

Sydney College of Divinity Ltd

ABN 39 002 653 036

Financial report

For the year ended 31 December 2018

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SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SYDNEY COLLEGE OF DIVINITY LTD**

I declare that to the best of my knowledge and belief, during the year ended 31 December 2018 there have been no contraventions of:

- i. the auditors 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.

A handwritten signature in black ink, appearing to read 'C Millington'.

C MILLINGTON

Partner

PITCHER PARTNERS

Sydney

Date: 23 May 2019

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue and other income			
Revenue from student and membership fee		2,084,445	2,245,409
Fee help received		6,067,597	6,320,502
Other revenue		<u>221,794</u>	<u>141,077</u>
		<u>8,373,836</u>	<u>8,706,988</u>
Less: expenses			
Depreciation and amortisation expense		(78,888)	(81,783)
Employee benefits expense		(2,128,200)	(2,129,388)
Fee help- Member Institutions		(4,301,497)	(4,590,227)
Student related expense		(190,003)	(135,586)
Administrative and other expenses		(1,083,341)	(1,000,489)
Office expenses		<u>(548,801)</u>	<u>(508,686)</u>
		<u>(8,330,730)</u>	<u>(8,446,159)</u>
Net surplus for the year		43,106	260,829
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>43,106</u></u>	<u><u>260,829</u></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 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	2	2,164,975	1,661,219
Receivables	3	35,044	73,728
Inventories		12,409	10,883
Other assets		<u>49,447</u>	<u>55,880</u>
Total current assets		<u>2,261,875</u>	<u>1,801,710</u>
Non-current assets			
Other financial assets		200,000	400,000
Intangible assets	5	58,948	88,423
Property, plant and equipment	4	<u>1,065,187</u>	<u>900,983</u>
Total non-current assets		<u>1,324,135</u>	<u>1,389,406</u>
Total assets		<u>3,586,010</u>	<u>3,191,116</u>
Current liabilities			
Payables	6	230,839	384,375
Provisions	7	181,729	118,479
Other liabilities	8	<u>828,837</u>	<u>594,927</u>
Total current liabilities		<u>1,241,405</u>	<u>1,097,781</u>
Non-current liabilities			
Provisions	7	<u>67,187</u>	<u>54,024</u>
Total non-current liabilities		<u>67,187</u>	<u>54,024</u>
Total liabilities		<u>1,308,592</u>	<u>1,151,805</u>
Net assets		<u>2,277,418</u>	<u>2,039,311</u>
Equity			
Reserves	9	682,500	487,500
Retained earnings	10	<u>1,594,918</u>	<u>1,551,811</u>
Total equity		<u>2,277,418</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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Reserves \$	Retained earnings \$	Total equity \$
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>
Transfers		<u>100,000</u>	<u>(100,000)</u>	<u>-</u>
Balance as at 1 January 2018		487,500	1,551,812	2,039,312
Surplus for the year		<u>-</u>	<u>43,106</u>	<u>43,106</u>
Total comprehensive income for the year		<u>-</u>	<u>43,106</u>	<u>43,106</u>
Revaluation	4	<u>195,000</u>	<u>-</u>	<u>195,000</u>
Balance as at 31 December 2018		<u>682,500</u>	<u>1,594,918</u>	<u>2,277,418</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 2018

	Note	2018 \$	2017 \$
Cash flow from operating activities			
Receipts from fees and other income		2,281,804	2,451,283
Receipts from fee-help government assistance		6,067,597	6,470,943
Fee-help payments to member institutions		(4,301,497)	(4,590,227)
Payments to suppliers and employees		(3,749,966)	(3,740,890)
Interest received		<u>24,435</u>	<u>18,135</u>
Net cash provided by operating activities		<u>322,373</u>	<u>609,244</u>
Cash flow from investing activities			
Proceeds from sale of investments		200,000	-
Payment for property, plant and equipment		<u>(18,617)</u>	<u>(45,719)</u>
Net cash used in investing activities		<u>181,383</u>	<u>(45,719)</u>
Cash flow from financing activities			
Repayment of borrowings		<u>-</u>	<u>(10,174)</u>
Net cash used in financing activities		<u>-</u>	<u>(10,174)</u>
Reconciliation of cash			
Cash at beginning of the financial year		1,661,219	1,107,868
Net increase in cash held		<u>503,756</u>	<u>553,351</u>
Cash at end of financial year		<u><u>2,164,975</u></u>	<u><u>1,661,219</u></u>

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report covers Sydney College of Divinity Ltd (the "College") as an individual entity. The College is a company 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 financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, 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 116:	Property, Plant and Equipment
AASB 1054:	Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(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.

