



**LOURDES HILL COLLEGE**

*A School of Good Samaritan Education*

*Step Forward*

## **FINANCIAL REPORT**

**For the Year Ended 31 December 2020**

**LOURDES HILL COLLEGE**

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## DIRECTORS' REPORT

Your directors present this report on the entity for the year ending 31 December 2020.

### Directors

The names of each person who has been a director during the period and to the date of this report are:

- Mr M R Lazzaretti
- Mrs L M Crew (resigned 26 May 2020)
- Ms C Parker (resigned 4 November 2020)
- Ms P Perring
- Mr R Barbagallo
- Ms V Comerford
- Ms V Bryant
- Mr M Zietsch
- Mr J G Schick
- Ms S Kirk
- Ms J Couper (appointed 2 December 2020)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Company Secretary

The Company Secretary at the end of the financial period was Mr Andrew Hines. B. Business (Accounting) (Qld), CPA. Mr Hines is also currently employed at the College as Business Manager.

### Principal Activities

In 1915 the Archbishop of Brisbane invited the Order of the Sisters of the Good Samaritan to establish schools in Brisbane. Thirteen Sisters travelled from Sydney opening convents at Bulimba and Coorparoo and in 1916, Lourdes Hill College, an Independent Catholic Secondary School for Girls, was founded.

The rich heritage of the College is drawn from three sources: the compassion of the Good Samaritan found in the Gospels, the patronage of Mary under the title Our Lady of Lourdes and the strong Benedictine tradition of the Sisters of the Good Samaritan which places strong emphasis on education and the importance of balance in life between work, prayer and recreation.

Since 1916, Lourdes Hill College has grown into an educational establishment well respected for the pursuit of achievement and excellence in the education of young women.

Today, as a School of *Good Samaritan Education*, Lourdes Hill College provides:

- A caring Catholic Community in the tradition of the Sisters of the Good Samaritan and under the governance and guidance of Good Samaritan Education.
- A challenge to each student to live the Gospel of Jesus Christ.
- A strong emphasis on pastoral care and personal growth within a Christian environment.
- A comprehensive and innovative curriculum challenging students to grow to their full potential and to strive for excellence.
- A wide range of co-curricular activities focusing on balanced development in service, cultural and sporting activities.

Situated on the Bulimba Reach of the Brisbane River and set in beautiful surroundings, as at the end of 2020 the College had a total enrolment of 1,277 students.

### Operating Result

The operating surplus of the College for the financial year ended 31 December 2020 amounted to \$2,406,163 (2019: \$3,272,895).

As outlined in the Financial Statements and accompanying notes, no Government Capital Grant Funding was received by the College in the financial year ended 31 December 2020.

## DIRECTORS' REPORT

### Review of Operations

#### COVID-19

During 2020 Australia was impacted by the worldwide pandemic, Novel Coronavirus 2019 (COVID-19). The World Health Organisation (WHO) announced a global health emergence on 31 January 2020 and it was subsequently classified as a pandemic on 11 March 2020.

Throughout the year the College reviewed and closely monitored this situation as it unfolded ensuring compliance and cooperation with protocols and advice as and when issued by the Government to ensure the health and wellbeing of our students, families and staff. Ongoing educational support was provided to all students through a period of lockdown via the LHC Virtual platform and financial assistance was provided to families through opportunities to access targeted fee relief and fee deferrals.

#### Short & Long Term Objectives:

Lourdes Hill College's (LHC) primary long term objective is expressed in its mission to educate and empower young women to embrace a love of life and learning, through the nurturing of an inclusive, contemporary Catholic learning community that enables each person to pursue their full potential and courageously live Gospel values.

Objectives have been outlined in the College's Strategic Plan (2018-2020) and delivered through the ongoing development and maintenance of a strong financial platform along with sound management practices which are delivered across each of the following strategic directions:

- Faith & Identity – To embed our three stories in everything we live, do and learn. In this regard the College is inspired by the values of *kindness* from the Parable of the Good Samaritan, *peace* from the Rule of St Benedict and *hope* from the story of Lourdes
- Learning Excellence & Innovation – To promote educational excellence and staff professionalism to maximise student engagement, progress and achievement.
- Community & Relationships – To create, nurture and broaden relationships
- Sustainability and Adaptability – To ensure strong foundations to support and sustain our future.

#### Strategy for Achieving the Objectives:

To embed our three stories in everything we live, do and learn, the College will continue to:

- Integrate Catholic identity and Gospel values in all elements of College life.
- Enhance formation of each person's spirituality.
- Inspire participation in social justice programs to develop confidence to be advocates of positive change in the world.
- Foster a culturally rich environment in an inclusive and practical way.

To promote educational excellence and staff professionalism, the College will continue to:

- Ensure the efficient and effective implementation of State and National initiatives.
- Ensure pedagogical practices are innovative and effective.
- Foster an academic environment that leads to improved learning outcomes.
- Develop our students as global citizens.

To create, nurture and broaden relationships, the College will continue to:

- Ensure a safe, secure, inclusive and welcoming environment for all with a genuine commitment to reconciliation.
- Enhance quality relationships between home and school.
- Promote community partnerships to support sustainability and innovation.
- Foster a collaborative, professional and respectful working and learning environment.

To ensure strong foundations to support and sustain our future, the College will continue to:

- Proactively demonstrate operational efficiency and continuous improvement.
- Effect financial strategies which can adapt to a changing environment.
- Develop, utilise and care for the College's human, physical and virtual resources.
- Effectively promote the College identity, brand and experience.
- Enhance organisational resilience and capacity to respond to change.

## DIRECTORS' REPORT

### *How Activities Assisted in Achieving the Objectives:*

All activities undertaken across 2020, were delivered in compliance with Government COVID-19 protocols and restrictions and supported by appropriate safety measures to ensure the health and safety of students, families and staff. College learning and pastoral programs were significantly supported by virtual platforms, blogs and newsletters.

