalents	369,722	355,247
Short Term Financial Assets	12,629	35,742
Long Term Financial Assets	155,574	152,414
Less: Catholic Education Fund (CEF) and Endowment Fund assets *	(136,440)	(132,832)
<b>Total cash and financial assets available</b>	<b>401,485</b>	<b>410,571</b>
<b>The Cash and Financial assets are being held to meet the following commitments:</b>		
Trade and other payables	68,312	80,906
Loans and borrowings	26,452	22,188
Lease liabilities	1,507	929
Leave entitlements expected to be paid	28,200	30,000
Contingency reserves	65,653	63,009
Property purchases from non-related parties pending settlement	43,118	87,622
Purchase of land owned by Religious Congregations to continue operating schools	82,743	22,500
Capital expenditure commitments to operate schools (net of debt finance)	77,951	96,887
<b>Total commitments</b>	<b>393,936</b>	<b>404,041</b>
<b>Net cash surplus</b>	<b>7,549</b>	<b>6,530</b>

\* The Catholic Education Fund and Endowment Fund's assets are restricted assets and can only be used in accordance with the deed or constitution, the uses include providing financial assistance and advancement of education.

## Trustee's Report continued

For the year ended 31 December 2020

### 4. Review of results continued

#### Capital Works

In 2020, SCS spent \$99.3 million on building new and refurbishing school facilities, \$57.4 million acquiring land for the expansion of schools and \$15.3 million maintaining existing facilities. Major school projects in 2020 included:

School Projects	2020 \$'000
La Salle Catholic College, Bankstown	8,536
St Patrick's College, Sutherland	8,359
Domremy College, Five Dock	7,544
St Mark's Primary School, Drummoyne	7,383
St Anthony's of Padua, Austral	6,519
Marist College North Shore, North Sydney	3,947
St Michael's Primary School, Meadowbank	2,954
Trinity Catholic College, Auburn	2,201
St Mary's Cathedral College, Sydney	2,172
St Christopher's Primary School, Holsworthy	2,057
St Ambrose's Primary School, Concord West	1,918
Fr John Therry Catholic Primary School, Balmain	1,577
St James' Primary School Forest Lodge, Forest Lodge	1,428
Our Lady of the Assumption Catholic, North Strathfield	1,311
St Thomas More's Primary School, Brighton-Le-Sands	1,040
St Ursula's College, Kingsgrove	887
Refurbishment of school facilities	39,495
Land acquired for schools	57,449
<b>Total Capital Investments in schools during the year</b>	<b>156,777</b>
Other capital expenditure	37,952
<b>Total Capital Expenditure during the year</b>	<b>194,729</b>

SCS has a school capital works program of \$900 million over the next five years to expand and refurbishment existing facilities and to construct new schools in order to meet the growing demand for Catholic Education in the Archdiocese of Sydney. The capital works will be funded from a combination of existing cash reserves and debt finance.

## Trustee's Report continued

For the year ended 31 December 2020

### 4. Review of results continued

#### Land and Buildings

The land and buildings of SCS are held on its behalf by the Trustees of the Roman Catholic Church for the Archdiocese of Sydney, ABN 40 938 125 422. The land and buildings on the balance sheet of SCS represent the school sites acquired over many decades from the contributions from the local parishes and from the building levies paid by families whose students have attended Catholic schools. School buildings located within the precincts of Archdiocesan parishes are used and maintained by SCS under a license agreement, Archdiocesan parishes do not receive rents or any other contributions from SCS for use of the school buildings.

The intention of land held for future use as a school site is for the expansion of schools and the setting up of new schools to meet the predicted increase in demand for Catholic Education in the Archdiocese.

Property, Plant and Equipment	Notes	2020 \$'000	2019 \$'000
Land and Buildings - school sites		2,297,670	2,155,110
Land held for future use as a school site		134,689	122,500
Furniture, equipment and vehicles		72,591	41,071
Computers		21,751	15,876
<b>Total Property, Plant and Equipment</b>	<b>18</b>	<b>2,526,701</b>	<b>2,334,557</b>

#### Borrowings

SCS borrowings are \$311.9 million (2019: \$253.3 million) and are used to fund the capital works program. The borrowings are on market commercial terms with facilities arranged through the Catholic Development Fund of the Archdiocese of Sydney.

