

Sydney College of Divinity Ltd

ABN: 39 002 653 036

Financial report

For the year ended 31 December 2020

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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

As lead auditor for the audit of Sydney College of Divinity for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor 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

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS
Sydney

Date: 13 May 2021

SYDNEY COLLEGE OF DIVINITY LTD
ABN: 39 002 653 036

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

	2020	2019
	\$	\$
Revenue and other income		
Revenue from student and membership fee	1,939,117	1,895,201
Fee help received	4,844,710	5,502,812
Other revenue	126,415	171,689
Government stimulus (COVID-19)	<u>632,725</u>	<u>-</u>
	<u>7,542,967</u>	<u>7,569,702</u>
Less: expenses		
Depreciation and amortisation expense	(328,333)	(338,591)
Employee benefits expense	(2,154,442)	(2,097,027)
Finance costs	(42,550)	(56,643)
Fee Help- Member Institutions	(3,616,634)	(3,872,612)
Student related expenses	(245,040)	(212,128)
Administrative and other expenses	(451,245)	(764,991)
Office expenses	<u>(240,698)</u>	<u>(216,670)</u>
	<u>(7,078,942)</u>	<u>(7,558,662)</u>
Surplus for the year	464,025	11,040
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income	<u>464,025</u>	<u>11,040</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 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	2	3,705,341	2,423,697
Receivables	3	177,536	87,371
Inventories		10,375	10,375
Other assets		<u>37,878</u>	<u>55,621</u>
Total current assets		<u>3,931,130</u>	<u>2,577,064</u>
Non-current assets			
Intangible assets	4	-	29,474
Lease assets	5	578,665	856,417
Property, plant and equipment	6	<u>1,110,304</u>	<u>1,046,411</u>
Total non-current assets		<u>1,688,969</u>	<u>1,932,302</u>
Total assets		<u>5,620,099</u>	<u>4,509,366</u>
Current liabilities			
Payables	7	319,526	373,057
Lease liabilities	5	289,211	304,773
Provisions	8	254,376	177,827
Other liabilities	9	<u>1,504,295</u>	<u>704,660</u>
Total current liabilities		<u>2,367,408</u>	<u>1,560,317</u>
Non-current liabilities			
Lease liabilities	5	345,631	592,287
Provisions	8	<u>69,577</u>	<u>68,304</u>
Total non-current liabilities		<u>415,208</u>	<u>660,591</u>
Total liabilities		<u>2,782,616</u>	<u>2,220,908</u>
Net assets		<u>2,837,483</u>	<u>2,288,458</u>
Equity			
Reserves	10	867,500	682,500
Retained earnings	11	<u>1,969,983</u>	<u>1,605,958</u>
Total equity		<u>2,837,483</u>	<u>2,288,458</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 2020

	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2019	682,500	1,594,918	2,277,418
Surplus for the year	<u>-</u>	<u>11,040</u>	<u>11,040</u>
Total comprehensive income for the year	<u>-</u>	<u>11,040</u>	<u>11,040</u>
Balance as at 1 January 2020	682,500	1,505,958	2,188,458
Surplus for the year	<u>-</u>	<u>464,025</u>	<u>464,025</u>
Total comprehensive income for the year	<u>-</u>	<u>464,025</u>	<u>464,025</u>
Revaluation	<u>85,000</u>	<u>-</u>	<u>85,000</u>
Balance as at 31 December 2020	<u>767,500</u>	<u>1,969,983</u>	<u>2,737,483</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 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from fees and other income		3,322,922	2,011,724
Receipts from fee-help government assistance		4,844,710	5,502,812
Fee-help payments to member institutions		(3,616,634)	(3,872,612)
Payments to suppliers and employees		(2,975,938)	(3,298,544)
Interest received		11,356	21,683
Interest payments on lease liability	5(c)	<u>(42,550)</u>	<u>(56,643)</u>
Net cash provided by operating activities		<u>1,543,866</u>	<u>308,420</u>
Cash flow from investing activities			
Proceeds from sale of investments		-	200,000
Payment for property, plant and equipment		<u>-</u>	<u>(12,584)</u>
Net cash used in investing activities		<u>-</u>	<u>187,416</u>
Cash flow from financing activities			
Principal portion of lease payments		<u>(262,222)</u>	<u>(237,114)</u>
Net cash provided by / (used in) financing activities		<u>(262,222)</u>	<u>(237,114)</u>
Reconciliation of cash			
Cash at beginning of the financial year		2,423,697	2,164,975
Net increase in cash held		<u>1,281,644</u>	<u>258,722</u>
Cash at end of financial year	2	<u>3,705,341</u>	<u>2,423,697</u>