Activities to embed our three stories in everything we live, do and learn in 2020 included:

- Ongoing implementation of the College Strategic Plan (2018 – 2020)
- Ongoing development and refinement of Faith based curriculum.
- Ongoing development of College Mission Team.
- Implementation of the GSE Formation Framework.
- Development of activities each term to strengthen commitment to service activity.
- Support Global Stars Program by mapping the connections between Spirituality, Leadership Development and House Project activities & experiences.
- Home Group programmes including preparation of communal celebrations.
- Refugee project and ongoing development of external partnerships with VORTECS and Romero Centre.
- Three full College celebrations of Eucharist to reflect our three stories: Lourdes Day, the Feast of St Benedict and the Mass for Sharing on Good Samaritan Day.

Activities to promote educational excellence and staff professionalism in 2020 included:

- Organisational development through continued up-skilling of College Leadership and Middle Leadership Teams.
- Strengthening of strategic leadership of learning and teacher development.
- Continued implementation of AITSL Framework and Performance Review Processes for Teachers and Support Staff.
- School Improvement Team to drive the development of quality feedback project (CiTEL Directorate)
- Increase momentum for collaborative planning to develop quality digital resources.
- Review of timetable options to enhance staff collaborative planning.
- Ongoing review and development of Middle School curriculum, Pastoral and Leadership structures.
- Implementation of LHC Virtual in conjunction with Middle School House Project / digital technologies.
- Ongoing use of Learning Analytics to analyse results, inform pedagogical practices and promote student feedback.
- Promotion of pedagogy to reflect physical spaces and developmental needs of Middle and Senior School students.
- Continued promotion and development of processes and opportunities within the Senior Hub.
- Active promotion at all levels of the College of the Academic Scholarship Program.
- Utilisation of the Centre for Innovation, Teaching Excellence and Leadership (CiTEL), providing dedicated spaces with leading edge technology for staff to collaborate, research and share practice.
- Ongoing implementation of SCAD (Staff Collaboration and Development) Time program.
- Promotion of CiTEL across the Brisbane educational community and GSE communities.
- Continued development of "Leadership Capacity Program" for all Middle Leaders - the Middle Leader Cyclical Performance Review.
- Implementation of changes to support new Senior Assessment and Tertiary Entrance Processes.
- Ongoing proactive commitment to integrate each mandated curriculum development into LHC curriculum in partnership with state and national statutory authorities.
- Community Development Week (CDW).
- Renewal Committees.
- Ongoing refurbishment of college classrooms and other facilities.

Activities to create, nurture and broaden relationships in 2020 included:

- Ongoing initiatives that promote enhanced collaboration with the wider education community and other current or prospective partners (e.g. Data 3, PierSIM, Confucius Institute, QUT, ACU, Griffith University).
- Registration with ASQA for the College RTO, Corporate Training Institute to provide Diploma of Business course to College and mature age students
- Development of Middle School Leadership Development Program.
- Strengthening of strategic leadership of student culture and resilience by College Pastoral Committee.
- Annual review of Communication Plan to ensure effective and shared understanding of the Home/School Partnership.
- Service learning beyond the classroom opportunities for students and staff.
- Parent Forums, Virtual Information Evenings and Virtual Newsletters (e.g. Inspiring Girls blog).
- Undertaking of Productive Parent Seminars and P&F Soirees.
- Development and maintenance of the College Website, online newsletters, School App and Facebook page.
- CiTEL sponsored virtual conferences and workshops.
- Ongoing development and refinement of Media, Marketing and Communication strategies, in response to the completion of Enrolment Pipeline project.

## DIRECTORS' REPORT

Activities to deliver strong foundations to support and sustain our future in 2020 included:

- Ongoing rollout of a range of College Sustainability Plan measures including full implementation of College Recycling program and Paddock to Plate project.
- Ongoing delivery of College Facilities Plan, incorporating human resource requirements, facility refurbishments and detailed building maintenance plans.
- Working with College Board, Building & Planning Sub-Committee and College Leadership Team in working toward the development of a new College Master Plan (Towards 2030).
- Long Term financial planning and budgeting to ensure financial sustainability under the Federal Government's revised funding models delivered through the Quality Schools legislation.
- Implementation of updated processes and software to better automate the collection of data and processing around school timetabling, sport administration and the collection of enrolment information.
- Investigation and implementation of structures and processes to support external educational programs.
- Continued update, refinement and analysis of student enrolment, retention and broader demographic reports to support the consistent delivery of a College enrolment in line with capacity across all year levels.
- Improved quality and regularity of risk management reporting to the College Governance and Risk Committee.

### *How Performance is Measured:*

Lourdes Hill College measures its performance against its strategic objectives using a variety of performance indications which may include:

To embed our three stories in everything we live, do and learn:

- Satisfaction of staff, students, parents and past pupils (by survey)
- Number of accredited Religious Education teachers (count)
- Average annual professional development spend on Religious Education (financial)
- Percentage of staff completed GSE Induction / Formation (by review)
- Number and quality of service learning programs for students (count)
- Participation in liturgy and other community activities (by review)
- Number of Staff and Student participating in Service, Outreach and Immersions (count)
- Number of International Students enrolled or visited the College (count)

To promote educational excellence and staff professionalism:

- Measure of Teacher Qualifications by category (by review)
- Academic Outcomes (by review)
- Number of Training & Development opportunities created (by review)
- Number of Teachers pursuing own professional learning (by survey)
- Satisfaction of staff, students and parents (by survey)
- Number / breadth of Curriculum Opportunities (by review)
- Asset Utilisation Rates – I.C.T. (by review)
- Annual Student Attendance Rate (by review)

To create, nurture and broaden relationships:

- Satisfaction of staff, students, parents and past pupils (by survey)
- Number of opportunities created for past pupils (by review)
- Community awareness of College achievements and activities (by survey)
- Number of community partnerships in place (count)
- Number of community events (count)
- Attendance at parent seminars / functions (by review)