#### Financial Assistance

SCS provides financial assistance to families experiencing financial difficulties. The annual value of the financial assistance provided by SCS to families receiving student bursaries is equivalent to \$25.0 million (2019: \$13.6 million) in school fees and charges.

	2020	2019
<b>Financial Assistance</b>		
Number of financial bursaries awarded	4,312	4,229

  

	2020 \$'000	2019 \$'000
To assist families further disadvantaged as a result of the Covid-19 pandemic, SCS provided the following additional financial assistance in 2020:		
Financial bursaries provided	3,390	2,407
Covid-19 financial bursaries	3,390	-
Covid-19 fee credits	6,116	-
<b>Total financial assistance provided</b>	<b>12,896</b>	<b>2,407</b>

## Trustee's Report continued

For the year ended 31 December 2020

### 4. Review of results continued

#### Key Ratios

	2020	2019
<b>Student Numbers (August Census)</b>		
Primary	39,262	39,049
Secondary	31,216	30,927
<b>Total</b>	<b>70,478</b>	<b>69,976</b>
<b>Catholicity of Students</b>		
Primary	74.7%	76.1%
Secondary	71.1%	72.1%
<b>Total</b>	<b>73.1%</b>	<b>74.3%</b>
<b>Number of Schools</b>		
Primary	113	114
Secondary	37	38
<b>Total</b>	<b>150</b>	<b>152</b>
<b>Staff Numbers</b>		
<b>School based staff</b>		
Full time	4,261	4,152
Part time	3,488	3,505
<b>Total</b>	<b>7,749</b>	<b>7,657</b>
<b>Central office staff</b>		
Full time	428	481
Part time	98	103
<b>Total</b>	<b>526</b>	<b>584</b>
<b>Total staff</b>		
Full time	4,689	4,633
Part time	3,586	3,608
<b>Total</b>	<b>8,275</b>	<b>8,241</b>



## Trustee's Report continued

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For the year ended 31 December 2020

### 5. Significant changes in the state of affairs

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. During the year, the Australian government took steps to help contain or delay the spread of the virus, which in turn impacted SCS' schools' operations. The costs associated with ensuring that SCS schools remained COVID-Safe during the year, including but not limited to the provision of cleaning expenses, online learning costs and fee relief to assist families and caregivers, was \$2.17 million.

SCS continues to monitor developments with the COVID-19 pandemic and the measures being implemented in the economy to control and slow the outbreak.

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



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Very Rev Dr Gerald Gleeson (Chairman)

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

Dated 16 June 2021

Sydney, Australia



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Michael Digges

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

Dated 16 June 2021

Sydney, Australia

## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

	Notes	2020 \$'000	2019 \$'000
<b>Revenue</b>			
Government grants	7	859,299	804,973
Fees and charges	8	205,564	225,713
Interest and dividends	9	7,509	14,551
Other income	10	17,176	21,605
<b>TOTAL REVENUE</b>		<b>1,089,548</b>	<b>1,066,842</b>
<b>Expenses</b>			
Employee related expenses	11	787,831	756,111
Operating expenses		166,445	181,381
Depreciation and Amortisation	18, 19	63,384	55,027
Finance costs	12	12,456	13,632
Other expenses	13	3,417	4,776
<b>TOTAL EXPENSES</b>		<b>1,033,533</b>	<b>1,010,927</b>
<b>NET OPERATING RESULT</b>		<b>56,015</b>	<b>55,915</b>
<b>Other Comprehensive Income</b>			
Items that will never be reclassified to profit or loss:			
Net gain on revaluation of financial assets		2,889	23,723
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>58,904</b>	<b>79,638</b>

