

Sydney College of Divinity Ltd

ABN 39 002 653 036

Annual Report

For the year ended 31 December 2017

Pitcher Partners

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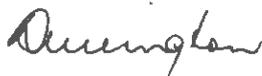
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**Auditor's Independence Declaration
To the Directors of Sydney College of Divinity
ABN 39 002 653 036**

I declare that to the best of my knowledge and belief, during the year ended 31 December 2017 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Carl Millington
Partner

Pitcher Partners
Sydney

14 March 2018

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2016
		\$	\$
Revenue and other income			
Revenue from student and membership fee		2,177,617	1,904,070
Fee help received		6,388,294	4,657,620
Other revenue		<u>141,077</u>	<u>90,506</u>
		<u>8,706,988</u>	<u>6,652,196</u>
Less: expenses			
Depreciation and amortisation expense		(81,783)	(79,287)
Employee benefits expense		(2,129,388)	(1,996,967)
Finance costs		-	(5,422)
Fee help- Member Institutions		(4,590,227)	(2,934,171)
Student related expense		(135,586)	(90,746)
Administrative and other expenses		(1,000,489)	(763,899)
Office expenses		<u>(508,686)</u>	<u>(421,668)</u>
		<u>(8,446,159)</u>	<u>(6,292,160)</u>
Net surplus for the year		260,829	360,036
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Asset revaluation reserve		-	65,000
		<u>-</u>	<u>65,000</u>
Other comprehensive income for the year		<u>-</u>	<u>65,000</u>
Total comprehensive income		<u>260,829</u>	<u>425,036</u>

The accompanying notes form part of these financial statements.

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	2	2,061,219	1,507,868
Receivables	3	73,728	162,421
Inventories		10,883	7,447
Other assets		<u>55,880</u>	<u>79,350</u>
Total current assets		<u>2,201,710</u>	<u>1,757,086</u>
Non-current assets			
Intangible assets	5	88,423	117,898
Property, plant and equipment	4	<u>900,983</u>	<u>907,572</u>
Total non-current assets		<u>989,406</u>	<u>1,025,470</u>
Total assets		<u>3,191,116</u>	<u>2,782,556</u>
Current liabilities			
Payables	6	384,375	371,615
Borrowings	7	-	10,174
Provisions	8	118,479	102,430
Other liabilities	9	<u>594,927</u>	<u>450,836</u>
Total current liabilities		<u>1,097,781</u>	<u>935,055</u>
Non-current liabilities			
Provisions	8	<u>54,024</u>	<u>69,019</u>
Total non-current liabilities		<u>54,024</u>	<u>69,019</u>
Total liabilities		<u>1,151,805</u>	<u>1,004,074</u>
Net assets		<u>2,039,311</u>	<u>1,778,482</u>
Equity			
Reserves	10	487,500	387,500
Retained earnings	11	<u>1,551,811</u>	<u>1,390,982</u>
Total equity		<u>2,039,311</u>	<u>1,778,482</u>

The accompanying notes form part of these financial statements.

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2016		322,500	1,030,946	1,353,446
Surplus for the year		-	360,036	360,036
Asset revaluation reserve		<u>65,000</u>	<u>-</u>	<u>65,000</u>
Total comprehensive income for the year		<u>65,000</u>	<u>360,036</u>	<u>425,036</u>
Balance as at 1 January 2017		387,500	1,390,982	1,778,482
Surplus for the year		<u>-</u>	<u>260,829</u>	<u>260,829</u>
Total comprehensive income for the year		<u>-</u>	<u>260,829</u>	<u>260,829</u>
Transfer to/(from) reserves		<u>100,000</u>	<u>(100,000)</u>	<u>-</u>
Balance as at 31 December 2017		<u>487,500</u>	<u>1,551,811</u>	<u>2,039,311</u>

The accompanying notes form part of these financial statements.