To deliver strong foundations to support and sustain our future:

- Delivery of Financial Key Performance Indicators (by review)
- Corporate Compliance Rate (by review)
- Delivery of Risk in line with specified Board Appetite levels (by review)
- Evidence of environmental sustainability focus within College activities (by review)
- Policy Reviews and updates completed (by review)
- College Resource cost per person (emissions, water use, waste etc.)
- Completion of recruitment and performance review practices (by review)
- Annual Staff Attendance and Attrition Rates (by review)
- Average Classroom Occupancy Rate (by review)
- Average Age of Buildings and/or Average Age (years) since refurbishment (by review)

## DIRECTORS' REPORT

### Information on Directors

Name	Occupation	Qualifications	Other Roles / Duties
Mr M R Lazzaretti	Director, Consultant	B. Business (Accountancy)	Board Chair
Mrs L M Crew	Manager	B. Economics, M. Bus. Administration, Cert IV - Workplace Training & Assessment, Cert IV - Financial Services, Dip. Financial Services – Mortgage Broking	Finance
Ms C Parker	Legal Counsel, Asst. Company Secretary, Director	B. Laws, M. Laws, M. Bus Admin., Grad. Dip. Applied Corp. Governance, FAICD, FGIA	Governance & Risk (Chair)
Ms P Perring	Solicitor, Legal Counsel, Company Secretary	B. Arts (Music), Grad. Dip Ed, B. Laws, Grad. Dip. Legal Practice, M. Business Admin., Grad. Dip. Applied Corp. Governance	Governance & Risk
Mr R Barbagallo	Manager	B. Engineering (Electrical), B. Bus. (Mgmt & Economics)	Building & Planning (Chair)
Ms V M Comerford	Retired School Principal	M. Education (Curriculum), B. Arts, Dip Education.	Finance
Ms V Bryant	Journalist, Presenter, Broadcaster, Director, Emcee	Journalism Cadetship 7 Network, Women on Board - Directors Program, GAICD (Risk Planning)	Foundation (Chair)
Mr M Zietsch	Deputy Principal	M. Ed. (Leadership & Management), B. Ed. (QUT), Cert IV Theology.	Foundation
Mr J G Schick	Project Manager, Consultant	Grad. Cert. Management, B. App. Sc. (Building), M. Bus. Administration	Building & Planning
Ms S Kirk	Chartered Accountant, Director	B. Commerce / B. Economics, CA, Ass. Dip. Applied Finance, GAICD	Finance (Chair)
Ms J Couper	Manager	Grad. Cert. Management (USQ), GAICD	Governance & Risk

## DIRECTORS' REPORT

### Meetings of Directors

During the period, eight meetings of the Board of Directors were held with additional Sub-Committee Meetings held to support decision making. Attendances by each director at Board of Directors Meetings was as follows:

Director	Board of Directors Meetings	
	Number Held	Number Attended
Mr M R Lazzaretti	8	8
Mrs L M Crew (resigned 26 May 2020)	3	3
Ms C Parker (resigned 4 November 2020)	7	6
Ms P Perring	8	7
Mr R Barbagallo	8	7
Ms V M Comerford	8	7
Ms V Bryant	8	8
Mr M Zietsch	8	7
Mr J G Schick	8	8
Ms S Kirk	8	8

### Member's Guarantee

The College is limited by guarantee and does not have share capital. The contribution of each member to the College's debts and liabilities in the event of a winding up is restricted to an amount not exceeding \$100.00.

There were seven members at 31 December 2020.

### Classes of Membership

There is only one class of membership

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ending 31 December 2020 has been received and can be found on page 9 of the Report.

Signed in accordance with a resolution of the Board of Directors:



Roger Lazzaretti  
Board Chair

Dated this 23<sup>rd</sup> day of March 2021



## AUDITOR'S INDEPENDENCE DECLARATION



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### DECLARATION OF INDEPENDENCE BY L G MYLONAS TO THE DIRECTORS OF LOURDES HILL COLLEGE

As lead auditor of Lourdes Hill College for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'L G Mylonas', is written over a horizontal line.

L G Mylonas  
Director

BDO Audit Pty Ltd

Brisbane, 23 March 2021

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## INDEPENDENT AUDITOR'S REPORT

To the members of Lourdes Hill College

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Lourdes Hill College (the registered entity), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion the accompanying financial report of Lourdes Hill College, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in Lourdes Hill College's annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

#### **Responsibilities of responsible entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The directors' responsibility also includes such internal control as the responsible entities determine is necessary 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.

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

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

BDO  
A handwritten signature in black ink, appearing to read 'L G Mylonas'.

**L G Mylonas**  
Director

Brisbane, 23 March 2021

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
<b>Income</b>			
Revenue	2	27,071,802	28,216,744
Other Income	2	675	33,397
<b>Total Income for the Year</b>		<u>27,072,477</u>	<u>28,250,141</u>
<b>Expenses</b>			
Employee Benefits Expenses		(16,627,706)	(15,614,813)
Depreciation and Amortisation	3	(2,371,697)	(2,411,369)
Interest Expense	3	(87,575)	(226,244)
Other Expenses	3	<u>(5,579,336)</u>	<u>(6,724,820)</u>
<b>Total Expenses for the Year</b>		<u>(24,666,314)</u>	<u>(24,977,246)</u>
<b>Surplus for the Year</b>		<u>2,406,163</u>	<u>3,272,895</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
<b>Total Comprehensive for the Year</b>		<u>2,406,163</u>	<u>3,272,895</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	8,664,011	8,244,523
Trade and Other Receivables	5	919,192	787,866
Inventories	6	155,474	150,343
Other Current Assets	7	158,870	177,730
<b>TOTAL CURRENT ASSETS</b>		<u>9,897,547</u>	<u>9,360,462</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	37,753,439	38,685,954
<b>TOTAL NON-CURRENT ASSETS</b>		<u>37,753,439</u>	<u>38,685,954</u>
<b>TOTAL ASSETS</b>		<u>47,650,986</u>	<u>48,046,416</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	1,565,961	1,611,726
Short-Term Borrowings	10	330,024	445,440
Short-Term Provisions	11	2,052,863	1,857,416
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,948,848</u>	<u>3,914,582</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and Other Payables	9	767,090	789,271
Long-Term Borrowings	10	5,535,217	8,392,226
Long-Term Provisions	11	584,518	547,274
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>6,886,825</u>	<u>9,728,771</u>
<b>TOTAL LIABILITIES</b>		<u>10,835,673</u>	<u>13,643,353</u>
<b>NET ASSETS</b>		<u>36,815,313</u>	<u>34,403,063</u>
<b>EQUITY</b>			
Reserves		433,605	427,517
Accumulated Surplus		<u>36,381,708</u>	<u>33,975,545</u>
<b>TOTAL EQUITY</b>		<u>36,815,313</u>	<u>34,403,063</u>