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

## Statement of financial position

For the year ended 31 December 2020

	Notes	2020 \$'000	2019 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalent	14	369,722	355,247
Trade and other receivables	15	25,419	20,900
Financial assets	16	12,629	35,742
Other current assets	17	11,980	11,669
<b>TOTAL CURRENT ASSETS</b>		<b>419,750</b>	<b>423,558</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	18	1,945,210	1,815,675
Financial assets	20	155,574	152,414
Intangible assets	19	189	317
Other non-current assets	17	479	249
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,101,452</b>	<b>1,968,655</b>
<b>TOTAL ASSETS</b>		<b>2,521,202</b>	<b>2,392,213</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	22	68,312	80,906
Deferred revenue	23	4,889	2,829
Loans and borrowings	21	26,452	22,188
Lease liabilities	21	1,507	929
Provisions	24	168,122	147,156
<b>TOTAL CURRENT LIABILITIES</b>		<b>269,282</b>	<b>254,008</b>
<b>Non-Current Liabilities</b>			
Loans and borrowings	21	285,442	231,159
Lease liabilities	21	8,791	10,545
Provisions	24	15,172	12,890
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>309,405</b>	<b>254,594</b>
<b>TOTAL LIABILITIES</b>		<b>578,687</b>	<b>508,602</b>
<b>NET ASSETS</b>		<b>1,942,515</b>	<b>1,883,611</b>
<b>Equity</b>			
Accumulated funds		162,078	106,485
Reserves on acquisition	25	1,774,640	1,774,640
Asset revaluation reserve	25	5,797	2,486
<b>TOTAL EQUITY</b>		<b>1,942,515</b>	<b>1,883,611</b>

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 2020

		Reserves on Acquisition	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Balance at 01 January 2020</b>		<b>1,774,640</b>	<b>106,485</b>	<b>2,486</b>	<b>1,883,611</b>
Net result for the year		-	56,015	-	56,015
Unrealised gain upon revaluation of investments	25	-	-	2,889	2,889
Realised loss upon sale of investments		-	(422)	422	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>55,593</b>	<b>3,311</b>	<b>58,904</b>
<b>Balance at 31 December 2020</b>		<b>1,774,640</b>	<b>162,078</b>	<b>5,797</b>	<b>1,942,515</b>

		Reserves on Acquisition	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
		\$'000	\$'000	\$'000	\$'000
<b>Balance at 01 January 2019</b>		<b>1,774,640</b>	<b>42,876</b>	<b>(13,543)</b>	<b>1,803,973</b>
Net result for the year		-	55,915	-	55,915
Unrealised gain upon revaluation of investments	25	-	-	23,723	23,723
Realised gain upon sale of investments		-	7,694	(7,694)	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>63,609</b>	<b>16,029</b>	<b>79,638</b>
<b>Balance at 31 December 2019</b>		<b>1,774,640</b>	<b>106,485</b>	<b>2,486</b>	<b>1,883,611</b>

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 2020

	Notes	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
Surplus for the year		56,015	55,915
<i>Adjustments for:</i>			
Depreciation and amortisation	18, 19	63,384	55,027
Net (gain)/loss on disposal of property, plant and equipment		1,546	(47)
Provision for doubtful debts		230	-
Dividend income	9	(4,508)	(6,981)
Interest income	9	(3,001)	(7,570)
Interest expense		11,614	13,021
		<b>125,280</b>	<b>109,365</b>
<i>Change in operating assets and liabilities:</i>			
(Increase)/decrease in trade and other receivables		(4,749)	3,335
(Decrease)/increase in other operating assets		(541)	3,918
Decrease/(increase) in trade and other payables		(12,594)	(343)
Increase in other provisions		23,248	9,057
Increase/(decrease) in deferred revenue		2,060	(434)
		<b>132,704</b>	<b>124,898</b>
Interest received		3,001	7,570
Interest paid		(11,614)	(12,665)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>124,091</b>	<b>119,803</b>
<b>Cash flows from investing activities</b>			
Dividends received		4,508	6,981
Proceeds from sale of property, plant and equipment		455	136
Proceeds from sale of investments		19,340	158,276
Acquisition of other investments		(19,611)	(150,000)
Proceeds from maturation of long term deposits		23,113	69,480
Purchases of property, plant and equipment	18	(194,729)	(194,099)
Purchases of intangible assets	19	(63)	(42)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(166,987)</b>	<b>(109,268)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	21	81,795	65,169
Repayment of loans and borrowings	21	(23,248)	(19,452)
Payment of lease liabilities		(1,176)	(1,020)
<b>NET CASH USED FROM FINANCING ACTIVITIES</b>		<b>57,371</b>	<b>44,697</b>
Net increase in cash and cash equivalents		14,475	55,232
Cash and cash equivalents at the beginning of the financial year		355,247	300,015
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	14	<b>369,722</b>	<b>355,247</b>