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Cash flow from operating activities			
Receipts from fees and other income		2,451,283	1,984,972
Receipts from fee-help government assistance		6,470,943	4,430,708
Fee-help payments to member institutions		(4,590,227)	(2,934,171)
Payments to suppliers and employees		(3,740,890)	(3,073,951)
Interest received		18,135	13,220
Finance costs		<u>-</u>	<u>(5,422)</u>
Net cash provided by operating activities		<u>609,244</u>	<u>415,356</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	196
Payment for property, plant and equipment		<u>(45,719)</u>	<u>(66,294)</u>
Net cash used in investing activities		<u>(45,719)</u>	<u>(66,098)</u>
Cash flow from financing activities			
Repayment of borrowings		(10,174)	(149,130)
Receipts from bank overdraft		<u>-</u>	<u>10,174</u>
Net cash used in financing activities		<u>(10,174)</u>	<u>(138,956)</u>
Reconciliation of cash			
Cash at beginning of the financial year		1,507,868	1,297,566
Net increase in cash held		<u>553,351</u>	<u>210,302</u>
Cash at end of financial year		<u>2,061,219</u>	<u>1,507,868</u>

The accompanying notes form part of these financial statements.

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Sydney College of Divinity Ltd (the "College") as an individual entity. The College is a college limited by guarantee, incorporated and domiciled in Australia. The College is a not-for-profit entity for the purpose of preparing the financial statements.

The following are the significant accounting policies adopted by the college in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Revenue

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Fee-Help Government Assistance revenue is recognised when the company becomes entitled to receive this amount.

Membership fees are recognised as revenue when no significant uncertainty as to its collectibility exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

Interest revenue is measured in accordance with the effective interest method.

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

(c) Income tax

No provision for income tax has been raised as the college is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Impairment of financial assets

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment as a result of one or more events ('loss events') having occurred and which have an impact on the estimated future cash flows of the financial assets.

(f) Property, plant and equipment

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment (Continued)

Property

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. At each balance date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income under the heading of revaluation surplus; all other decreases are charged to profit and loss.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Improvements at cost	20%	Straight line
Office equipment at cost	20-40%	Straight line
Furniture, fixtures and fittings at cost	20-40%	Straight line
Web site at cost	20-40%	Straight line
Library	20%	Straight line

(g) Intangibles

Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

Costs incurred for accreditation purposes are recognised as an intangible asset and amortised on a straight line basis over the period to which the accreditation relates.

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Provisions

Provisions are recognised when the college has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

(k) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New and revised accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 December 2017. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

**SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) New and revised accounting standards and interpretations not yet mandatory or early adopted

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The director's assessment of the impact of the new standards and interpretations is that they will not significantly affect any of the amounts recognised in the financial statements.

(n) Future reserve fund

The College has set aside an amount to a reserve to provide for the risk of future revenue stream.

(o) Asset revaluation reserves

This reserve records increases and decreases in carrying amounts arising from revaluation of land and buildings.

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents - Special Purpose Funds	45,465	45,465
Cash on deposit - at call - cash management account	1,575,557	1,037,429
Cash at bank - Korean program	40,197	24,974
Term Deposit	<u>400,000</u>	<u>400,000</u>
	<u>2,061,219</u>	<u>1,507,868</u>

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
NOTE 3: RECEIVABLES		
CURRENT		
Other debtors	132,521	162,421
Impairment loss	<u>(58,793)</u>	<u>-</u>
	<u>73,728</u>	<u>162,421</u>
	<u>73,728</u>	<u>162,421</u>

Impairment of trade receivables

Receivables are non interest bearing with 30 days terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The impairment losses have been included within Administrative and other expenses within profit or loss. All receivables that are not impaired are expected to be received within the repayment terms.

Movements in the accumulated impairment losses were:

Charge for the year	<u>58,793</u>	<u>-</u>
Closing balance at 31 December	<u>58,793</u>	<u>-</u>

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Strata Property

At valuation	<u>800,000</u>	<u>800,000</u>
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Plant and equipment

Improvements at cost	88,614	88,614
Accumulated depreciation	<u>(87,515)</u>	<u>(83,219)</u>
	1,099	5,395
Office equipment at cost	22,298	40,619
Accumulated depreciation	<u>(20,752)</u>	<u>(35,037)</u>
	1,546	5,582
Furniture, fixtures and fittings at cost	297,889	267,549
Accumulated depreciation	<u>(241,941)</u>	<u>(223,166)</u>
	55,948	44,383
Web Site at cost	27,048	24,524
Accumulated depreciation	<u>(13,322)</u>	<u>(7,323)</u>
	13,726	17,201

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
NOTE 4: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Korean Library at cost	139,391	126,536
Accumulated depreciation	<u>(110,727)</u>	<u>(91,525)</u>
	<u>28,664</u>	<u>35,011</u>
Total plant and equipment	<u>100,983</u>	<u>107,572</u>
Total property, plant and equipment	<u>900,983</u>	<u>907,572</u>

(a) Valuations

The fair values of freehold land, and buildings on freehold land have been determined by reference to director valuations, based upon independent valuations previously obtained on February 2016. Such valuations are performed on a fair value basis, being the amounts for which the assets could be exchanged between market participants in an arm's length transaction at the valuation date.