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 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 from contracts with customers

Revenue from the rendering of services is recognised over time upon the delivery of the service to the customers. This is the sole performance obligation.

Fee-Help Government Assistance revenue is recognised at the point in time when the College obtains control of the funds.

Membership fees are recognised as revenue at the point in time of receipt.

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).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(e) Inventories

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

(f) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (Continued)

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Accounting for lease income:

The company only has operating leases. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Underlying assets subject to operating leases are presented in the statement of financial position according to the nature of the underlying asset.

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment

Each class of property, plant and equipment is measured 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 any accumulated impairment losses. At each reporting 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. 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; all other decreases are recognised in profit or loss.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all other 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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets

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.

(i) 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(j) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the 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 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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 that are denominated in the currency in which the benefits will be paid. 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 College 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.

(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.

(m) Future reserve fund

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

(n) Asset revaluation reserves

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

SYDNEY COLLEGE OF DIVINITY LTD
ABN: 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - Special Purpose Funds	80,006	75,175
Cash on deposit - at call - cash management account	2,790,400	1,534,842
Cash at bank - Korean program	34,935	13,680
Term Deposit	<u>800,000</u>	<u>800,000</u>
	<u>3,705,341</u>	<u>2,423,697</u>

NOTE 3: RECEIVABLES

CURRENT

Receivables from contracts with customers	236,645	136,884
Allowance for credit losses	<u>(59,109)</u>	<u>(62,000)</u>
	177,536	74,884
Other receivables	<u>-</u>	<u>12,487</u>
	<u>177,536</u>	<u>87,371</u>

Receivables from contracts with customers

A receivable from a contract with a customer represents the company's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Invoicing of customers generally occurs on a monthly basis. Outstanding invoices are due for payment within 30 days of the invoice date.

Impairment of receivables from contracts with customers and other receivables

The company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the company determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The company determines expected credit losses using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

SYDNEY COLLEGE OF DIVINITY LTD
ABN: 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 4: INTANGIBLE ASSETS		
Other intangibles, at cost	-	196,912
Accumulated amortisation and impairment	-	<u>(167,438)</u>
	<u>-</u>	<u>29,474</u>
NOTE 5: LEASE ASSETS AND LEASE LIABILITIES		
Lease arrangements (31 December 2020)		
The following information relates to the current reporting period only, and is presented in accordance with AASB 16 <i>Leases</i> .		
(a) Lease assets		
Buildings		
Buildings under lease	1,134,174	1,134,174
Accumulated depreciation	<u>(555,509)</u>	<u>(277,757)</u>
	<u>578,665</u>	<u>856,417</u>
Total carrying amount of lease assets	<u>578,665</u>	<u>856,417</u>
(b) Lease liabilities		
CURRENT		
Talavera Road lease liability	<u>289,211</u>	<u>304,773</u>
NON CURRENT		
Talavera Road lease liability	<u>345,631</u>	<u>592,287</u>
Total carrying amount of lease liabilities	<u>634,842</u>	<u>897,060</u>
(c) Lease expenses and cashflows		
Amounts recognised in the statement of other comprehensive income:		
Interest expense on lease liabilities	(42,550)	(56,643)
Expense relating to lease payments made for leases of 12-months or less (for which a lease asset and a lease liability has not been recognised)	(87,236)	(105,359)
Depreciation expense on lease assets	(277,757)	(277,757)
Total cash outflow in relation to leases	(304,773)	(293,757)