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

## Notes to the financial statements

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For the year ended 31 December 2020

### 1. Reporting entity

These financial statements comprise the Sydney Catholic Schools Trust (SCS) and are as at and for the year ended 31 December 2020. 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).

### 2. Basis of accounting

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

- Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board; and
- Australian Charities and Not-for-profit Commission Act 2012.

These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Trustee on 16 June 2021. 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 15)
- Non-current assets - Financial assets (note 20)
- Provisions – Long service leave (note 11, 24)
- Provisions – Uninsured claims (note 24)

### 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.

## Notes to the financial statements continued

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For the year ended 31 December 2020

### 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 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 instrument classified as measured at amortised cost 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.

## Notes to the financial statements continued

For the year ended 31 December 2020

	2020 \$'000	2019 \$'000
<b>7. Revenue - Government Grants</b>		
Commonwealth – general recurrent grants	656,191	611,059
Commonwealth – specific purpose grants	841	469
Commonwealth capital building grants	10,299	13,742
State – per capita grants	185,018	172,511
State – specific purpose grants	6,950	7,192
	<b>859,299</b>	<b>804,973</b>

### 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	28,914	28,124
Information and communication technology levies (ICT levies)	12,437	13,157
Tuition fees and local school-based fees	164,213	184,432
	<b>205,564</b>	<b>225,713</b>

As at 31 December 2020, SCS has deferred revenue of \$4.89 million (2019: \$2.83 million) for school fees and charges paid in advance (see note 23).

### 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 15) 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.



## Notes to the financial statements continued

For the year ended 31 December 2020

	2020 \$'000	2019 \$'000
<b>9. Interest and Dividends</b>		
Interest income	3,001	7,570
Dividends and imputation credits	4,508	6,981
	<b>7,509</b>	<b>14,551</b>

### 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	2,660	5,473
Rent	2,746	3,654
Gain on sale of fixed assets	50	48
Other income	11,720	12,430
	<b>17,176</b>	<b>21,605</b>

### Recognition and measurement

#### *Donations and fundraising*

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

## Notes to the financial statements continued

For the year ended 31 December 2020

	2020	2019
	\$'000	\$'000
<b>11. Employee Related Expenses</b>		
Wages and salaries	634,976	618,705
Superannuation	77,415	77,989
Workers compensation	2,810	2,775
Stipends	1,525	1,678
Fringe benefits tax	10,852	11,100
Other employee costs and benefits	60,253	43,864
	<b>787,831</b>	<b>756,111</b>

### 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 term of the liabilities as well as projected salary increases.

### 12. Finance Costs

Expenses relating to short-term leases	377	356
Bank fees and charges	842	611
Interest expense related to loans	11,237	12,665
	<b>12,456</b>	<b>13,632</b>

## Notes to the financial statements continued

For the year ended 31 December 2020

	2020 \$'000	2019 \$'000
<b>13. Other Expenses</b>		
Canteen expenses	2,057	2,826
Uniform shop expenses	1,001	1,147
Public performance and displays	128	732
Other expenses	231	71
	<b>3,417</b>	<b>4,776</b>

### 14. Current Assets - Cash and Cash Equivalents

Cash at bank and on hand	31,485	31,960
Term deposits less than 90 days	295,141	281,903
Catholic Education Foundation cash and cash equivalents	9,405	8,158
Endowment Fund cash and cash equivalents	33,691	33,226
	<b>369,722</b>	<b>355,247</b>

### 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 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 16).

Refer to note 26 for further details regarding the Catholic Education Foundation (CEF) and the Endowment Fund.

