

South Australian Commission for  
Catholic Schools Inc.  
ABN: 84 572 437 441

# Long Service Leave Fund

Special Purpose Financial Report  
for the Year Ended 31 December 2022

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
*For the year ended 31 December 2022*

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**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Statement by the Committee of SACCS INC.**

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1. In the opinion of the Committee of the South Australian Commission for Catholic Schools Inc. (SACCS Inc.):
  - (a) the Long Service Leave Fund (the Fund) is not a reporting entity nor publicly accountable;
  - (b) the financial statements and notes, set out on pages 2 to 12:
    - (i) present fairly the financial position of the Fund as at 31 December 2022 and its financial performance for the year ended on that date in accordance with the basis of preparation described in Note 2; and
    - (ii) comply with Australian Accounting Standards to the extent described in Notes 1-3; and
  - (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
2. In respect of the year ended 31 December 2022 the Fund has;
  - (a) kept such accounting records that correctly record and explains its transactions and financial position; and
  - (b) kept its accounting records that financial statements of the Fund that are presented fairly can be prepared from time to time;

Signed in accordance with a resolution of the Committee.

  
\_\_\_\_\_  
Mr John Neate  
Chairperson of SACCS

  
\_\_\_\_\_  
Dr Neil McGoran  
Director, Catholic Education SA

Dated this 23 day of May 2023

**South Australian Commission for Catholic Schools Inc.**

**Long Service Leave Fund**

**Statement of Income and Expenditure**

*For the year ended 31 December 2022*

	Note	2022 \$'000s	2021 \$'000s
<b>Income</b>			
Levies and Fees Income	6	9,548	8,709
Interest Income		550	741
Other Income	7	154	155
Adjustment in Provision for Long Service Leave		6,287	-
<b>Total Income</b>		<b>16,539</b>	<b>9,605</b>
<b>Expenses</b>			
Employee Benefits Expense	8	130	136
Supplies and Services	9	24	9
Long Service Leave Provision Expense	10	10,988	9,418
<b>Total Expenses</b>		<b>11,142</b>	<b>9,563</b>
<b>Total Surplus/(Deficit) for the year</b>		<b>5,397</b>	<b>42</b>

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

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Statement of Financial Position**  
*As at 31 December 2022*

	Note	2022 \$'000s	2021 \$'000s
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	12	72,618	38,513
Other Financial Assets	13	-	35,000
Trade and Other Receivables	14	-	45
<b>Total Current Assets</b>		<b>72,618</b>	<b>73,558</b>
<b>TOTAL ASSETS</b>		<b>72,618</b>	<b>73,558</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	15	301	345
Provisions	16	71,951	77,873
<b>Total Current Liabilities</b>		<b>72,252</b>	<b>78,218</b>
<b>Non-Current Liabilities</b>			
Provisions	16	8,061	8,432
<b>Total Non-Current Liabilities</b>		<b>8,061</b>	<b>8,432</b>
<b>TOTAL LIABILITIES</b>		<b>80,313</b>	<b>86,650</b>
<b>Net Assets</b>		<b>(7,695)</b>	<b>(13,092)</b>
<b>EQUITY</b>			
Accumulated Losses		(7,695)	(13,092)
<b>Total Equity</b>		<b>(7,695)</b>	<b>(13,092)</b>

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

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Statement of Changes in Equity**  
*For the year ended 31 December 2022*

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	Total Equity \$'000s
Balance as at 1 January 2021	(13,134)
Surplus/(Deficit) for the year	42
Balance as at 31 December 2021	<u>(13,092)</u>
Balance as at 1 January 2022	(13,092)
Surplus/(Deficit) for the year	5,397
Balance as at 31 December 2022	<u>(7,695)</u>

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

# South Australian Commission for Catholic Schools Inc.

## Long Service Leave Fund

### Statement of Cashflows

*For the year ended 31 December 2022*

	Note	2022 \$'000s	2021 \$'000s
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		9,548	8,709
Receipts from Other Revenue		154	155
Interest Received		595	755
Payments to Suppliers, Employees and Others		(11,192)	(8,992)
<b>Net Cash Flows from Operating Activities</b>	<b>18</b>	<b>(895)</b>	<b>627</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from Redemption of Investments		35,000	-
<b>Net Cash from/(used in) Investing Activities</b>		<b>35,000</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>34,105</b>	<b>627</b>
Cash on hand at beginning of the financial year		38,513	37,886
<b>Cash on hand at the end of the Year</b>	<b>12</b>	<b>72,618</b>	<b>38,513</b>