(b) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

<i>Land and buildings</i>		
Opening carrying amount	800,000	735,000
Net revaluation increments / decrements	<u>-</u>	<u>65,000</u>
Closing carrying amount	<u>800,000</u>	<u>800,000</u>
<i>Improvements</i>		
Opening carrying amount	5,395	9,690
Depreciation expense	<u>(4,296)</u>	<u>(4,295)</u>
Closing carrying amount	<u>1,099</u>	<u>5,395</u>
<i>Office equipment</i>		
Opening carrying amount	5,582	11,658
Disposals	-	(10,725)
Depreciation expense	<u>(4,037)</u>	<u>4,649</u>
Closing carrying amount	<u>1,545</u>	<u>5,582</u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	44,384	38,602
Additions	30,340	26,074
Depreciation expense	<u>(18,776)</u>	<u>(20,292)</u>
Closing carrying amount	<u>55,948</u>	<u>44,384</u>

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
NOTE 4: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(b) Reconciliations (Continued)		
<i>Web site at cost</i>		
Opening carrying amount	17,201	-
Additions	2,524	17,701
Depreciation expense	<u>(5,999)</u>	<u>(500)</u>
Closing carrying amount	<u>13,726</u>	<u>17,201</u>
 <i>Korean Library</i>		
Opening carrying amount	35,011	55,780
Additions	12,855	519
Depreciation expense	<u>(19,202)</u>	<u>(21,288)</u>
Closing carrying amount	<u>28,664</u>	<u>35,011</u>
 NOTE 5: INTANGIBLE ASSETS		
Other intangibles, at cost	196,912	196,913
Accumulated amortisation and impairment	<u>(108,489)</u>	<u>(79,015)</u>
	<u>88,423</u>	<u>117,898</u>
 (a) Reconciliations		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
<i>Other intangibles at cost</i>		
Opening balance	117,898	122,929
Additions	-	22,000
Amortisation charge for the year	<u>(29,475)</u>	<u>(27,031)</u>
Closing balance	<u>88,423</u>	<u>117,898</u>
 NOTE 6: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	29,258	10,610
GST, PAYG, superannuation and payroll tax payable	37,233	129,839

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
NOTE 6: PAYABLES (CONTINUED)		
Accrued expenses	290,400	205,483
Other current liabilities	<u>27,484</u>	<u>25,683</u>
	<u>384,375</u>	<u>371,615</u>
NOTE 7: BORROWINGS		
CURRENT		
<i>Unsecured liabilities</i>		
Bank overdraft	<u>-</u>	<u>10,174</u>
NOTE 8: PROVISIONS		
CURRENT		
Employee benefits	(a) <u>118,479</u>	<u>102,430</u>
NON CURRENT		
Employee benefits	(a) <u>54,024</u>	<u>69,019</u>
(a) Aggregate employee benefits liability	172,503	171,449
NOTE 9: OTHER LIABILITIES		
CURRENT		
Fee received in advance	20,200	26,550
Fee help government assistance advance	<u>574,727</u>	<u>424,286</u>
	<u>594,927</u>	<u>450,836</u>
NOTE 10: RESERVES		
Asset revaluation reserve	65,000	65,000
Reserve for future funds	<u>422,500</u>	<u>322,500</u>
	<u>487,500</u>	<u>387,500</u>

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$

NOTE 10: RESERVES (CONTINUED)

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Costs are incurred for registration, accreditation and approval, every five years to enable the ongoing offers of awards and degrees. A reserve is maintained in respect to such costs on an annual basis so as to enable the company to ensure funds required are separately identifiable to meet these ongoing requirements. Adequate funds are maintained in a bank account to match this accumulating reserve.