### 15. Current Assets - Trade and Other Receivables

Trade receivables due from external parties	22,211	19,046
Trade receivables due from a related party (Sydney Catholic Early Childhood Services)	185	-
Catholic Education Foundation trade and other receivables	369	922
Endowment Fund trade and other receivables	387	466
Less: Provision for impairment of receivables	(7,949)	(7,719)
	<b>15,203</b>	<b>12,715</b>
Other receivables	10,216	8,185
	<b>25,419</b>	<b>20,900</b>

### Loss allowance

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

Balance at 1 January	7,719	4,696
Impairment loss recognised	392	4,886
Amounts written off	(162)	(1,863)
<b>Balance at 31 December</b>	<b>7,949</b>	<b>7,719</b>

## Notes to the financial statements continued

For the year ended 31 December 2020

	2020	2019
	\$'000	\$'000

### 15. 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 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.

#### Impairment

The portfolio approach is used to calculate impairment due to the significant number of individual receivable accounts.

Due to the nature of the education industry, portfolios are based on years. To determine the expected credit losses for the portfolio, a provision matrix is used. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated to reflect current and forecast credit conditions.

### 16. Current Assets - Financial Assets

Term deposits greater than 90 days but less than 12 months	12,629	35,742
	<b>12,629</b>	<b>35,742</b>

#### Recognition and measurement

Current financial assets are short-term highly liquid investments with original maturities greater than three months.

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 months or less are classed as cash equivalents as they can be converted to cash without significant penalties.

### 17. Other Assets

#### Prepayments

Current	11,980	11,669
Non-Current	479	249
	<b>12,459</b>	<b>11,918</b>

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 2020

### 18. Non-Current Assets - Property, Plant and Equipment

	Land and Buildings \$'000	Future School Sites \$'000	Construction in Progress \$'000	Fixture and Fittings \$'000	Computer Hardware \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
<b>Cost</b>								
Balance at 1 January 2020	2,047,415	122,500	107,695	33,303	15,876	5,960	1,808	2,334,557
Additions	16,800	5,415	134,562	29,899	5,875	1,866	312	194,729
Transfers	123,335	6,774	(130,109)	-	-	-	-	-
Disposals	(2,028)	-	-	-	-	-	(557)	(2,585)
Balance at 31 December 2020	2,185,522	134,689	112,148	63,202	21,751	7,826	1,563	2,526,701
<b>Accumulated depreciation</b>								
Balance at 1 January 2020	499,400	-	-	5,134	10,435	3,296	617	518,882
Depreciation	52,809	-	-	5,278	3,844	1,065	197	63,193
Disposals	(438)	-	-	5	-	-	(151)	(584)
Balance at 31 December 2020	551,771	-	-	10,417	14,279	4,361	663	581,491
<b>Carrying amount</b>								
As at 31 December 2020	1,633,751	134,689	112,148	52,785	7,472	3,465	900	1,945,210

## Notes to the financial statements continued

For the year ended 31 December 2020

### 18. Non-Current Assets - Property, Plant and Equipment continued

	Land and Buildings \$'000	Future School Sites \$'000	Construction in Progress \$'000	Fixture and Fittings \$'000	Computer Hardware \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
<b>Cost</b>								
Balance at 1 January 2019	1,949,535	103,567	42,732	14,238	12,310	4,644	1,478	2,128,504
Additions	29,970	18,933	120,735	19,065	3,583	1,316	497	194,099
Movement of work in progress	55,772	-	(55,772)	-	-	-	-	-
Recognition on initial application of AASB 16	12,138	-	-	-	-	-	-	12,138
Disposals	-	-	-	-	(17)	-	(167)	(184)
Balance at 31 December 2019	2,047,415	122,500	107,695	33,303	15,876	5,960	1,808	2,334,557
<b>Accumulated depreciation</b>								
Balance at 1 January 2019	450,735	-	-	1,863	8,503	2,571	496	464,168
Depreciation	48,665	-	-	3,271	1,947	725	201	54,809
Disposals	-	-	-	-	(15)	-	(80)	(95)
Balance at 31 December 2019	499,400	-	-	5,134	10,435	3,296	617	518,882
<b>Carrying amount</b>								
As at 31 December 2019	1,548,015	122,500	107,695	28,169	5,441	2,664	1,191	1,815,675

## Notes to the financial statements continued

For the year ended 31 December 2020

### 18. 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

See Significant Accounting Policies in note 6.