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**

	Accumulated Surplus \$	Building Fund Reserve \$	Annie Beck Award Fund \$	Edna Bunn Bursary Fund \$	Betty McKenna Award Fund \$	Student Bursary Fund \$	Affiliated Clubs & Societies \$	Total \$
<b>Balance at 31/12/18</b>	30,907,177	384,297	2,419	23,430	5,051	707,516	2,955	32,032,846
Adj to Accumulated Surplus	(204,527)	-	-	-	-	(707,516)	-	(912,043)
Surplus for the Year	3,272,895	-	-	-	-	-	-	3,272,895
Transfers to / (from) Reserves:								
- Building Fund Reserve	-	12,402	-	-	-	-	-	12,402
- Annie Beck Award Fund	-	-	(105)	-	-	-	-	(105)
- Edna Bunn Bursary Fund	-	-	-	181	-	-	-	181
- Betty McKenna Award Fund	-	-	-	-	(158)	-	-	(158)
- Family Enrolment Trusts	-	-	-	-	-	-	-	-
- Affiliated Clubs & Societies	-	-	-	-	-	-	(2,955)	(2,955)
<b>Balance at 31/12/19</b>	33,975,545	396,699	2,314	23,611	4,893	-	0	34,403,063
Surplus for the Year	2,406,163	-	-	-	-	-	-	2,406,163
Transfers to / (from) Reserves:								
- Building Fund Reserve	-	5,655	-	-	-	-	-	5,655
- Annie Beck Award Fund	-	-	33	-	-	-	-	33
- Edna Bunn Bursary Fund	-	-	-	331	-	-	-	331
- Betty McKenna Award Fund	-	-	-	-	69	-	-	69
- Family Enrolment Trusts	-	-	-	-	-	-	-	-
- Affiliated Clubs & Societies	-	-	-	-	-	-	(0)	(0)
<b>Balance at 31/12/20</b>	36,381,708	402,355	2,346	23,942	4,962	-	0	36,815,313

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**

	Note	2020 \$	2019 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Fees and Charges		10,058,577	9,950,768
Receipt of Government Grants		13,733,547	13,705,324
Receipts from Other Sources		3,001,632	3,667,797
Interest Received		30,711	59,510
Payments to Suppliers and Employees		(23,418,770)	(23,767,316)
Interest Paid		<u>(87,575)</u>	<u>(226,244)</u>
<b>Net Cash Provided from Operating Activities</b>	15 (b)	<u>3,318,122</u>	<u>3,389,839</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Transfers From / (Allocations to) Investments		-	41,882
Proceeds from Sale of Property, Plant & Equipment		200	10,000
Payments for Property, Plant and Equipment		<u>(1,402,681)</u>	<u>(1,632,818)</u>
<b>Net Cash Used in Investing Activities</b>		<u>(1,402,481)</u>	<u>(1,580,936)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Receipts from Fees and Charges		1,413,273	1,399,883
Receipts from Other Sources		62,999	97,124
Repayment of Borrowings		<u>(2,972,425)</u>	<u>(2,833,756)</u>
<b>Net Cash Used in Financing Activities</b>		<u>(1,496,153)</u>	<u>(1,336,749)</u>
Net Increase / (Decrease) in Cash Held		419,488	472,154
Cash at the Beginning of the Financial Year		<u>8,244,523</u>	<u>7,772,369</u>
Cash at the End of the Financial Year	15 (a)	<u><u>8,664,011</u></u>	<u><u>8,244,523</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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2.	REVENUE AND OTHER INCOME
3.	SURPLUS FOR THE YEAR
4.	CASH AND CASH EQUIVALENTS
5.	TRADE AND OTHER RECEIVABLES
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) General information

The financial report is for the entity Lourdes Hill College ("the College") as an individual entity. The College is a company limited by guarantee, incorporated and domiciled in Australia.

The address of its registered office and principal place of business is as follows:

86 Hawthorne Road  
Hawthorne  
QLD 4171

#### (b) Basis of preparation

The College is a not-for-profit entity. The directors are of the opinion that it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs and have prepared special purpose financial statements. Accordingly, these financial statements have been prepared to satisfy the directors' reporting requirements under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and AASB 1054 *Australian Additional Disclosures*.

##### *Reporting Basis and Conventions*

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the College takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Financial Statements are presented in Australian dollars and are rounded to the nearest dollar.

#### (c) Income Tax

The income of the College is exempt from Income Tax under Division 50 of the Income Tax Assessment Act 1997.

#### (d) Financial Instruments

##### Recognition, Measurement & Derecognition

Financial assets and financial liabilities are recognised in the College's statement of financial position when the College becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Financial Instruments (continued)**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Financial assets*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as at fair value through profit or loss ("FVTPL")):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The College's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses (if applicable).

