Geelong Grammar School

ABN 92 004 971 500

Financial Report - 31 December 2024

Geelong Grammar School
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Geelong Grammar School (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors
The following persons were directors of Geelong Grammar School during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Bowser
Andrew Burgess
John Chomley
Rebecca Cody
Patrick Handbury
Kieron Jones
Steve Lansdell
Penelope McBain
Susan Nicolson
Allan Shaw
Joon Yong
Vanessa Mahon - Appointed 27 January 2024
Justin Arter - Appointed 02 February 2024

Company secretary
The following person was the company secretary of Geelong Grammar School during the whole of the financial year and up to the date of this report, unless otherwise stated:

Bronwen Charleson

Principal activities
The principal continuing activities of the consolidated entity during the year consisted of providing education and boarding facilities for boys and girls at Geelong Grammar School, Corio and Bostock House in Geelong, Toorak and Timbertop near Mansfield. No significant changes to the nature of these activities occurred during the year.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2024, and the number of meetings attended by each director were:

	Council		Finance		Asset Management	
	Attended	Held	Attended	Held	Attended	Held
David Bowser	4	4	4	4	2	4
Andrew Burgess	4	4	-	-	-	-
John Chomley	4	4	4	4	-	-
Rebecca Cody	4	4	4	4	4	4
Patrick Handbury	4	4	4	4	4	4
Keiron Jones	4	4	-	-	-	-
Steve Lansdell	4	4	-	-	3	4
Penelope McBain	4	4	4	4	-	-
Allan Shaw	4	4	3	4	4	4
Joon Yong	3	4	4	4	-	-
Vanessa Mahon	4	4	4	4	-	-
Justin Arter	3	4	4	4	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Rounding of amounts
Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

Geelong Grammar School
Directors' report
31 December 2024

This report is made in accordance with a resolution of directors.

On behalf of the directors

2 April 2025

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

Auditor's Independence Declaration

To the Members of Geelong Grammar School and controlled entities

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Geelong Grammar School and controlled entities for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

cgangemi

C S Gangemi
Partner – Audit & Assurance

Melbourne, 02 April 2025

Geelong Grammar School
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31 December 2024

Geelong Grammar School
Statements of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000	Parent 2024 $'000	Parent 2023 $'000
Revenue and income	4	104,527	97,261	102,115	92,056
Other income	5	8,779	7,120	5,185	4,164
Interest revenue		1,098	1,087	387	381
Total revenue		114,404	105,468	107,687	96,601
Expenses					
Employee benefits expense		(60,662)	(55,776)	(60,662)	(55,776)
Administrative expenses		(20,557)	(19,329)	(20,400)	(19,179)
Catering expenses		(6,921)	(6,586)	(6,921)	(6,586)
Cleaning expenses		(3,095)	(2,773)	(3,095)	(2,773)
Maintenance and vehicle expenses		(5,602)	(5,586)	(5,602)	(5,586)
Services and utilities expense		(3,414)	(2,922)	(3,414)	(2,922)
Tuition expenses		(7,573)	(6,662)	(7,573)	(6,662)
Raw materials and consumables used		(1,614)	(1,372)	(1,614)	(1,372)
Depreciation	6	(5,516)	(5,577)	(5,516)	(5,577)
Other expenses		(730)	(234)	(730)	(234)
Finance costs	6	(78)	(38)	(78)	(38)
Deficit for the year attributable to the members of Geelong Grammar School	19	(1,358)	(1,387)	(7,918)	(10,104)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain on defined benefit plans		74	451	74	451
Other comprehensive income for the year		74	451	74	451
Total comprehensive income for the year attributable to the members of Geelong Grammar School		(1,284)	(936)	(7,844)	(9,653)

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

Geelong Grammar School
Statements of financial position
As at 31 December 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000	Parent 2024 $'000	Parent 2023 $'000
Assets					
Current assets					
Cash and cash equivalents	7	15,632	20,186	2,430	4,610
Trade and other receivables	8	3,523	4,213	3,522	3,964
Inventories	9	1,288	1,039	1,288	1,039
Other assets	10	1,920	1,876	1,920	1,876
Total current assets		22,363	27,314	9,160	11,489
Non-current assets					
Financial assets at fair value through profit or loss	11	72,152	62,971	-	-
Property, plant and equipment	12	159,331	158,305	159,331	158,305
Right-of-use assets	13	107	113	107	113
Retirement benefit obligations	14	3,140	2,984	3,140	2,984
Total non-current assets		234,730	224,373	162,578	161,402
Total assets		257,093	251,687	171,738	172,891
Liabilities					
Current liabilities					
Trade and other payables	15	5,200	9,308	5,200	9,307
Contract liabilities	16	34,904	34,329	34,904	34,329
Lease liabilities	17	6	6	6	6
Provisions	18	14,152	16,136	14,152	16,136
Total current liabilities		54,262	59,779	54,262	59,778
Non-current liabilities					
Contract liabilities	16	2,936	1,219	2,936	1,219
Borrowings	20	10,500	-	10,500	-
Lease liabilities	17	107	113	107	113
Provisions	18	1,535	1,539	1,535	1,539
Total non-current liabilities		15,078	2,871	15,078	2,871
Total liabilities		69,340	62,650	69,340	62,649
Net assets		187,753	189,037	102,398	110,242
Equity					
Retained surpluses	19	187,753	189,037	102,398	110,242
Total equity		187,753	189,037	102,398	110,242