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Inventories

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

(e) 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.

Properties that are held for strategic purpose or to provide a social service and that generate cash inflows where the rental revenue is incidental to the purpose for holding the property, do not meet the definition of investment properties and are classified as properties in accordance with AASB 116.

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.

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (Continued)

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

(f) 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.

Patents, trademarks and licences

Patents, trademarks and licences are recognised at cost. They are amortised over their estimated useful lives, which range from 3 to 10 years. Patents, trademarks and licences are carried at cost less accumulated amortisation and any impairment losses.

(g) Provisions

Provisions are recognised when the company 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.

(h) 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 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Employee benefits (Continued)

(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 government bonds. 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.

(i) 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.

(j) Comparatives

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

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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 2018:

AASB 15 Revenue from Contracts with Customers; and

AASB 16 Leases

Although the directors anticipate that the adoption of the new standards may have an impact on the Company's accounting for its operating leases and revenue recognition, it is impracticable at this stage to provide reasonable estimate of such impact.

(l) Future reserve fund

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

(m) 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	73,243	45,465
Cash on deposit - at call - cash management account	1,411,005	1,575,557
Cash at bank - Korean program	80,727	40,197
Term Deposit	<u>600,000</u>	<u>-</u>
	<u>2,164,975</u>	<u>1,661,219</u>

NOTE 3: RECEIVABLES

CURRENT		
Other debtors	<u>35,044</u>	<u>73,728</u>

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
NOTE 3: RECEIVABLES (CONTINUED)		
Impairment of trade receivables		
<p>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.</p> <p>Movements in the accumulated impairment losses were:</p>		
Opening balance at 1 January	58,793	-
Charge for the year	23,207	58,793
Add back over-accrual	<u>(20,000)</u>	<u>-</u>
Closing balance at 31 December	<u>62,000</u>	<u>58,793</u>
 NOTE 4: PROPERTY, PLANT AND EQUIPMENT		
Strata Property		
At valuation	<u>995,000</u>	<u>800,000</u>
 Plant and equipment		
Improvements at cost	88,614	88,614
Accumulated depreciation	<u>(88,589)</u>	<u>(87,515)</u>
	25	1,099
Office equipment at cost	22,298	22,298
Accumulated depreciation	<u>(22,175)</u>	<u>(20,752)</u>
	123	1,546
Furniture, fixtures and fittings at cost	309,046	297,889
Accumulated depreciation	<u>(262,892)</u>	<u>(241,941)</u>
	46,154	55,948
Web Site at cost	27,048	27,048
Accumulated depreciation	<u>(22,337)</u>	<u>(13,322)</u>
	4,711	13,726
Korean Library at cost	146,443	139,391
Accumulated depreciation	<u>(127,269)</u>	<u>(110,727)</u>
	<u>19,174</u>	<u>28,664</u>
Total plant and equipment	<u>70,187</u>	<u>100,983</u>
Total property, plant and equipment	<u>1,065,187</u>	<u>900,983</u>

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
NOTE 5: INTANGIBLE ASSETS		
Other intangibles, at cost	196,912	196,912
Accumulated amortisation and impairment	<u>(137,964)</u>	<u>(108,489)</u>
	<u>58,948</u>	<u>88,423</u>
NOTE 6: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	19,700	29,258
GST, PAYG, superannuation and payroll tax payable	27,062	37,233
Accrued expenses	116,464	117,191
Other current liabilities	<u>67,613</u>	<u>200,693</u>
	<u>230,839</u>	<u>384,375</u>
NOTE 7: PROVISIONS		
CURRENT		
Employee benefits	(a) <u>181,729</u>	<u>118,479</u>
NON CURRENT		
Employee benefits	(a) <u>67,187</u>	<u>54,024</u>
(a) Aggregate employee benefits liability	248,916	172,503
NOTE 8: OTHER LIABILITIES		
CURRENT		
Fee received in advance	20,200	20,200
Fee help government assistance advance	<u>808,637</u>	<u>574,727</u>
	<u>828,837</u>	<u>594,927</u>