*Impairment of Financial assets*

The College recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The College always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the College's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the College recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the College measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**(e) Critical Accounting Estimates and Judgments**

The College evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the College.

*Key Estimates – Expected credit loss of Trade receivables*

The College measures expected credit losses of Trade receivables with reference to current conditions and reasonable and supportable forward-looking information that is available without undue cost or effort.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Critical Accounting Estimates and Judgments (continued)**

*Key Estimates – Provisions – Long Service Leave*

The liability for Long Service Leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees. In determining the present value of the liability, attrition rates and remuneration increases through promotion and inflation have been taken into account. Further information regarding these calculations is provided in Note 11 of this Report.

*Key Estimates – Useful Lives of Depreciable Assets*

Management reviews the useful lives of depreciable assets at each reporting date based upon the expected utility of the assets to the College.

*Key Estimates - Impairment*

The College assesses impairment under AASB 136 *Impairment of Assets* at each reporting date by evaluating conditions specific to the College that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(f) Comparative Figures**

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(g) Changes to Accounting Standards effective from 1 January 2020**

There were no new accounting standards effective from 1 January 2020 which resulted in a material change to the accounting policies of the College.

**(h) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective**

There are no new and revised Australian Accounting Standards and Interpretations on issue but not yet effective which are anticipated to result in a material change to the accounting policies of the College.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
<b>2. REVENUE AND OTHER INCOME</b>		
<b>Revenue</b>		
Tuition Fees and Charges	10,140,256	10,145,467
Commercial Activities	730,000	999,494
Interest Revenue	30,711	59,510
Donations - Recurrent	46,572	32,070
Other Operating Income	914,444	1,778,531
Capital Levies and Charges	1,413,273	1,399,883
Other Capital Income	62,999	96,465
<b>Revenue From Grants</b>		
Government - Recurrent	13,733,547	13,705,324
<b>Total Revenue</b>	<u>27,071,802</u>	<u>28,216,744</u>
<b>Other Income</b>		
Gain/Loss from Disposal of Property, Plant & Equipment	200	658
Rental / Hire Income	<u>475</u>	<u>32,739</u>
<b>Total Other Income</b>	<u>675</u>	<u>33,397</u>
<b>Total Revenue and Other Income</b>	<u><u>27,072,477</u></u>	<u><u>28,250,141</u></u>

Revenue is recognised at an amount that reflects the consideration to which the College is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the College:

- identifies the contract with a customer; identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue from tuition fees, subject levies, enrolment confirmation fees and other receipts from students are recognised over time, as the services are delivered to students. Enrolment Confirmation Fees are non-refundable fees that are received when parents secure enrolments. These fees are collected and used to support the provision of financial bursaries to families in financial distress. Bursaries are endorsed by the College Board of Directors. In accordance with AASB 15 *Revenue from contracts with customers*, Confirmation Fees are recorded as income over the life cycle of the student at the College ("over time"), in accordance with the College's performance obligation.

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
<b>3. SURPLUS FOR THE YEAR</b>		
Arrived at after the following specific expenses:		
Depreciation and Amortisation of Non-Current Assets:		
- Buildings and Improvements	1,122,809	1,223,950
- Plant & Equipment and Other Assets	1,248,888	1,187,419
Total Depreciation and Amortisation	2,371,697	2,411,369
Interest Expense		
- Interest on College Loans	87,575	226,244
Total Interest Expense	87,575	226,244
Other Expenses:		
- Audit of Financial statements	23,791	29,829
- Rental Expense on Operating Lease - Equipment	48,435	60,137
- Rental Expense on Operating Lease - Property	414,168	359,282
- Resources (including Trip expenses)	1,414,516	1,818,083
- Repairs and Maintenance	1,016,650	1,496,068
- Bookshop Purchases	395,706	316,053
- Cafe Supplies	136,664	264,097
- Uniform Shop Purchases	268,601	268,633
- Levies	187,811	236,710
- Other Expenses	1,672,994	1,875,928
Total Other Expenses	5,579,336	6,724,820
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	1,000	1,000
General Working Accounts	68,789	335,447
ADF - Building Fund	402,355	396,699
ADF - School Fees	17,831	9,374
ADF - Family Enrolment Trust Accounts	37,814	54,996
ADF - Line of Credit	5,296,555	5,296,555
Business Investment Account	2,808,417	2,119,634
Edna Bunn Bursary Fund	23,942	23,611
Betty McKenna Award Fund	4,962	4,893
Annie Beck Perpetual Award	2,346	2,314
	8,664,011	8,244,523

Cash and cash equivalents includes cash on hand, non-fixed term deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The ADF Line of Credit facility provides an offset against Borrowings but all funds invested in this facility remain at call. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Trade Receivables (Family Debtors)	1,154,672	989,106
Less: Provision for Expected Credit Losses	<u>(293,353)</u>	<u>(238,566)</u>
	861,319	750,540
Other Receivables	<u>57,873</u>	<u>37,326</u>
Total Current Trade and Other Receivables	<u><u>919,192</u></u>	<u><u>787,866</u></u>
<b>Provision for Expected Credit Losses:</b>		
Opening Balance of Provision	238,566	217,373
Debts Recovered during the Year	(11,238)	(74,303)
Debts Written Off during the Year	(18,536)	(7,477)
Movement in Provision	<u>84,561</u>	<u>102,973</u>
Closing Balance of Provision	<u><u>293,353</u></u>	<u><u>238,566</u></u>
Bad Debts Written Off Directly to Profit & Loss	<u>96</u>	<u>3,459</u>
Analysis of Bad Debts Written Off During the Year		
- Tuition	<u>18,632</u>	<u>10,936</u>
Total Bad Debts Written Off	<u><u>18,632</u></u>	<u><u>10,936</u></u>
<b>6. INVENTORIES</b>		
CURRENT		
Inventories at Cost - Uniform Shop	<u>155,474</u>	<u>150,343</u>
	<u><u>155,474</u></u>	<u><u>150,343</u></u>
Uniform Shop inventories are carried at the lower of cost and net realisable value. Cost is calculated using the most recent unit cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their condition and location. Net realisable value is determined on the basis of normal selling patterns.		
<b>7. OTHER ASSETS</b>		
CURRENT		
Prepayments	<u>158,870</u>	<u>177,730</u>
Total Other Assets	<u><u>158,870</u></u>	<u><u>177,730</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. PROPERTY, PLANT AND EQUIPMENT**