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

Geelong Grammar School
Statements of changes in equity
For the year ended 31 December 2024

Consolidated	**Retained surpluses $'000**	**Total equity $'000**
Balance at 1 January 2023	189,973	189,973
Deficit for the year	(1,387)	(1,387)
Other comprehensive income for the year	451	451
Total comprehensive income for the year	(936)	(936)
Balance at 31 December 2023	189,037	189,037

Consolidated	**Retained surpluses $'000**	**Total equity $'000**
Balance at 1 January 2024	189,037	189,037
Deficit for the year	(1,358)	(1,358)
Other comprehensive income for the year	74	74
Total comprehensive income for the year	(1,284)	(1,284)
Balance at 31 December 2024	187,753	187,753

Parent	**Retained surpluses $'000**	**Total equity $'000**
Balance at 1 January 2023	119,895	119,895
Deficit for the year	(10,104)	(10,104)
Other comprehensive income for the year	451	451
Total comprehensive income for the year	(9,653)	(9,653)
Balance at 31 December 2023	110,242	110,242

Parent	**Retained surpluses $'000**	**Total equity $'000**
Balance at 1 January 2024	110,242	110,242
Deficit for the year	(7,918)	(7,918)
Other comprehensive income for the year	74	74
Total comprehensive income for the year	(7,844)	(7,844)
Balance at 31 December 2024	102,398	102,398

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

Geelong Grammar School
Statements of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000	Parent 2024 $'000	Parent 2023 $'000
Cash flows from operating activities					
Receipts from students (inclusive of GST)		82,801	78,961	82,801	78,961
Receipts from Government (inclusive of GST)		12,166	10,698	12,166	10,698
Payments to suppliers and employees (inclusive of GST)		(118,299)	(96,835)	(118,225)	(96,867)
		(23,332)	**(7,176)**	**(23,258)**	**(7,208)**
Dividends and other investment income received		5,721	3,221	-	-
Interest received		496	551	387	381
Interest and other finance costs paid		(78)	(38)	(78)	(38)
Receipts from donations and endowments		2,601	4,876	5,142	3,121
Receipts from other revenue		11,630	8,532	11,630	8,532
Net cash (used in)/from operating activities	27	(2,962)	9,966	(6,177)	4,788
Cash flows from investing activities					
Payments for financial assets at fair value through profit or loss	11	(27,283)	(12,112)	-	-
Payments for property, plant and equipment		(6,594)	(3,749)	(6,594)	(3,749)
Proceeds from disposal of financial assets at fair value through profit or loss		21,694	7,598	-	-
Proceeds from disposal of property, plant and equipment		91	30	91	30
Net cash used in investing activities		(12,092)	(8,233)	(6,503)	(3,719)
Cash flows from financing activities					
Proceeds from borrowings		10,500	-	10,500	-
Net cash from financing activities		10,500	-	10,500	-
Net (decrease)/increase in cash and cash equivalents		(4,554)	1,733	(2,180)	1,069
Cash and cash equivalents at the beginning of the financial year		20,186	18,453	4,610	3,541
Cash and cash equivalents at the end of the financial year	7	15,632	20,186	2,430	4,610

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

Note 1. General information

The financial statements cover both Geelong Grammar School as an individual entity and the consolidated entity consisting of Geelong Grammar School and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Geelong Grammar School's functional and presentation currency.

Geelong Grammar School is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Geelong Grammar School

50 Biddlecombe Avenue
Corio VIC 3214

A description of the consolidated entity's principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 April 2025.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, which had no impact on the consolidated entity's financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 31 December 2024, the consolidated entity has a working capital (current assets less current liabilities) deficiency of $31,899,000 (2023: $32,465,000 deficiency).