## Notes to the financial statements continued

For the year ended 31 December 2020

### 19. Non-Current Assets - Intangible Assets

	Computer Software \$'000	Total \$'000
<b>Cost</b>		
Balance at 1 January 2020	5,522	5,522
Additions	63	63
Balance at 31 December 2020	5,585	5,585
<b>Accumulated depreciation</b>		
Balance at 1 January 2020	5,205	5,205
Amortisation	191	191
Balance at 31 December 2020	5,396	5,396
<b>Carrying amount</b>		
As at 31 December 2020	189	189

	Computer Software \$'000	Total \$'000
<b>Cost</b>		
Balance at 1 January 2019	5,480	5,480
Additions	42	42
Balance at 31 December 2019	5,522	5,522
<b>Accumulated depreciation</b>		
Balance at 1 January 2019	4,987	4,987
Amortisation	218	218
Balance at 31 December 2019	5,205	5,205
<b>Carrying amount</b>		
As at 31 December 2019	317	317

#### 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.



## Notes to the financial statements continued

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For the year ended 31 December 2020

### 19. 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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## Notes to the financial statements continued

For the year ended 31 December 2020

### 20. Non-Current Assets - Financial Assets

	2020 \$'000	2019 \$'000
<b>Managed Fund Investments</b>		
Australian equity managed funds	111,582	104,664
International equity managed funds	43,992	47,750
	<b>155,574</b>	<b>152,414</b>

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 \$4.51 million (2019: \$6.98 million). See Significant Accounting Policies in note 6.

Included within the Trust's managed fund investments are the following:

Catholic Education Foundation managed funds	46,672	45,724
Endowment Fund managed funds	46,672	45,724
	<b>93,344</b>	<b>91,448</b>

Refer to note 26 for further details regarding the Catholic Education Foundation (CEF) and the Endowment Fund.

### Recognition and measurement

On initial recognition, a financial asset is classified as measured at 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 measure at amortised costs of FVOCI or described above are measured at 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.

## Notes to the financial statements continued

For the year ended 31 December 2020

	2020 \$'000	2019 \$'000
<b>21. Loans and Borrowings</b>		
<b><i>Current Liabilities</i></b>		
Unsecured bank loans	26,452	22,188
Lease liabilities	1,507	929
	<b>27,959</b>	<b>23,117</b>
<b><i>Non-Current Liabilities</i></b>		
Unsecured bank loans	285,442	231,159
Lease liabilities	8,791	10,545
	<b>294,233</b>	<b>241,704</b>
	<b>322,192</b>	<b>264,821</b>

### ***Bank loans***

All bank loans are funded through the Catholic Development Fund and are unsecured and there are no loan covenants. The interest paid on borrowings was \$11.24 million (2019: \$12.67 million) for the reported period. The average interest rate on borrowings is 4.1% (2019: 4.8%).

Balance at 1 January	253,347	207,630
Proceeds from loans and borrowings	81,795	65,169
Repayment of loans and borrowings	(23,248)	(19,452)
<b>Balance at 31 December</b>	<b>311,894</b>	<b>253,347</b>

See Significant Accounting Policies in note 6.

### ***Leases***

The interest recognised in the profit or loss is \$0.38 million (2019: \$0.36 million) using the incremental rate of 3%.

## **22. Current Liabilities - Trade and Other Payables**

Other trade payables	2,481	4,126
Accrued expenses	65,831	76,780
	<b>68,312</b>	<b>80,906</b>

### **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.

## **23. Current Liabilities - Deferred Revenue**

School fees and charges paid in advance	4,889	2,216
World Youth Day 2019 charges paid in advance	-	613
	<b>4,889</b>	<b>2,829</b>