	<b>Cost</b>	<b>Less Accumulated Depreciation</b>	<b>Written Down Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2020</b>			
Leasehold Improvements:			
- Improvements to College Property	46,925,032	(12,486,964)	34,438,068
Other Assets:			
- Plant & Machinery	755,220	(368,632)	386,587
- Motor Vehicles	582,969	(331,298)	251,671
- Furniture & Equipment	10,900,541	(8,231,419)	2,669,121
- Work In Progress	7,991	-	7,991
	<u>59,171,752</u>	<u>(21,418,313)</u>	<u>37,753,439</u>
<b>2019</b>			
Leasehold Improvements:			
- Improvements to College Property	46,485,600	(11,364,155)	35,121,445
Other Assets:			
- Plant & Machinery	747,613	(302,366)	445,247
- Motor Vehicles	531,857	(304,923)	226,934
- Furniture & Equipment	9,956,500	(7,075,172)	2,881,328
- Work In Progress	11,000	-	11,000
	<u>57,732,570</u>	<u>(19,046,616)</u>	<u>38,685,954</u>

Property

Lourdes Hill College is one of ten incorporated Colleges in Australia for which Good Samaritan Education (GSE) is responsible. As a School of Good Samaritan Education (GSE), the head body owns the land upon which the College operates. The College holds an ongoing obligation to pay rent to GSE for the use of their school properties. The lease is established for a period expiring in 2028 with the College having an option to extend the lease for a further 25 year term.

Since 2008, lease obligations for all Good Samaritan College have, in part, been dependent on each College's student population with the resulting lease payment by each College considered to be significantly less than a normal market rate. While noting the broader arrangements in place for determining the total lease payments, the fact that each College's annual payment under each particular lease is based on its student numbers means the lease payment is considered variable and not dependent on index or rate. This outcome results from the nature of the lease arrangements seeing each College being unable to determine their annual obligation given the variable and uncontrollable nature of one of the key drivers of the amount. Accordingly the payments that will result from these leases are also not considered to be in-substance fixed lease payments.

Under AASB 16 such payments are not considered to be lease payments required to be recognised as a liability (with a corresponding asset). As a result, the annual payments made under these lease arrangements are recognised only as an expense at that time.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. PROPERTY, PLANT AND EQUIPMENT (continued)**

Each class or property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Leasehold Improvements

Under the terms of the lease agreement dated 1 February 2004, the College is permitted to use facilities for the purpose of conducting its educational activities. The lease agreement provides that improvements erected by the College shall, upon expiration of the agreement, become the property of GSE. No consideration shall be paid by GSE in respect of any improvements.

The College believes that it is appropriate to capitalise the cost of construction work and improvements in the College's financial statements on the basis of the expected future benefits to flow from the use of the improved facilities. Leasehold Improvements are therefore recorded at cost, less subsequent depreciation for buildings and provision for impairments.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the College and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they occurred.

The depreciable amount of all fixed assets including leasehold improvements and capitalised leased assets are depreciated on a straight line basis over their useful lives to the College commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate / Useful Lives	Depreciation Basis
Leasehold Property Improvements	2.5%	Straight Line
Plant & Machinery	10%	Straight Line
Motor Vehicles	5% - 25%	Straight Line
Furniture & Equipment	10% - 33.3%	Straight Line

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Impairment of Assets

At each reporting date, the College reviews the carrying values of its Property, Plant & Equipment to determine whether there is any indication of those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell the value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amounts is expensed to the income statement.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. PROPERTY, PLANT AND EQUIPMENT (continued)**

The reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the period are set out below.

	Leasehold Improvement	Furniture & Equipment	Motor Vehicles	Plant & Machinery	Work In Progress	TOTAL
	\$	\$	\$	\$	\$	\$
Carrying Value at Beginning of Year	35,121,445	2,881,328	226,934	445,246	11,000	38,685,954
Transfers	11,000	-	-	-	(11,000)	-
Additions	428,432	944,041	51,111	7,607	7,991	1,439,182
Disposals	-	-	-	-	-	-
Depreciation	(1,122,809)	(1,156,248)	(26,374)	(66,266)	-	(2,371,697)
Carrying Value at End of Year	34,438,068	2,669,121	251,671	386,587	7,991	37,753,439

	2020 \$	2019 \$
<b>9. TRADE AND OTHER PAYABLES</b>		
CURRENT		
Unsecured Liabilities:		
Trade Creditors, Sundry Creditors and Accruals	405,870	582,320
Contract Liabilities - Enrolment Confirmations	106,833	105,750
Contract Liabilities - Other Deferred Revenue	305,040	274,415
Annual Leave	748,218	649,241
	<u>1,565,961</u>	<u>1,611,726</u>
NON-CURRENT		
Unsecured Liabilities:		
Contract Liabilities - Enrolment Confirmations	<u>767,090</u>	<u>789,271</u>
	<u>767,090</u>	<u>789,271</u>
Total Trade and Other Payables	<u>2,333,051</u>	<u>2,400,997</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
<b>10. BORROWINGS</b>		
CURRENT		
Secured Liabilities:		
ADF Loan - Bernadette Centre	<u>330,024</u>	<u>445,440</u>
NON-CURRENT		
Secured Liabilities:		
ADF Loan - Bernadette Centre	<u>5,535,217</u>	<u>8,392,226</u>

The Bernadette Centre Building Loan is a \$17million facility designated for education purposes and established to support the construction of a Science, Middle School and Performing Arts Complex, College Chapel and Administration Centre. Construction took place across 2013/14.