At the date of this report and having considered the deficiency in current assets, the directors are confident that the consolidated entity will be able to continue as a going concern due to the following factors:

- The consolidated entity has a bank loan facility (note 20) of $36m available to it should the need for operating cash flow arise. The company has drawn down $10.5m of the loan facility as at 31 December 2024. The company and the consolidated entity has met all the covenants of the facility and understands that the facility will remain in place to expiry date;
- The company has a financing facility agreement with the Geelong Grammar School Foundation of up to $10m available to it should the need for operating cash flow arise. The company has drawn down $nil of the facility as at 31 December 2024;
- Cash flow projections prepared by the consolidated entity demonstrates that the consolidated entity will generate sufficient cash over the coming year from signing date to meet obligations as and when they fall due;
- Current liabilities include employee provisions of $5.79m (2023: $5.51m) which are not expected to be paid out in full in the next financial year and;
- Current liabilities include contract liabilities of $16.29m (2023: $15.44m), representing the portion of non-refundable tuition fees that will not be paid out in full in the next financial year but recognised as revenue over time in line with relevant accounting standards;
- The consolidated entity reported net operating cash outflows of $2.96m (2023: $9.97m cash inflow). The consolidated entity reported net cash outflows of $4.55m (2023: $1.73m cash inflow). However, the school is expected to generate positive cash flows over the coming year.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Note 2. Material accounting policy information (continued)

Basis of preparation

In the directors' opinion, the company and consolidated entity are not reporting entities because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and associated regulations. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Geelong Grammar School.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 124 ‘Related Party Disclosures’, AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities, to the extent applicable as required by the *Australian Charities and Not-for-profits Commission Regulation 2022.*

Historical cost convention

The financial statements have been prepared under the historical cost convention, modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Geelong Grammar School ('company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Geelong Grammar School and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Income tax

As the consolidated entity is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 2. Material accounting policy information (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 2. Material accounting policy information (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for survivor claims
The consolidated entity exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation or arbitration. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. As a result of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Note 4. Revenue and income

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Revenue from contracts with customers				
Tuition fees	92,725	84,741	92,725	84,741
Other student income	1,084	1,106	1,084	1,106
Scholarships, bursaries and concessions	(10,938)	(9,607)	(10,938)	(9,607)
Government funding	11,063	9,716	11,063	9,716
	93,934	85,956	93,934	85,956
Income				
Dividends and other investment income	4,954	3,450	-	-
Rental income	133	-	133	-
Donations	1,740	3,715	-	-
Endowments	954	1,161	5,236	3,121
Merchandise sales revenue	2,812	2,979	2,812	2,979
	10,593	11,305	8,181	6,100
Revenue and income	104,527	97,261	102,115	92,056

Accounting policy for revenue and income recognition
The consolidated entity recognises revenue and income as follows:

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

Variable consideration within the transaction price, if any, reflects concessions provided such as discounts, rebates and refunds, and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Tuition fees
Tuition fees represent fees earned from providing education to students. Revenue from tuition received by the consolidated entity is recognised in the period that the tuition is provided. Tuition fees received in advance, in accordance with AASB 15 *Revenue from Contracts with Customers*, are recognised as revenue in the year to which the fees relate. Tuition fees are recognised as deferred revenue until the consolidated entity has an unconditional right to receive this consideration.

Scholarships, bursaries and concessions
Scholarships, bursaries and concessions represent variable consideration related to tuition fee revenue and is recognised in the period that the tuition is provided.

Non-reciprocal Government funding
Government-provided grant funds received by the consolidated entity to enable the consolidated entity to further its objectives, in accordance with AASB 1058 *Income of Not-for-Profit Entities*, are recognised as income on receipt of the funds.

Note 4. Revenue and income (continued)

Reciprocal Government funding
Government-provided grant funds received by the consolidated entity to enable the consolidated entity to construct a recognisable non-financial asset to be controlled by the consolidated entity, in accordance with AASB 15 *Revenue from Contracts with Customers*, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the consolidated entity satisfies its performance obligation to construct the recognisable non-financial asset.

Dividends and other investment income
Dividends and other investment income is brought to account when declared.

Interest
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.

Donations and endowments
Donations and endowments are recognised when the consolidated entity gains control of the funds and are only recognised as revenue when the funds have been provided to further the consolidated entity's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

Merchandise sales revenue
Revenue from the sale of merchandise is recognised at the point in time when the customer obtains control of the goods, which is generally at the point of sale.

Other revenue
All other revenue is recognised when the related performance obligation has been satisfied in accordance with the applicable standard.

Note 5. Other income

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Net fair value gain on financial assets at fair value through profit or loss	2,526	2,687	-	-
Net gain on disposal of property, plant and equipment	79	30	79	30
Net gain on disposal of financial assets at fair value through profit or loss	1,068	269	-	-
Recoveries and other income	5,106	4,134	5,106	4,134
Other income	8,779	7,120	5,185	4,164

Note 6. Expenses

	Consolidated		Parent	
	2024 **$'000**	**2023** **$'000**	**2024** **$'000**	**2023** **$'000**
Deficit includes the following specific expenses:				
Depreciation				
Buildings	2,879	2,877	2,879	2,877
Plant and equipment	2,451	2,503	2,451	2,503
Motor vehicles	180	190	180	190
Right-of-use assets	6	6	6	7
Total depreciation	5,516	5,576	5,516	5,577
Finance costs				
Interest and finance charges paid/payable on borrowings	75	35	75	35
Interest and finance charges paid/payable on lease liabilities	3	3	3	3
Finance costs expensed	78	38	78	38
Superannuation expense				
Defined contribution superannuation expense	5,823	5,127	5,823	5,127
Defined benefit superannuation expense	(82)	(25)	(82)	(25)
Total superannuation expense	5,741	5,102	5,741	5,102

Note 7. Cash and cash equivalents

	Consolidated		Parent	
	2024 **$'000**	**2023** **$'000**	**2024** **$'000**	**2023** **$'000**
Current assets				
Cash at bank and on hand	6,577	7,868	2,430	4,610
Cash on deposit	1,250	7,568	-	-
Short term deposits	7,805	4,750	-	-
	15,632	20,186	2,430	4,610

Cash at bank bears a floating interest rate. At 31 December 2024 the rate was 4.20% (2023: 4.20%).