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

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 31 December 2022*

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**1 Reporting Entity**

The South Australian Commission for Catholic Schools Inc. (SACCS Inc.) established the Long Service Leave Fund ('the Fund') on the 1st February 1979 under a separate Charter last updated as at 30th November 2012.

The Committee of SACCS Inc. (the Committee) administers the activities of the Fund.

The primary objective of the Fund is to make provision for the payment of future long service leave entitlements to Eligible Employees of Schools who have elected to participate in the fund. Such employers include the Catholic Church Endowment Society Inc. who employs all staff engaged in Diocesan schools within the Diocese of Adelaide and the Catholic Education Office, and the Catholic Diocese of Port Pirie Incorporated who employs all staff engaged in Diocesan schools located in the Diocese of Port Pirie and civil law entities engaging employees to work in Non-diocesan Catholic schools in either Diocese.

In the opinion of the Committee, the Fund is not a reporting entity nor publicly accountable as there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy all of their information needs. Accordingly, the 'special purpose financial report' has been prepared to satisfy specifically the information needs of the Committee.

Each School Employer is required to account for their respective total Eligible Employee long service leave provision and related funding available from the Fund in the financial statements as at 31 December of each year. Any shortfall in the funding of the respective long service leave provision of each School Employer is their responsibility under the Long Service Leave Act 1987.

**2 Basis of Preparation**

**a) Basis of accounting**

This special purpose financial report has been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

This includes the minimum disclosure requirements of the following AASBs, and any additional disclosures considered best practice by the Commission:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048 *Interpretation of Standards*
- AASB 1054 *Australian Additional Disclosures*

**b) Basis of measurement**

These special purpose financial statements have been prepared on an accrual and historical cost basis. Cost based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

**3 Significant Accounting Policies**

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

**a) Income Tax**

SACCS Inc. is a registered charity which is endorsed by the Australian Taxation Office for Income Tax Exemption under Division 50-5 of the Income Tax Assessment Act 1997 (Cth). The SACCS Long Service Leave Fund is an account administered by SACCS Inc.



**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Notes to and forming part of the Financial Statements (cont.)**  
*For the year ended 31 December 2022*

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**b) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- i. where the amount of goods and services tax (GST) incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

**c) Long Service Leave Fund and the Provision for Long Service Leave Reimbursements**

The Long Service Leave Fund reimburses School Employers and the Catholic Education Office for long service leave paid to teachers and staff. School Employers and the Catholic Education Office pay a levy currently at 2.10% of salaries (2021: 2.10%).

Provision is made for benefits accruing to Eligible Employees of the fund in respect of long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of Eligible Employee's long service leave expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of Eligible Employee's long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated cash outflows to be made by the Fund in respect of services provided by Eligible Employees up to reporting date. The expected future payments incorporate anticipated future wage and salary increases and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

**d) Revenue**

Levies, Fees and Rendering of Services

Where it has been determined that an enforceable contract with a customer with sufficiently specific performance obligations exists, revenue is recognised over time as the performance obligations are met. Otherwise, revenue is recognised on receipt.

If an amount received is in advance of the performance of completion of the obligations, a revenue in advance liability is recognised and reduced as performance obligations are met.

**e) Cash and Cash Equivalents**

Cash comprises of at call deposits held with the Catholic Development Fund - Adelaide.

**f) Financial Assets**

Trade and Other Receivables

Trade and Other Receivables are measured at amortised cost less impairment.

**g) Trade and Other Payables**

Trade and Other Payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Notes to and forming part of the Financial Statements (cont.)**  
*For the year ended 31 December 2022*

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**h) Going Concern**

The report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. At balance date, the Fund has a net liability position of \$7.695M (2021 \$13.092M). Included in the current liabilities is a provision for member long service leave entitlements of \$71.948M (2021 \$77.862M) as the Fund does not have an unconditional right to defer settlement having regard to the tenure profile.