The term of the Loan is 20 years with principal repayments commencing in September 2014.

As security for the loan, Good Samaritan Education holds a Memorandum of Deposit by way of a Registered Mortgage on behalf of Lourdes Hill College. In addition, the loan is also subject to a tripartite agreement between Good Samaritan Education, Lourdes Hill College and The Archdiocesan Development Fund (ADF).

**11. PROVISIONS**

CURRENT		
Long Service Leave	1,888,640	1,723,037
Enrichment Leave	144,223	114,379
Sick Leave	<u>20,000</u>	<u>20,000</u>
	<u>2,052,863</u>	<u>1,857,416</u>
NON-CURRENT		
Long Service Leave	559,318	534,256
Enrichment Leave	<u>25,200</u>	<u>13,018</u>
	<u>584,518</u>	<u>547,274</u>
Total Provisions	<u>2,637,381</u>	<u>2,404,690</u>

Provision is made for the College's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Long service leave is provided for all staff from the commencement of employment with the College.

Subject to continuing employment requirements within the Catholic education system, teachers, school officers and services staff employed by Catholic educational institutions are entitled to portability of their long service leave entitlements on a change of schools. In calculating the provision for long service leave in the financial statements, the College has recognised entitlements due to current employees of Lourdes Hill College. The current disclosure of long service leave entitlement in the financial statements represents employees who are eligible to take long service leave in the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 \$	2019 \$
<b>12. CAPITAL AND LEASING COMMITMENTS</b>		
<b>Capital Expenditure Commitments:</b>		
The College is currently undertaking building works as well as other equipment and furniture purchases to which it has contracted at year end:		
- Not later than one year	<u>846,640</u>	<u>1,075,872</u>
	<u>846,640</u>	<u>1,075,872</u>
<b>Operating Lease Commitments - Equipment</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- Not later than one year	53,961	53,961
- Later than one year but not later than five years	<u>161,884</u>	<u>215,845</u>
	<u>215,845</u>	<u>269,806</u>
The above-mentioned equipment are not required to be accounted for in the Statement of Financial Position as they relate to low value assets as defined under AASB 16 <i>Leases</i> .		
<b>Property Lease Commitments</b>		
Estimated commitment for future property rental		
- Not later than one year	366,997	366,997
- Later than one year but not later than five years	<u>1,601,012</u>	<u>1,624,988</u>
	<u>1,968,009</u>	<u>1,991,985</u>

Due to the variability of rental payments, property leases are not required to be accounted for in the statement of financial position under AASB 16 *Leases*.

**13. ECONOMIC DEPENDENCE**

A significant portion of the College's income is received by way of recurrent grants from State and Australian Governments.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. RELATED PARTY REPORTING**

**Controlling Entity:**

The College's immediate parent entity and ultimate parent entity is Good Samaritan Education who manages the educational operations of the Trustees of the Congregation of the Sisters of the Good Samaritan. The aggregate receipts from, and payments to the Controlling Entities of the College for the year ended 31 December 2020 were as follows:

	2020 \$	2019 \$
Total Revenue transactions for the period	-	-
Total Expense transactions for the period	556,481	574,020

Unless otherwise stated, transactions between related parties are on normal commercial terms and conditions.

**Controlled Entities:**

The College operates as the immediate parent entity and ultimate parent entity of the Lourdes Hill Foundation Scholarship Fund and Lourdes Hill Foundation Public Library Fund. The financial performance of these entities have not been consolidated into these accounts.

The aggregate revenue and expenditure of the Controlled Entities of the College for the year ended 31 December 2020 were as follows:

	2020 \$	2019 \$
Total Revenue transactions for the period	74,420	41,518
Total Expense transactions for the period	53,493	38,732

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. CASH FLOW INFORMATION**

**Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, Cash includes cash on hand and at bank.

The values disclosed under the "Change in Assets and Liabilities" heading record only those movements impacting upon the Operating Activities of the College. Non-operational transactions have been reflected within the balances disclosed under Financing and Investing Activities in the Statement of Cash Flows presented on page 15.

	2020 \$	2019 \$
<b>(a) Reconciliation of Cash</b>		
Cash on Hand	1,000	1,000
Cash at Bank	68,789	335,447
Deposits on Call	3,228,603	2,525,707
ADF Line of Credit	5,296,555	5,296,555
ADF Trust Accounts	37,814	54,996
Edna Bunn Bursary Fund	23,942	23,611
Betty McKenna Award Fund	4,962	4,893
Annie Beck Perpetual Award	2,346	2,314
	<u>8,664,011</u>	<u>8,244,523</u>
<b>(b) Reconciliation of Cash Flows from Operations with Surplus After Income Tax</b>		
Surplus After Income Tax	2,406,163	3,272,895
Cash Received from Capital Funding	(1,476,472)	(1,497,006)
Non-Cash Flows:		
- Depreciation and Amortisation	2,371,697	2,411,369
- Loss/(Gain) on disposal of Property, Plant & Equipment	<u>-</u>	<u>(609)</u>
Net Cash provided by operating activities before changes in assets and liabilities	3,301,388	4,186,648
Change in assets and liabilities:		
- (Increase) / Decrease in Current Receivables	(131,327)	(125,064)
- (Increase) / Decrease in Inventories	(5,130)	3,709
- (Increase) / Decrease in Other Assets	18,860	(27,060)
- Increase / (Decrease) in Payables	(104,447)	180,743
- Increase / (Decrease) in Provisions	232,691	73,540
- Increase / (Decrease) in Reserves	<u>6,087</u>	<u>(902,678)</u>
Net Cash Received from Operating Activities	<u>3,318,122</u>	<u>3,389,839</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2020

### 16. FINANCIAL INSTRUMENTS

The College's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable, interest bearing loans and leases.