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents that have a maturity date of greater than three months but less than twelve months are classified as short term deposits. Short term deposits have an average duration of nine month terms.

Note 8. Trade and other receivables

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Current assets				
Trade receivables	2,432	2,420	2,432	2,420
Less: Allowance for expected credit losses	(222)	(232)	(222)	(232)
	2,210	2,188	2,210	2,188
Other receivables	1,313	2,025	974	1,538
Receivables from related parties	-	-	338	238
	3,523	4,213	3,522	3,964

Allowance for expected credit losses
Movements in the allowance for expected credit losses are as follows:

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Opening balance	232	133	232	133
Net additional provisions recognised	-	135	-	135
Receivables written off during the year as uncollectable	(10)	(36)	(10)	(36)
Closing balance	222	232	222	232

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally settled within 60 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on expected chance of recoverability of the associated balance. This involves all debtor balances being individually analysed according to any particular circumstance that the consolidated entity may be aware of which will potentially affect the debtor's ability to pay. In performing this assessment, the consolidated entity uses its historical information, external indicators and forward-looking information to derive the expected credit losses.

Other receivables, including receivables from related parties, are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Inventories

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Current assets				
Stock on hand - at lower of cost and net realisable value	1,288	1,039	1,288	1,039

Accounting policy for inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 10. Other assets

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current assets				
Prepayments	1,920	1,876	1,920	1,876

Note 11. Financial assets at fair value through profit or loss

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-current assets				
Listed and unlisted equity securities	72,152	62,971	-	-

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2024 $'000	Consolidated 2023 $'000	Parent 2024 $'000	Parent 2023 $'000
Opening fair value	62,971	55,248	-	-
Additions	27,283	12,112	-	-
Disposals	(20,628)	(7,329)	-	-
Reinvestment of dividends	-	253	-	-
Revaluation increments/(decrements)	2,526	2,687	-	-
Closing fair value	72,152	62,971	-	-

Note 12. Property, plant and equipment

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-current assets				
Land - at cost	17,794	17,794	17,794	17,794
Buildings - at cost	180,080	180,080	180,080	180,080
Less: Accumulated depreciation	(52,994)	(50,115)	(52,994)	(50,115)
	127,086	129,965	127,086	129,965
Plant and equipment - at cost	40,131	36,804	40,131	36,804
Less: Accumulated depreciation	(32,784)	(30,391)	(32,784)	(30,391)
	7,347	6,413	7,347	6,413
Motor vehicles - at cost	2,497	2,473	2,497	2,473
Less: Accumulated depreciation	(1,984)	(1,853)	(1,984)	(1,853)
	513	620	513	620
Work in progress - at cost	6,591	3,513	6,591	3,513
	159,331	158,305	159,331	158,305

Note 12. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land $'000	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Work in progress $'000	Total $'000
Balance at 1 January 2023	17,794	132,709	6,247	575	2,823	160,148
Additions	-	-	1,543	197	2,276	4,016
Disposals	-	-	(5)	-	-	(5)
Write off of assets	-	-	-	-	(284)	(284)
Transfers	-	133	1,131	38	(1,302)	-
Depreciation expense	-	(2,877)	(2,503)	(190)	-	(5,570)
Balance at 31 December 2023	17,794	129,965	6,413	620	3,513	158,305
Additions	-	-	1,655	-	4,893	6,548
Disposals	-	-	(12)	-	-	(12)
Transfers	-	-	1,742	73	(1,815)	-
Depreciation expense	-	(2,879)	(2,451)	(180)	-	(5,510)
Balance at 31 December 2024	17,794	127,086	7,347	513	6,591	159,331

Parent	Land $'000	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Work in progress $'000	Total $'000
Balance at 1 January 2023	17,794	132,709	6,247	575	2,823	160,148
Additions	-	-	1,543	197	2,276	4,016
Disposals	-	-	(5)	-	-	(5)
Write off of assets	-	-	-	-	(284)	(284)
Transfers	-	133	1,131	38	(1,302)	-
Depreciation expense	-	(2,877)	(2,503)	(190)	-	(5,570)
Balance at 31 December 2023	17,794	129,965	6,413	620	3,513	158,305
Additions	-	-	1,655	-	4,893	6,548
Disposals	-	-	(12)	-	-	(12)
Transfers	-	-	1,742	73	(1,815)	-
Depreciation expense	-	(2,879)	(2,451)	(180)	-	(5,510)
Balance at 31 December 2024	17,794	127,086	7,347	513	6,591	159,331

Accounting policy for property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rates used for each class of assets are as follows:

Buildings	1.5% - 3%
Plant and equipment	10% - 33%
Motor vehicles	15%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. Property, plant and equipment (continued)

Work in progress
At 31 December 2024 and 31 December 2023 work in progress predominantly related to expansion and renovation projects.