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
NOTE 9: RESERVES		
Asset revaluation reserve	260,000	65,000
Reserve for future funds	<u>422,500</u>	<u>422,500</u>
	<u>682,500</u>	<u>487,500</u>

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 10: RETAINED EARNINGS

Retained earnings at beginning of year	1,551,812	1,390,982
Net surplus for the year	43,106	260,829
Transfers from / (to) reserves	<u>-</u>	<u>(100,000)</u>
	<u>1,594,918</u>	<u>1,551,811</u>

NOTE 11: 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 \$1,125,205 (2017: \$1,231,339) and Fee-Help payments made to such Member Institutions during the year was \$4,301,497 (2017: \$4,590,227).

The compensation of the key management personnel for the year was \$206,825 (2017: \$203,750). The whole of this compensation was in respect to wages, salaries and superannuation contributions and all short-term employment benefits.

SYDNEY COLLEGE OF DIVINITY LTD
ABN 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$

NOTE 12: 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	293,107	21,087
- later than one year and not later than five years	303,365	-
- later than five years	<u>666,113</u>	<u>-</u>
	<u>1,262,585</u>	<u>21,087</u>

NOTE 13: CONTINGENT LIABILITIES

The College has a bank guarantee of \$103,965 as at 31 December 2018. There are no other contingent liabilities to be disclosed in this financial report.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 December 2018 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2018, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2018, of the company.

NOTE 15: 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 2018 there were 7 members (2017: 8).

NOTE 16: ECONOMIC DEPENDENCY

The College depends on grants received from the Commonwealth Government to fund its operation of which 72.46% (2017: 72.60%) of the total revenue from operations is derived from this source.

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
NOTE 17: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE		
	2018	2017
	\$	\$
Fee help		
Financial assistance approved during the year	6,766,225	6,973,150
Financial assistance repaid relating to prior year adjustment	<u>(577,102)</u>	<u>(423,753)</u>
	6,189,123	6,549,397
Net accrual adjustments	<u>(121,526)</u>	<u>(129,111)</u>
Total revenue for the year	6,067,597	6,420,286
Less: Expenses including accrued expenses		
- payments to Member Institutions	4,301,497	4,590,227
- payments to Sydney College of Divinity	<u>1,766,100</u>	<u>1,830,059</u>
	<u>6,067,597</u>	<u>6,420,286</u>
Fee-help surplus/ (deficit) for the year	<u> -</u>	<u> -</u>

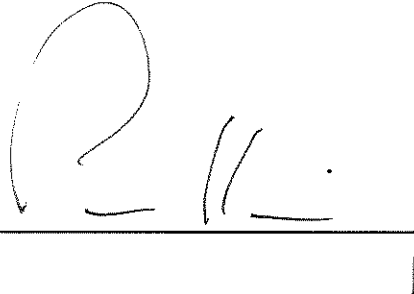
SYDNEY COLLEGE OF DIVINITY LTD
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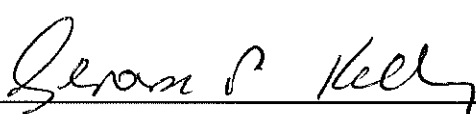
DIRECTORS' DECLARATION

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:  _____

Director:  _____

Dated this TWENTY SECOND day of MAY 2019

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYDNEY COLLEGE OF DIVINITY LTD**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Sydney College of Divinity Ltd, "the College", which comprises the statement of financial position as at 31 December 2018, the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Sydney College of Divinity Ltd, 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 College's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the College in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Sydney College of Divinity Ltd to meet the requirements of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYDNEY COLLEGE OF DIVINITY LTD**

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College'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.

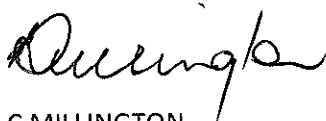
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYDNEY COLLEGE OF DIVINITY LTD*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.

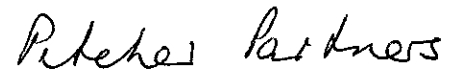
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



C MILLINGTON

Partner

Date: 23 May 2019



PITCHER PARTNERS

Sydney