After examining the history of the timing of actual long service leave payments and the cash flow forecasts for the future expected timing of settlements of the provision for member long service leave liabilities, it is estimated that actual Long Service Leave payments to be made in the year ended 31 December 2023 is \$11.5M (2022: \$13M). The Committee has therefore determined that the Long Service Leave Fund is able to pay its debts as and when they fall due and is satisfied that it is appropriate for this report to be prepared on a going concern basis. The Committee will continue to review the Long Service Leave levy charged to participating schools and where necessary adjust the levy to ensure the Fund returns over time to a positive net asset position and can continue as a going concern.

The net liability position of the Long Service Leave Fund is the responsibility of all school employers as disclosed in Note 1.

**4 Changes in Accounting Policies**

There have been no significant changes in accounting policies adopted by the Long Service Leave Fund in the current reporting period.

**5 Comparative Information**

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Notes to and forming part of the Financial Statements (cont.)**  
*For the year ended 31 December 2022*

	2022 \$'000s	2021 \$'000s
<b>6 Levies and Fees Income</b>		
Levy Income	9,548	8,709
<b>Total Levies and Fees Income</b>	<b>9,548</b>	<b>8,709</b>
<b>7 Other Income</b>		
Recoveries and rebates	154	155
<b>Total Other Income</b>	<b>154</b>	<b>155</b>
<b>8 Employee Benefits Expense</b>		
Annual leave	(7)	5
Long service leave levy	2	2
Parental leave levy	2	1
Salaries	123	119
Superannuation	9	8
Workcover	1	1
<b>Total Employee Benefits Expense</b>	<b>130</b>	<b>136</b>
<b>9 Supplies and Services</b>		
Consultants	15	(1)
General administration expense	9	10
<b>Total Supplies and Services</b>	<b>24</b>	<b>9</b>
<b>10 Long Service Leave Provision Expense</b>		
Reimbursement to Schools	11,032	9,195
Adjustment in Provision for Long Service Leave	-	254
Transfer from schools	(294)	(318)
Transfer to schools	250	287
<b>Total Long Service Leave Provision Expense</b>	<b>10,988</b>	<b>9,418</b>

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Notes to and forming part of the Financial Statements (cont.)**  
*For the year ended 31 December 2022*

	2022 \$'000s	2021 \$'000s
<b>11 Remuneration of Auditors</b>		
Audit of financial statements	7	6
<b>Total Remuneration of Auditors</b>	<b>7</b>	<b>6</b>

**12 Cash and Cash Equivalents**

Cash at bank	37,618	38,513
Investment account	35,000	-
<b>Total Cash and Cash Equivalents</b>	<b>72,618</b>	<b>38,513</b>

The Long Service Leave Fund cash at bank is held with the Catholic Development Fund - Adelaide.

**13 Other Financial Assets**

Term Deposit	-	35,000
<b>Total Other Financial Assets</b>	<b>-</b>	<b>35,000</b>

The Long Service Leave Fund investment account is held with the Catholic Development Fund - Adelaide.

**14 Trade and Other Receivables**

<b>Current</b>		
Other receivables	-	45
<b>Total Trade and Other Receivables</b>	<b>-</b>	<b>45</b>

**15 Trade and Other Payables**

Trade payables	238	2
Accrued expenses	22	308
Intercompany payable - SACCS Inc	41	35
<b>Total Trade and Other Payables</b>	<b>301</b>	<b>345</b>

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Notes to and forming part of the Financial Statements (cont.)**  
*For the year ended 31 December 2022*