Note 13. Right-of-use assets

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Non-current assets				
Right-of-use assets	140	140	140	140
Less: Accumulated depreciation	(33)	(27)	(33)	(27)
	107	113	107	113

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Right-of-use assets $'000
Balance at 1 January 2023	120
Depreciation expense	(7)
Balance at 31 December 2023	113
Depreciation expense	(6)
Balance at 31 December 2024	107

Parent	Right-of-use assets $'000
Balance at 1 January 2023	120
Depreciation expense	(7)
Balance at 31 December 2023	113
Depreciation expense	(6)
Balance at 31 December 2024	107

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 13. Right-of-use assets (continued)

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

The right-of-use asset refers to the lease held over Crown land adjoining the Timbertop campus.

Note 14. Retirement benefit obligations

Superannuation plan
All employees of the consolidated entity are entitled to benefits from the consolidated entity's superannuation plan on retirement, disability or death. The consolidated entity has one plan with a defined benefit section and a defined contribution section. Defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The defined benefit section of the plan is closed to new members. All new members receive accumulation only benefits.

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS Regulations require an actuarial valuation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions unless an exemption has been obtained.

The plan's trustee is responsible for the governance of the plan. The trustee has a legal obligation to act solely in the best interests of plan beneficiaries. The trustee has the following roles: administration of the plan and payment to the beneficiaries from plan assets when required in accordance with the plan rules, management and investment of the plan assets, and compliance with superannuation law and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licenses and supervises regulated superannuation plans.

The following sets out details in respect of the defined benefit section only. The expense recognised in relation to the defined contribution plan is disclosed in note 6.

Significant events
There were no plan amendments affecting the defined benefits payable, curtailments or settlements occurring during the current or prior period.

Statement of financial position amounts
The amounts recognised in the statement of financial position are determined as follows:

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Present value of the defined benefit obligation	(652)	(531)	(652)	(531)
Fair value of defined benefit plan assets	3,792	3,515	3,792	3,515
Total net asset in the statement of financial position	3,140	2,984	3,140	2,984

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Net defined benefit superannuation asset - non-current	3,140	2,984	3,140	2,984

Note 14. Retirement benefit obligations (continued)

Categories of plan assets
The major categories of plan assets are as follows:

	Consolidated		Parent	
	2024 %	2023 %	2024 %	2023 %
Cash and cash equivalents	17.0%	17.0%	17.0%	17.0%
Equity instruments	31.0%	28.0%	31.0%	28.0%
Property	18.0%	19.0%	18.0%	19.0%
Fixed income	30.0%	34.0%	30.0%	34.0%
Other	4.0%	2.0%	4.0%	2.0%

Fair value of entity's own financial instruments
The fair value of plan assets includes no amounts relating to any of the consolidated entity's own financial instruments nor any property occupied by, or other assets used by, the consolidated entity.

Reconciliations

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Reconciliation of the present value of the defined benefit obligation:				
Balance at the beginning of the year	531	1,681	531	1,681
Current service cost	37	81	37	81
Interest expense	46	72	46	72
Contributions by plan participants	11	10	11	10
Actuarial losses/(gains)	57	(137)	57	(137)
Benefits paid	-	(1,143)	-	(1,143)
Taxes, premiums and expenses paid	(30)	(33)	(30)	(33)
Balance at the end of the year	652	531	652	531
Reconciliation of the fair value of plan assets:				
Balance at the beginning of the year	3,515	4,189	3,515	4,189
Interest income	165	178	165	178
Return on plan assets less interest income	131	314	131	314
Contributions by plan participants	11	10	11	10
Benefits paid	-	(1,143)	-	(1,143)
Taxes, premiums and expenses paid	(30)	(33)	(30)	(33)
Balance at the end of the year	3,792	3,515	3,792	3,515

The asset ceiling has no impact on the net defined benefit asset.