NOTE 11: RETAINED EARNINGS

Retained earnings at beginning of year	1,390,982	1,030,946
Net surplus for the year	260,829	360,036
Transfers from / (to) reserves	(100,000)	-
	<u>1,551,811</u>	<u>1,390,982</u>

NOTE 12: RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel of the entity or its parent and their personally related entities

The directors of the College during the year were Mr Peter King, Rev Dr Gerard Kelly, Dr Stephen Smith, Richard Wheeler, Dr Timothy O'Hearn, Dr Phillip Kariatlis, Prof Jack Flanagan, Dr Leonard Smith, Prof Angelo Karantonis, Ms April Mac Neill, Mr James Bunn, Rev Robbie Finger and Mr John Ryan.

No remuneration was paid or payable to directors in respect to or during the year.

All members of the board acted in an honorary capacity throughout the year and there were no related party transactions with any of the honorary directors during the year. Transactions have occurred during the year of a fee revenue and expense nature, including Fee-Help payments, on normal commercial terms and conditions with Member Institutions of which the directors are involved in the management thereof. Total fees received from these Member Institutions during the year was \$1,231,339 (2016: \$1,023,425) and Fee-Help payments made to such Member Institutions during the year was \$4,590,227 (2016: \$2,934,171).

The compensation of the key management personnel for the year was \$203,750 (2016: \$162,779). The whole of this compensation was in respect to wages, salaries and superannuation contributions and all short-term employment benefits.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$

NOTE 13: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year	21,087	252,225
- later than one year and not later than five years	<u>-</u>	<u>21,087</u>
	<u>21,087</u>	<u>273,312</u>

NOTE 14: CONTINGENT LIABILITIES

The College has a bank guarantee of \$85,880 as at 31 December 2017. There are no other contingent liabilities to be disclosed in this financial report.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 December 2017 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2017, of the college, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2017, of the college.

NOTE 16: LIABILITY OF MEMBERS

The College is a company limited by guarantee, incorporated and operating in Australia. If it is wound up, the Articles of Association state that each member, or within one year after the member ceases to be a member, is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the College.

At 31 December 2017 there were 8 members (2016: 9).

NOTE 17: ECONOMIC DEPENDENCY

The College depends on grants received from the Commonwealth Government to fund its operation of which 72.60% (2016: 68.20%) of the total revenue from operations is derived from this source.

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
NOTE 18: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE		
	2017	2016
	\$	\$
Fee help		
Financial assistance received in cash during the year	6,973,150	4,870,000
Financial assistance repaid relating to prior year adjustment	<u>(423,753)</u>	<u>(360,630)</u>
	6,549,397	4,509,370
Net accrual adjustments	<u>(129,111)</u>	<u>(59,529)</u>
Total revenue for the year	6,420,286	4,449,841
Less: Expenses including accrued expenses		
- payments to Member Institutions	4,590,227	2,934,171
- payments to Sydney College of Divinity	<u>1,830,059</u>	<u>1,515,670</u>
	<u>6,420,286</u>	<u>4,449,841</u>
Fee-help surplus/ (deficit) for the year	<u>-</u>	<u>-</u>

SYDNEY COLLEGE OF DIVINITY LTD
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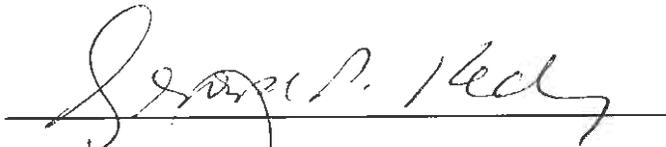
DIRECTORS' DECLARATION

The directors declare that:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director:

A handwritten signature in black ink, appearing to read "James P. Kelly", written over a horizontal line.

Director:

A handwritten signature in black ink, appearing to read "L. Kelly", written over a horizontal line.

Dated this **FOURTEENTH** day of **MARCH** 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036**

Report on the Audit of the Financial Report

We have audited the financial report of Sydney College of Divinity Ltd ("the Company"), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Opinion

In our opinion the financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the ACNC Act.

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 Company in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the ACNC Act, and for 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.

Responsibilities of Directors for the Financial Report (continued)

In preparing the financial report, directors are responsible for assessing the Company'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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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 the financial report.