## Notes to the financial statements continued

For the year ended 31 December 2020

### 24. Provisions

	Long Service Leave \$'000	Annual Leave \$'000	Uninsured Claims \$'000	Total \$'000
Balance at 1 January 2020	147,144	6,505	6,397	160,046
Provisions used during the year	(14,810)	(9,858)	(104)	(24,772)
Additional provisions recognised	39,100	10,313	-	49,414
Transfers between related entities	(1,394)	-	-	(1,394)
Balance at 31 December 2020	<b>170,041</b>	<b>6,960</b>	<b>6,293</b>	<b>183,294</b>
Current	161,162	6,960	-	168,122
Non-Current	8,879	-	6,293	15,172
	<b>170,041</b>	<b>6,960</b>	<b>6,293</b>	<b>183,294</b>

  

	Long Service Leave \$'000	Annual Leave \$'000	Uninsured Claims \$'000	Total \$'000
Balance at 1 January 2019	138,887	5,705	6,397	150,989
Provisions used during the year	(19,568)	(10,580)	-	(30,149)
Additional provisions recognised	27,929	11,380	-	39,309
Transfers between related entities	(103)	-	-	(103)
Balance at 31 December 2019	<b>147,144</b>	<b>6,505</b>	<b>6,397</b>	<b>160,046</b>
Current	140,651	6,505	-	147,156
Non-Current	6,493	-	6,397	12,890
	<b>147,144</b>	<b>6,505</b>	<b>6,397</b>	<b>160,046</b>

See employee related expenses in note 11 for recognition and measurement.

#### Uninsured Claims

The claims provision is the estimate for the uninsured component of legal claims and settlements in respect of historical and future claims not covered by insurance, determined based on an analysis of the number of historic claims and the probability of future claims.

## Notes to the financial statements continued

For the year ended 31 December 2020

	2020 \$'000	2019 \$'000
<b>25. Equity - Reserves</b>		
Reserves on acquisition	1,774,640	1,774,640
Asset revaluation reserve	5,797	2,486
	<b>1,780,437</b>	<b>1,777,126</b>

### ***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.

## Notes to the financial statements continued

For the year ended 31 December 2020

### 26. Catholic Education Foundation (CEF) and Endowment Fund

#### 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.

#### Endowment Fund

SCS is the beneficiary of the Endowment Fund, whose purpose is to support the advancement of education and to assist in making Catholic education affordable. The Fund's activities are managed by the Fund's Board of Management. The accumulated funds cannot be used for the Trust's operating purposes and can only be used in accordance with the Fund Deed.

	Notes	CEF \$'000	Endowment Fund \$'000	Total SCS \$'000
<b>Statement of Financial Position as at 31 December 2020</b>				
Current Assets		9,774	34,078	419,750
Non-Current Assets	20	46,672	46,672	2,101,452
<b>Total Assets</b>		<b>56,446</b>	<b>80,750</b>	<b>2,521,202</b>
Current Liabilities		9,204	3,631	269,282
Non-Current Liabilities		-	-	309,405
<b>Total Liabilities</b>		<b>9,204</b>	<b>3,631</b>	<b>578,687</b>
<b>Net Assets</b>		<b>47,242</b>	<b>77,119</b>	<b>1,942,515</b>
<b>Percentage of SCS Net Assets</b>		<b>2%</b>	<b>4%</b>	
	Notes	CEF \$'000	Endowment Fund \$'000	Total SCS \$'000
<b>Statement of Financial Position as at 31 December 2019</b>				
Current Assets		9,079	33,692	423,558
Non-Current Assets	20	45,724	47,323	1,968,655
<b>Total Assets</b>		<b>54,803</b>	<b>81,015</b>	<b>2,392,213</b>
Current Liabilities		3,728	41	254,008
Non-Current Liabilities		-	-	254,594
<b>Total Liabilities</b>		<b>3,728</b>	<b>41</b>	<b>508,602</b>
<b>Net Assets</b>		<b>51,075</b>	<b>80,974</b>	<b>1,883,611</b>
<b>Percentage of SCS Net Assets</b>		<b>3%</b>	<b>4%</b>	

## Notes to the financial statements continued

For the year ended 31 December 2020

### 27. Commitments

The Trust's capital expenditure commitment as at 31 December 2020 is \$148.7 million (2019: \$136.7 million) in relation to school construction projects in progress and \$32.8 million in relation to committed property purchases.