Note 14. Retirement benefit obligations (continued)

Amounts recognised in the statement of profit or loss and other comprehensive income
The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current service cost	(37)	(81)	(37)	(81)
Net interest income/(expense)	119	106	119	106
Total amount recognised in profit or loss	82	25	82	25
Actuarial gains/(losses)	(57)	137	(57)	137
Return on plan assets less interest income	131	314	131	314
Total gain/(loss) recognised in other comprehensive income	74	451	74	451

Significant actuarial assumptions
The significant actuarial assumptions used (expressed as weighted averages) were as follows:

	Consolidated		Parent	
	2024 %	2023 %	2024 %	2023 %
Discount rate	4.6%	4.7%	4.6%	4.7%
Future salary increases	3.0%	3.0%	3.0%	3.0%

Sensitivity analysis
The retirement benefit obligation would increase/decrease by $nil if one of the following variables changed with all other assumptions remaining constant: the discount rate changed by +-0.5%; or future salary increases changed by +-0.5%.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

Risk exposure
There are a number of risks to which the plan exposes the company and the consolidated entity. The more significant risks relating to the defined benefits are:

- Investment risk: the risk that investment returns will be lower than assumed and the company will need to increase contributions to offset this shortfall.
- Salary growth risk: the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contribution.
- Legislative risk: the risk that legislative changes could be made which increase the cost of providing the defined benefits.
- Timing of members leaving service: as there is now only one member in the plan, when the member leaves, this may have an impact on the financial position of the plan, depending on the financial position of the plan at the time they leave. The impact may be positive or negative, depending on the circumstances and timing of the withdrawal.

The defined benefit assets are invested in a mix of MySuper and conservative investment options in Prime Super. The assets are diversified within these investment options and therefore the plan has no significant concentration of investment risk.

Asset-liability matching strategies
No asset and liability matching strategies have been adopted by the plan.

Note 14. Retirement benefit obligations (continued)

Employer contributions and funding arrangements
The financing objective adopted at the 30 June 2021 actuarial investigation of the plan, in a report dated 29 November 2021, is to maintain the value of the plan's assets at least equal to 100% of accumulation account balances plus, for defined benefits, the greater of 105% of vested benefits and 100% of the actuarial value of accrued benefits.

In that valuation, it was recommended that the company contributes to the plan as follows: $nil in respect of defined benefit entitlements; and member contributions from before-tax salary (other than category A1 deemed member contributions met from the general reserve) and any other contributions agreed between the company and a member (e.g. additional salary sacrifice contributions).

Maturity profile of defined benefit obligation
The weighted average duration of the defined benefit obligation is 4 years (2023: 4 years). The expected maturity analysis of undiscounted defined benefit obligations is as follows:

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
One to five years	1,361	1,278	1,361	1,278

Accounting policy for retirement benefit obligations
All employees of the consolidated entity are entitled to benefits from the consolidated entity's default superannuation plan on retirement, disability or death. The consolidated entity has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from entities in the consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions. The defined benefit section of the plan is closed to new members. All new members receive accumulation only benefits.

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured at the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, in the period in which they occur, in other comprehensive income.

Past service costs are recognised immediately in profit or loss, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time ('the vesting period'). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Note 15. Trade and other payables

	Consolidated		Parent	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Current liabilities				
Trade payables	2,745	3,861	2,745	3,861
Accrued expenses	805	3,498	805	3,498
Payables to related parties	85	140	85	140
Other payables	1,565	1,809	1,565	1,808
	5,200	9,308	5,200	9,307

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Contract liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Current liabilities				
Tuition fees in advance	33,517	33,021	33,517	33,021
Enrolment deposits	673	451	673	451
Other contract liabilities	714	857	714	857
	34,904	34,329	34,904	34,329
Non-current liabilities				
Enrolment deposits	1,727	1,219	1,727	1,219
Provision for Senior school deposits	1,209	-	1,209	-
	2,936	1,219	2,936	1,219
	37,840	35,548	37,840	35,548

Accounting policy for contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer services to students or other parties and are recognised when a party pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the party.

Tuition fees in advance
Tuition fees are billed in four instalments, two terms in advance. Fees are payable one term prior to the commencement of the term to which they relate.

Fees received in relation to future financial periods are not included as revenue in the statement of profit or loss and other comprehensive income until the year in which the services are provided to that student. These fees are held as a contract liability until the revenue can be recognised.

A receivable balance has been recognised for uncollected invoices that the consolidated entity has an unconditional right to consideration as at 31 December 2024. As such, the tuition fees in advance balance is representative of Term 1 2024 tuition fees billed as the consolidated entity has a contractual obligation to provide tuition for the respective semester as at 31 December 2024. In addition, amounts receipted in respect of Term 2 2024 tuition fees billed in December 2024 are included in the tuition fees in advance balance.

Note 16. Contract liabilities (continued)

Enrolment deposits
Contract liabilities also include enrolment fees and Senior School transition deposits. Enrolment fees are upfront fees paid by parents when they accept an offer of enrolment for their child, and guarantees the student a place for an agreed-upon year and for the agreed-upon period of tuition (e.g. high school). The fee is non-refundable and non-transferrable and is not offset against any future tuition fees. The enrolment fees are deferred and recognised as revenue over the contract period (average student tenure) for tuition services. Senior School transition deposits are deposits paid by parents of students commencing their enrolment at the Timbertop campus. The value of the deposit will be equal to the full term's published fees for a Year 10 boarding student. If a domestic or overseas student transitions to the Senior School, the deposit will be applied as a fee credit to the student's Year 10 Term 3 fee statement. The deposit is forfeited if the student does not transition from Timbertop to the Senior School.