SYDNEY COLLEGE OF DIVINITY LTD
ABN: 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
Strata Property		
At valuation	<u>1,080,000</u>	<u>995,000</u>
Plant and equipment		
Improvements at cost	88,614	88,614
Accumulated depreciation	<u>(88,614)</u>	<u>(88,614)</u>
	-	-
Office equipment at cost	22,298	22,298
Accumulated depreciation	<u>(22,298)</u>	<u>(22,298)</u>
	-	-
Furniture, fixtures and fittings at cost	315,684	315,684
Accumulated depreciation	<u>(296,280)</u>	<u>(280,529)</u>
	19,404	35,155
Web Site at cost	27,048	27,048
Accumulated depreciation	<u>(27,048)</u>	<u>(27,048)</u>
	-	-
Korean Library at cost	152,389	152,389
Accumulated depreciation	<u>(141,489)</u>	<u>(136,133)</u>
	<u>10,900</u>	<u>16,256</u>
Total plant and equipment	<u>30,304</u>	<u>51,411</u>
Total property, plant and equipment	<u>1,110,304</u>	<u>1,046,411</u>

NOTE 7: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	3,747	38,444
GST, PAYG, superannuation and payroll tax payable	35,143	136,757
Accrued expenses	212,271	129,394
Other current liabilities	<u>68,365</u>	<u>68,462</u>
	<u>319,526</u>	<u>373,057</u>

SYDNEY COLLEGE OF DIVINITY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 8: PROVISIONS		
CURRENT		
Employee benefits	(a) <u>254,376</u>	<u>177,827</u>
NON CURRENT		
Employee benefits	(a) <u>69,577</u>	<u>68,304</u>
(a) Aggregate employee benefits liability	323,953	246,131

NOTE 9: OTHER LIABILITIES

CURRENT		
Fee help government assistance advance	<u>1,504,295</u>	<u>704,660</u>

NOTE 10: RESERVES

Asset revaluation reserve	345,000	260,000
Reserve for future funds	<u>522,500</u>	<u>422,500</u>
	<u>867,500</u>	<u>682,500</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 11: RETAINED EARNINGS

Retained earnings at beginning of year	1,505,958	1,594,918
Net surplus for the year	<u>464,025</u>	<u>11,040</u>
	<u>1,969,983</u>	<u>1,605,958</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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, Mr Richard Wheeler, Dr Timothy O'Hearn, Dr Phillip Kariatlis, Dr Leonard Smith, Prof Angelo Karantonis, Dr Robbie Finger, Mr John Ryan, Prof Shukri Sanber, Dr Daniel Fanous, Ms Rosemary Bradford, Prof Isabell Naumann and Mr Milan Stanimirovic.

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 \$1,018,192 (2019: \$1,028,751) and Fee-Help payments made to such Member Institutions during the year was \$3,616,634 (2019: \$3,872,612).

The compensation of the key management personnel for the year was \$217,666 (2019: \$210,926). The whole of this compensation was in respect to wages, salaries and superannuation contributions and all short-term employment benefits.

NOTE 13: CONTINGENT LIABILITIES

The College has a bank guarantee of \$103,964 as at 31 December 2020. There are no other contingent liabilities to be disclosed in this financial report.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

SYDNEY COLLEGE OF DIVINITY LTD
ABN: 39 002 653 036

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

As at 31 December 2020 there were 8 members (2019: 7 members).

NOTE 16: ECONOMIC DEPENDENCY

The College depends on grants received from the Commonwealth Government to fund its operation of which 64.23% (2019: 72.70%) of the total revenue from operations is derived from this source.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