### 28. Related Parties

#### Key Management Personnel Compensation

The key management personnel of the Trust includes the Executive Director and the senior leadership. 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. The key management personnel compensation was \$2,952,371 (2019: \$2,429,246 ) for the year ended 31 December 2020.

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
Dr Kate O'Brien	Director of Education and Research
Milton Scott	Director of Information Technology and Systems
Graham Beal	Director of People and Culture
Dr Vicki Lavorato	Regional Director – Southern Region (Resigned as at 19/12/2020)
Dr Michael Krawec	Regional Director – Inner Western Region (Resigned as at 28/01/2020)
Elizabeth O'Carrigan	Regional Director – Eastern Region (Resigned as at 17/10/2020)
Barbara Watkins	Director of System Performance
Tim Cleary	Director of System Performance
Elizabeth Denny	Director of System Performance
Edmund Maher	Director of System Performance (Appointed in 2021)
Dr Jacqueline Frost	Chief of Staff

## Notes to the financial statements continued

For the year ended 31 December 2020

### 28. 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.

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
<b>Services for year ended 31 December 2020</b>			
Catholic Development Fund, Archdiocese of Sydney (Interest paid on loans and interest received on deposits)	Banking	10,159	2,924
Catholic Church Insurance	Insurance	12,470	-
Catholic Church Insurance	Investment Management	126	-
Catholic Church for Employment Relations	Industrial Relations	395	-
CatholicCare	Counselling	5,809	-
Catholic Education Network	IT	5,752	-
Sydney Catholic Early Childhood Services		-	53
Other related parties		19,348	6,403
		<b>54,059</b>	<b>9,380</b>
<b>Services for year ended 31 December 2019</b>			
Catholic Development Fund, Archdiocese of Sydney (Interest paid on loans and interest received on deposits)	Banking	12,665	7,570
Catholic Church Insurance	Insurance	13,700	-
Catholic Church Insurance	Investment Management	136	-
Catholic Church for Employment Relations	Industrial Relations	421	-
CatholicCare	Counselling	6,134	-
Catholic Education Network	IT	4,224	-
Sydney Catholic Early Childhood Services		-	78
Other related parties		17,458	2,348
		<b>54,738</b>	<b>9,996</b>



## Notes to the financial statements continued

For the year ended 31 December 2020

### 28. Related Parties continued

#### Other related party transactions continued

	Payable \$'000	Receivable \$'000
<b>Payable to and receivable from as at 31 December 2020</b>		
Catholic Development Fund, Archdiocese of Sydney	311,894	220
CatholicCare	33	-
Sydney Catholic Early Childhood Services	-	185
	<b>311,927</b>	<b>405</b>
<b>Payable to and receivable from as at 31 December 2019</b>		
Catholic Development Fund, Archdiocese of Sydney	253,347	710
CatholicCare	496	-
Catholic Education Network	40	-
	<b>253,883</b>	<b>710</b>

#### 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.

### 29. Contingencies

As at 31 December 2020, SCS held \$59,500 in bank guarantees in favour of various 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.

### 30. Subsequent Events

The Trust is planning to relocate its head office operations from Leichhardt to World Square (680 George Street, Sydney), in mid 2021. The relocation costs cannot be accurately ascertained as at the date of approval of these financial statements.

## Trustee's Declaration

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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 10 to 33 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 2020 and of its performance, for the financial year ended on that date; and
  - ii) complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulations 2012*; 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 Rev Dr Gerald Gleeson (Chairman)

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

Dated 16 June 2021

Sydney, Australia



Michael Digges

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

Dated 16 June 2021

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 Trustees 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 2020 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

Kevin Leighton

*Partner*

Sydney

16 June 2021



# Independent Auditor's Report

To the Trustee of Sydney Catholic Schools Trust

## 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:

- i. giving a true and fair view of the Trust's financial position as at 31 December 2020 and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2020.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. 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 the auditor independence requirements of the *ACNC Act 2012* and 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 Schools Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors 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 Trustee for the Financial Report

The Trustee is responsible for:

- i. preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the ACNC.
- ii. 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
- iii. 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 scepticism 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 registered 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 registered 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

Kevin Leighton

*Partner*

Sydney

16 June 2021