This upfront payment includes two components.

- Component 1: non-refundable fee for confirmation of enrolment.
  The enrolment fee for domestic 2024 entries including component 2 is $1,000 for Early Learning Centre students, for Primary and Secondary students excluding Year 9 and $5,000 for Year 9 students. The enrolment fee for Full Fee-Paying Overseas students is $5,500.
  Non-refundable enrolment fees received which are not deducted from future fees are recognised as a contract liability. These amounts are recognised as revenue over the average life of a student at the school.
- Component 2: non-refundable fee of $409 for lifetime membership of the Old Geelong Grammarians.
  This fee is recognised as revenue in the statement of profit or loss and other comprehensive income when received.

Note 17. Lease liabilities

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Current liabilities				
Lease liabilities	6	6	6	6
Non-current liabilities				
Lease liability	107	113	107	113
	113	119	113	119

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The consolidated entity has utilised the exemption afforded to not-for-profits organisations to recognise below-market leases at cost, being the value of the expected repayments under the terms of the lease agreement. This exemption has been applied to the consolidated entity 's lease of Crown land adjoining the Timbertop campus.

Note 18. Provisions

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current liabilities				
Employee benefits	5,794	5,511	5,794	5,511
Other provisions	8,358	10,625	8,358	10,625
	14,152	16,136	14,152	16,136
Non-current liabilities				
Employee benefits	1,535	1,539	1,535	1,539
	15,687	17,675	15,687	17,675

Accounting policy for provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 19. Retained surpluses

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Retained surpluses at the beginning of the financial year	189,037	189,973	110,242	119,895
Deficit for the year	(1,358)	(1,387)	(7,918)	(10,104)
Actuarial gain on defined benefit plans, net of tax	74	451	74	451
Retained surpluses at the end of the financial year	187,753	189,037	102,398	110,242

Note 20. Borrowings

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Bank loans	10,500	-	10,500	-

Assets pledged as security
The carrying amounts of assets pledged as security for borrowings are:

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Land and buildings	35,653	36,141	35,653	36,141

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Total facilities				
Bank loans	36,000	18,000	36,000	18,000
Bank credit facilities	250	250	250	250
	36,250	18,250	36,250	18,250
Used at the reporting date				
Bank loans	10,500	-	10,500	-
Bank credit facilities	35	39	35	39
	10,535	39	10,535	39
Unused at the reporting date				
Bank loans	25,500	18,000	25,500	18,000
Bank credit facilities	215	211	215	211
	25,715	18,211	25,715	18,211

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 21. Key management personnel disclosures

Directors
The following persons were directors of Geelong Grammar School during the financial year:

David Bowser
Andrew Burgess
John Chomley
Rebecca Cody
Patrick Handbury
Kieron Jones
Steve Lansdell
Penelope McBain
Susan Nicolson
Allan Shaw
Joon Yong
Vanessa Mahon - Appointed 27 January 2024
Justin Arter - Appointed 02 February 2024

Note 21. Key management personnel disclosures (continued)

Other key management personnel
The personnel employed in the following positions also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Principal	Head of Bostock House
Executive Director: Operations and Shared Services	Head of Toorak
Executive Director: Safeguarding and Legal Services	Head of Timbertop
Vice Principal: Learning, Teaching and Academic Innovation	Senior Chaplain
Vice Principal: Residential Education, Care and Community	Director of Community Engagement
Director of Student Experience and Engagement: Co-Curricular	Director of Information Services and Support
Director of Student Experience and Engagement: Wellbeing, Transitions and Leadership	Director of Employee Engagement

No income was paid or made payable, or otherwise made available to directors of the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities in the current or previous financial years, except for Rebecca Cody who received remuneration in her capacity as Principal of the School.

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Aggregate compensation	4,390,379	4,533,945	4,390,379	4,533,945

The above transactions were made on commercial terms and conditions and at market rates no more favourable to those available to comparable personnel.

Note 22. Related party transactions

This financial report covers both Geelong Grammar School as an individual entity and the consolidated entity consisting of GGS Nominees Pty Ltd, Geelong Grammar Foundation Limited, Geelong Grammar School Endowment Trust, Geelong Grammar School Building Fund, Geelong Grammar School Library Fund and Geelong Grammar School Scholarship Fund.