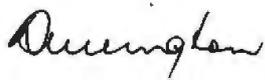
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company'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 Company'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 Company to cease to continue as a going concern.

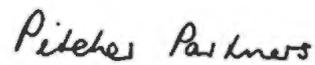
Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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.

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.



C MILLINGTON
Partner



PITCHER PARTNERS
Sydney

14 March 2018

**COMPILATION REPORT
TO SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036**

We have compiled the accompanying additional information of Sydney College of Divinity Ltd (the "College") for the financial year ended 31 December 2017, as presented on pages 25 - 26. The additional information has been prepared to satisfy the information needs of the directors of Sydney College of Divinity Ltd (the "College") in accordance with the accounting policies adopted in the preparation of the annual financial statements of Sydney College of Divinity Ltd (the "College") for the financial year ended 31 December 2017, as described in Note 1 to those financial statements.

The Responsibility of the Directors

The directors of Sydney College of Divinity Ltd (the "College") are solely responsible for the form and content of the additional information, the reliability, accuracy and completeness of the information used to compile it and for the determination that the basis of accounting used for its preparation is appropriate to meet their needs and appropriate for the purpose that the additional information was prepared.

Our Responsibility

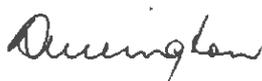
On the basis of information provided to us by management we have compiled the accompanying additional information in accordance with the basis of accounting described above and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to compile the additional information in accordance with the basis of accounting described above. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile the additional information or the appropriateness of the basis of accounting used for its preparation. Accordingly, we do not express an audit opinion or a review conclusion on the additional information.

The additional information was compiled exclusively for the benefit of the management and the directors of Sydney College of Divinity Ltd (the "College"). The additional information may not be suitable for other purposes. We do not accept responsibility for the contents of the additional information.



C MILLINGTON
Partner



PITCHER PARTNERS
Sydney

14 March 2018

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

ADDITIONAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2017 FINANCIAL STATEMENTS

	2017	2016
	\$	\$
Revenue		
Student fees	1,163,547	942,990
Course fees	1,014,070	961,080
Membership fees	67,792	80,435
Fee help received - Government financial assistance- current year	6,320,502	4,449,841
Fee help received - Government financial assistance- prior years	-	127,344
Interest income	18,135	13,220
Other revenue	<u>122,942</u>	<u>77,286</u>
Total revenue	<u>8,706,988</u>	<u>6,652,196</u>
Less expenses		
Fee help - Member Institution	4,590,227	2,934,171
Advertising and marketing	23,749	16,104
Amortisation	29,475	27,031
Audit and accounting fees	28,986	20,600
Bad debts	53,860	15,455
Bank charges	5,605	4,664
Cleaning	16,783	18,991
Computer expenses	32,368	28,810
Conference expenses	56,504	33,068
Contractors and recruitment costs	44,637	50,107
Depreciation	52,308	52,256
Donations	1,511	1,325
Electricity	17,947	14,961
Employee benefits expense	24,639	40,613
ESOS	12,639	15,524
Entertainment expenses	1,973	890
Freight and cartage	101	24
General expenses	41,923	43,182
Insurance	6,703	8,962
Interest paid	-	5,422
Legal costs	29,750	13,808
Magazines, journals and periodicals	3,934	4,802
Office supplies	11,319	2,582
Payroll tax	61,713	50,916
Postage	3,070	3,149

This statement should be read in conjunction with the attached disclaimer.

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

ADDITIONAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2017 FINANCIAL STATEMENTS

	2017	2016
	\$	\$
Printing and stationery	26,383	24,722
Professional fees	143,928	137,553
Rates and taxes	1,281	136
Rent	396,139	336,939
Rental outgoings	72,465	73,132
Repairs and maintenance	470	-
Research and development costs	35,355	14,598
Salaries and wages	1,839,429	1,639,695
Security costs	-	2,495
Provision for leave	1,054	96,156
Staff training and welfare	6,494	3,420
Sundry expenses	57	2,180
Superannuation	202,554	169,588
Telephone	12,679	15,731
Travelling expenses	<u>556,147</u>	<u>368,398</u>
Total expenses	<u>8,446,159</u>	<u>6,292,160</u>

This statement should be read in conjunction with the attached disclaimer.