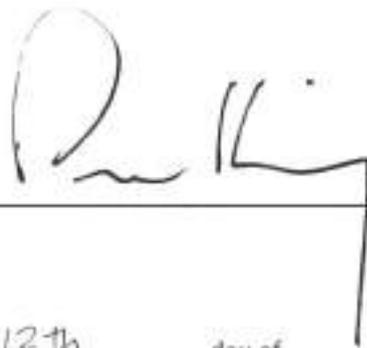
	2020	2019
	\$	\$
NOTE 17: ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE		
	2020	2019
	\$	\$
Fee help		
Financial assistance approved during the year	5,644,345	6,125,547
Financial assistance repaid relating to prior year adjustment	<u>-</u>	<u>(728,117)</u>
	5,644,345	5,397,430
Net accrual adjustments	<u>(799,635)</u>	<u>105,382</u>
Total revenue for the year	4,844,710	5,502,812
Less: Expenses including accrued expenses		
- payments to Member Institutions	3,616,634	3,872,612
- payments to Sydney College of Divinity	<u>1,228,076</u>	<u>1,630,200</u>
	<u>4,844,710</u>	<u>5,502,812</u>
Fee-help surplus/ (deficit) for the year	<u>-</u>	<u>-</u>

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:  _____

Dated this 12th day of MAY 2021

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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 2020, "the College", which comprises the statement of financial position as at 31 December 2020, 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 2020, 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 2020 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 (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Sydney College of Divinity Ltd 2020 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:

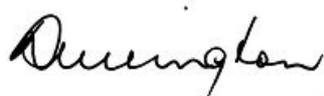
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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)

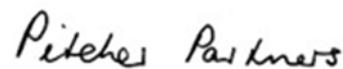
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



PITCHER PARTNERS

Sydney

Date 13 May 2021



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SYDNEY COLLEGE OF DIVINITY LTD
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**COMPILATION REPORT
TO SYDNEY COLLEGE OF DIVINITY LTD**

We have compiled the accompanying additional information of Sydney College of Divinity Ltd for the financial year ended 31 December 2020, as presented on pages 24 - 25. The additional information has been prepared to satisfy the information needs of the directors of Sydney College of Divinity Ltd in accordance with the accounting policies adopted in the preparation of the annual financial statements of Sydney College of Divinity Ltd for the financial year ended 31 December 2020, as described in Note 1 to those financial statements.

The Responsibility of the Directors

The directors of Sydney College of Divinity Ltd 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 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

13 May 2021

SYDNEY COLLEGE OF DIVINITY LTD
ABN: 39 002 653 036

ADDITIONAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2020 FINANCIAL STATEMENTS

	2020	2019
	\$	\$
Revenue		
Student fees	1,088,817	1,028,751
Course fees	850,300	866,450
Fee help received - Government financial assistance- current year	4,844,710	5,502,812
Interest income	11,356	21,683
Other revenue	115,058	150,006
Subsidies and grants	<u>632,725</u>	<u>-</u>
Total revenue	<u>7,542,966</u>	<u>7,569,702</u>
Less expenses		
Fee help - Member Institution	3,616,634	3,872,612
Advertising and marketing	13,753	18,667
Amortisation	29,474	29,475
Audit and accounting fees	44,119	28,605
Bad debts	24,302	-
Bank charges	4,541	6,844
Cleaning	18,830	21,141
Computer expenses	37,689	38,893
Conference expenses	23,002	53,286
Contractors and recruitment costs	34,746	69,172
Depreciation	298,859	309,116
Donations	1,546	256
Electricity	16,532	18,139
Employee benefits expense	16,895	28,106
ESOS	-	10,702
Expenses payable to associates	42,550	56,643
General expenses	138,354	70,890
Insurance	4,855	7,802
Legal costs	11,210	-
Motor vehicle expenses	1,111	-
Office supplies	7,435	4,353
Payroll tax	42,763	52,912
Postage	3,448	2,274
Printing and stationery	26,659	26,629
Professional fees	165,132	80,758
Rent	104,531	98,930

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 2020

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2020 FINANCIAL STATEMENTS

	2020	2019
	\$	\$
Rental outgoings	84,770	82,910
Repairs and maintenance	436	556
Research and development costs	105,861	104,989
Salaries and wages	1,814,202	1,814,015
Provision for leave	77,823	(2,786)
Staff training and welfare	8,440	6,973
Sundry expenses	18,647	16,069
Superannuation	202,759	204,780
Telephone	8,225	13,567
Travelling expenses	<u>28,806</u>	<u>411,384</u>
Total expenses	<u>7,078,939</u>	<u>7,558,662</u>
Operating profit from continuing activities	<u>464,027</u>	<u>11,040</u>

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