Parent entity
Geelong Grammar School is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties
The following transactions occurred with related parties:

	Parent	
	2024	**2023**
	$	**$**
Other revenue:		
Endowments received from Geelong Grammar School Building Fund	120,131	39,704
Endowments received from Geelong Grammar School Endowment Trust	2,644,704	639,769
Endowments received from Geelong Grammar School Scholarship Fund	1,470,166	1,280,021
Endowments received from Geelong Grammar School Library Fund	47,500	-

Note 22. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Current receivables:				
Receivables from Geelong Grammar School Building Fund	-	-	121,872	35,159
Receivables from Geelong Grammar School Endowment Trust	-	-	149,477	183,939
Receivables from Geelong Grammar School Scholarship Fund	-	-	18,995	14,935
Receivables from Geelong Grammar School Library Fund	-	-	47,500	-
Current payables:				
Payables to The Old Geelong Grammarians Incorporated	85,487	140,313	85,487	140,313

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd and its related parties:

	Consolidated		Parent	
	2024 $	2023 $	2024 $	2023 $
Audit services - Grant Thornton Audit Pty Ltd				
Audit of the financial statements	91,770	89,730	79,500	77,250
Other services - Grant Thornton Audit Pty Ltd				
Compilation of the special purpose financial report	12,570	12,470	6,900	6,700
Other services - Grant Thornton Audit Pty Ltd related parties				
Other services	19,997	800	19,997	800
	32,567	13,270	26,897	7,500
	124,337	103,000	106,397	84,750

Note 24. Contingent assets

The School has a legal right to the proceeds of sale for two properties that are not owned by the School. The estimated value of the School's right in these properties is $1.95 million. The timing and realisation of this benefit are contingent upon several factors which are not within the control of the School. As a result, the asset has not been recognised in the financial statements. The School will continue to assess the likelihood and timing of the realisation of this benefit and will recognise the asset in the financial statements when it is considered virtually certain.

Note 25. Commitments and contingencies

	Consolidated		Parent	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Commitments				
Committed at the reporting date but not recognised as liabilities, payable:				
Repairs and maintenance	386	295	386	295
Property, plant and equipment	13,130	471	13,130	471
Lease commitments				
Committed at the reporting date and recognised as liabilities, payable:				
Within one year	9	9	9	9
One to five years	42	34	42	34
More than five years	86	103	86	103
Total commitment	137	146	137	146
Less: Future finance charges	(24)	(27)	(24)	(27)
Net commitment recognised as liabilities	113	119	113	119

Contingencies
The consolidated entity is part of the national redress scheme and has potential claims for redress resulting from historical child abuse. The consolidated entity may have financial exposure to claims in the future, by their nature at the date of this report it is not possible to reliably estimate the quantum (if any) of additional claims of this nature which may emerge. The consolidated entity continues to closely monitor these legal matters and the impact on the company and its related entities.

Note 26. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 27. Reconciliation of deficit to net cash (used in)/from operating activities

	Consolidated		Parent	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Deficit for the year	(1,358)	(1,387)	(7,918)	(10,104)
Adjustments for:				
Depreciation and amortisation	5,516	5,577	5,516	5,577
Net gain on disposal of investments and financial assets	(1,068)	(269)	-	-
Net gain on disposal of property, plant and equipment	(79)	(30)	(79)	(30)
Net fair value gain on investments and financial assets	(2,526)	(2,687)	-	-
Reinvestment of dividends	-	(253)	-	-
Change in operating assets and liabilities:				
Increase in trade and other receivables	(22)	(2,401)	(22)	(2,070)
Decrease/(increase) in inventories	(249)	28	(249)	28
Decrease/(increase) in defined benefit obligations (net of actuarial gain/(loss))	75	(25)	75	(25)
Decrease/(increase) in other assets	587	(1,232)	302	(1,232)
Increase in Prepayments	(44)	-	(44)	-
Increase/(decrease) in trade and other payables	(4,100)	3,082	(4,064)	3,081
Increase in contract liabilities	2,293	5,415	2,293	5,415
Increase/(decrease) in provisions	(1,987)	4,148	(1,987)	4,148
Net cash (used in)/from operating activities	(2,962)	9,966	(6,177)	4,788

Geelong Grammar School
Directors' declaration
31 December 2024

In the directors' opinion:

- the company and consolidated entity are not reporting entities because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012* requirements to prepare and distribute financial statements to the members of Geelong Grammar School;

- the attached financial statements and notes comply with the Accounting Standards as described in note 2 to the financial statements, the *Australian Charities and Not-for-profits Commission Regulation 2022* and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's and consolidated entity's financial position as at 31 December 2024 and of their performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

2 April 2025

Grant Thornton

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Independent Auditor's Report

To the Members of Geelong Grammar School and its controlled entities

Report on the audit of the financial report

Opinion

We have audited the financial report of Geelong Grammar School (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' declaration.

In our opinion, the financial report of Geelong Grammar School and its controlled entities is in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Group 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 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 audit opinion.

Emphasis of matter – basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purposes of fulfilling the Director'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.

Responsibilities of the Directors for the financial report

The Directors of the Group 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 2 to the financial report is appropriate to meet the requirements of the ACNC Act. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Group's financial reporting process.

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.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

cgangemi

C S Gangemi
Partner – Audit & Assurance

Melbourne, 02 April 2025