	2022 \$'000s	2021 \$'000s
<b>16 Provisions</b>		
<b>Current</b>		
Annual leave	3	11
Long service leave	71,948	77,862
	<u>71,951</u>	<u>77,873</u>
<b>Non-Current</b>		
Long service leave	8,061	8,432
	<u>8,061</u>	<u>8,432</u>
<b>Total Provisions</b>	<u><b>80,012</b></u>	<u><b>86,305</b></u>
 <b>17 Commitments for Expenditure</b>		
As at 31 December 2022 the Fund has no commitments for expenditure.		
 <b>18 Cash Flows from Operating Activities</b>		
Surplus/(Deficit) for the year	5,397	42
<b>Movements in Assets and Liabilities:</b>		
(Increase)/decrease in receivables	45	14
Increase/(decrease) in payables	(44)	315
Increase/(decrease) in provisions	(6,293)	256
	<u>(6,292)</u>	<u>585</u>
<b>Net Cash Flows from Operating Activities</b>	<u><b>(895)</b></u>	<u><b>627</b></u>

**South Australian Commission for Catholic Schools Inc.**  
**Long Service Leave Fund**  
**Notes to and forming part of the Financial Statements (cont.)**  
*For the year ended 31 December 2022*

**19 Financial Instruments**

2022	Due < 1 year	Due > 1 year < 5 years	Due > 5 years	Total contractual cash flows	Carrying values
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial assets</b>					
Cash and cash equivalents	72,618	-	-	72,618	72,618
Trade and other receivables	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>72,618</b>	<b>-</b>	<b>-</b>	<b>72,618</b>	<b>72,618</b>
<b>Financial liabilities</b>					
Payables	301	-	-	301	301
<b>Total</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>301</b>	<b>301</b>
<b>2021</b>	<b>Due &lt; 1 year</b>	<b>Due &gt; 1 year &lt; 5 years</b>	<b>Due &gt; 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial assets</b>					
Cash and cash equivalents	38,513	-	-	38,513	38,513
Trade and other receivables	45	-	-	45	45
Other financial assets	-	-	-	-	35,000
<b>Total</b>	<b>38,558</b>	<b>-</b>	<b>-</b>	<b>38,558</b>	<b>73,558</b>
<b>Financial liabilities</b>					
Payables	345	-	-	345	345
<b>Total</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>345</b>	<b>345</b>

**20 Related Party Disclosures**

The Key Management Personnel of the Association include the Chairperson of SACCS and other residing members of the Committees, Directors and Assistant Directors who have the responsibility for the strategic direction and management of the Association. The Chairperson is the only Committee member paid a remuneration.

The below discloses 100% of the remuneration paid however they do not spend that allocation on the Association alone but also across the other funds administered by SACCS Inc. In all, 9 (2021: 11) persons were paid the following total compensation:

	2022	2021
	\$	\$
Salaries, allowances & other short term benefits	3,051	3,146
<b>Total</b>	<b>3,051</b>	<b>3,146</b>

The current year includes payment of outstanding employee entitlements on cessation of employment.

**21 Subsequent Events**

Subsequent to balance date, there have been no events which would have a material effect on the Association's financial statements as at 31 December 2022 or in future years.



# Independent Auditor's Report

To the Committee members of the South Australian Commission for Catholic Schools Inc.

## Opinion

We have audited the **Financial Report** of Long Service Leave Fund (the Fund).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Fund as at 31 December 2022, and of its financial performance for the year then ended, in accordance with the basis of preparation described in Notes 1, 2 and 3 to the financial statements.

The **Financial Report** comprise:

- Statement of financial position as at 31 December 2022;
- Statement of Income and Expenditure, Statement of changes in equity, and Statement of cashflows for the year then ended; and
- Notes including a summary of significant accounting policies.

## 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 Fund in accordance with 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 these requirements.

## Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Notes 1, 2 and 3 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to satisfy information needs of the Committee of the South Australian Commission for Catholic Schools Inc. (SACCS).

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the *Committee of SACCS* and should not be used by or distributed to parties other than the *Committee of SACCS*. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Committee of SACCS or for any other purpose than that for which it was prepared.



## Other Information

Other Information is financial and non-financial information in the Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Management of SACCS 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 Management of SACCS for the Financial Report

Management of SACCS are responsible for:

- the preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Notes 1, 2 and 3 to the Financial Report is appropriate to meet the information needs of the Committee of SACCS for the purpose of administering the Fund;
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error; and
- assessing the Fund'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 Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report located at the Auditing and Assurance Standards Board website 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.



KPMG

Adelaide

30 May 2023