#### Financial and Capital Risk Management Policies

##### a. Treasury Risk Management

The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the College in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

##### b. Financial Risk Exposures and Management

The main risks the College is exposed to through its financial instruments are interest rate risk and credit risk.

##### Credit Risk

Credit risk is the risk of financial loss to the College if a customer or counterparty to a financial instrument fails to meet its contractual obligations to the College. Credit risk arises principally from trade and other receivables and investments.

The objective of the College is to minimize risk of loss from credit risk exposure.

##### *Receivables:*

The College has established a number of policies and procedures to manage credit risk from receivables. These include:

- Credit Assessment and approval processes
- Review of aging
- Follow-Up Procedures
- Debt Recovery Procedures

##### *Investments:*

The College has established a number of policies and processes to manage credit risk from investments. These include:

- References
- Monitoring the performance of entities invested in
- Monitoring the rate of return (e.g. dividends / interest)

##### *Concentrations:*

The College has no concentration of credit risk from receivables or investments

##### *Maximum Credit Risk:*

The College's maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets as indicated in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2020**

**16. FINANCIAL INSTRUMENTS (continued)**

Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The College has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring actual and daily cash flows and longer-term forecasted cash flows
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows
- Maintaining adequate reserves and support facilities
- Maintaining adequate borrowing facilities
- Monitoring liquidity ratios (working capital)

Liquidity risk is measured using liquidity ratios such as working capital.

*Summary Quantitative Data:*

	2020 \$	2019 \$
Current Assets	9,897,547	9,360,462
Current Liabilities	3,948,848	3,914,582
Surplus / (Deficit)	5,948,699	5,445,880

*Maturity Analysis:*

Contractual cash flows from trade and other payables approximate their carrying amount. Trade and other payables are contractually due within 6 months of year-end.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the College' income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

The College does not have any material exposure to market risk other than interest rate risk.

Interest Rate Risk

Interest rate risk applies principally from cash at bank and on deposit and borrowings.

It is the policy of the College to manage interest rate risk exposures by continuously monitoring interest rate movements and to alter the balance of fixed and variable rate deposits as considered appropriate.

Interest rate risk is measured as the value of assets and liabilities at fixed rate compared to those at variable rate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2020**

**16. FINANCIAL INSTRUMENTS (continued)**

Interest Rate Risk (continued)  
*Summary Quantitative Data*

	Weighted Ave. Effective Interest Rate	Floating Interest Rate	Non-Interest Bearing	Total
	2020 %	2020 \$	2020 \$	2020 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	0.55	8,663,011	1,000	8,664,011
Investments - Term Deposits	0.00	-	-	-
Receivables	0.00	-	919,192	919,192
Total Financial Assets		8,663,011	920,192	9,583,203
<b>Financial Liabilities:</b>				
Trade and Sundry Creditors	0.00	-	1,565,961	1,565,961
Interest Bearing Liabilities	4.00	5,865,241	-	5,865,241
Total Financial Liabilities		5,865,241	1,565,961	7,431,202
	2019 %	2019 \$	2019 \$	2019 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	1.21	8,243,523	1,000	8,244,523
Investments - Term Deposits	0.00	-	-	-
Receivables		-	787,866	787,866
Total Financial Assets		8,243,523	788,866	9,032,389
<b>Financial Liabilities:</b>				
Trade and Sundry Creditors	0.00	-	1,611,726	1,611,726
Interest Bearing Liabilities	4.43	8,837,666	-	8,837,666
Total Financial Liabilities		8,837,666	1,611,726	10,449,392



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2020**

**16. FINANCIAL INSTRUMENTS (continued)**

*Sensitivity Analysis:*

A change of 100 basis points (1%) in interest rates applicable to cash deposits at reporting date would have increased / decreased equity and operating surplus by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the prior year.

	Profit or Loss		Equity	
	+1%	-1%	+1%	-1%
	\$	\$	\$	\$
31 December 2020	86,640	-86,640	86,640	-86,640
31 December 2019	82,445	-82,445	82,445	-82,445

*Net Fair Values*

For assets and liabilities, the new fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair value have not been written down as the College intends to hold these assets to maturity.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements.

**17. PORTABLE LEAVE – FORMER EMPLOYEES**

The College carries a provision for Long Service Leave for employees who have transferred employment from other Catholic School Authorities. At the commencement of employment the dollar value of any Long Service Leave entitlement for employees is transferred to the College. Similarly, the dollar value of the Long Service Leave entitlement of employees who resign from the College and resume working with a new Catholic School Authority is transferred upon resignation.

**18. GOVERNMENT GRANTS**

The College is financially dependent upon Government Grant income. As detailed in Note 2, recurrent grant income amounted to \$13,733,547 for the year ended 31 December 2019 (2019: \$13,705,324).

In 2000, the College entered into an agreement with the Queensland Catholic Education Commission (QCEC) to receive Australian Government General Recurrent Grants through an arrangement known as Group Funding.

Under Group Funding the College receives the majority of its Australian Government funding at a guaranteed level per capita. This rate is calculated based upon a range of allocation methodologies weighted across core and special needs criteria as well as a socio-economic assessment (SES) of the College's enrolment.

**19. SUBSEQUENT EVENTS**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the College, the results of those operations, or the state of affairs of the College in future financial years.

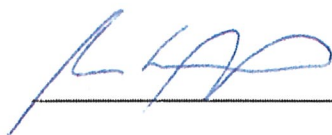
## DIRECTOR'S DECLARATION

The Directors of the College have determined that the College is not a reporting entity and that this Special Purpose Financial Report should be prepared in accordance with the Basis of preparation as described in Note 1 to the Financial Report.

The Directors of the College declare that:

- (a) there are reasonable grounds to believe that the College is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes, as set out on pages 12 – 33, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* and is signed for and on behalf of the Directors by:

  
Board Chair, Roger Lazzaretti  
Director, Sarah Kirk

Brisbane, 23 March 2021.