



Australian College of Theology

125 YEARS OF EQUIPPING THE BODY OF  
CHRIST FOR THE WORK OF THE GOSPEL

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# 2018 ANNUAL REPORT

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May 2019  
Dr Martin Sutherland  
DEAN and CEO

# **Australian College of Theology Limited**

**ABN 88 869 962 393**

**A Company Limited by Guarantee**

## **Annual Report**

**For the Year Ended 31 December 2018**

## **Australian College of Theology Limited**

**ABN 88 869 962 393**

The Australian College of Theology Limited (ACT or the Company) is an Australian government approved Higher Education Provider, fostering and leading a robust consortium of independent affiliated colleges in the systematic study of theology and other disciplines related to Christian ministry.

The ACT's chief purpose is to equip people faithfully to serve God's church and God's world in support of the Gospel's message in society and culture.

To this end, the ACT delivers programs, processes and services necessary to deliver learning and teaching, research and scholarship up to the highest level, in collaboration with its affiliated colleges and other stakeholders, supported by external specialist advisers.

This report covers key performance measures and major developments during 2018. Further detail on standing policies and operations of the ACT may be found on the ACT website at <http://www.acttheology.edu.au/>

## **Contents**

	<b>Page</b>
<b>SECTION A: Report of Operations</b>	
Chair's Report	3
Dean's Report	4
ACT Governance and Staff	6
Courses and Enrolment	8
Outcomes	11
Research	17
Compliance and Reporting	18
Auditor's Independence Declaration under Subdivision 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012	25
Directors' Declaration	26
Independent Audit Report	27
<b>SECTION C: Financial Report</b>	
Statement of Profit or Loss and Other Comprehensive Income	29
Statement of Financial Position	30
Statement of Changes in Equity	31
Statement of Cash Flows	32
Notes to the Financial Statements	33

## Chair's Report

The past twelve months has seen significant change for the Australian College of Theology. Your Board of Directors has embraced the change in light of the ACT's longstanding vision for theological education which "equips people to faithfully serve God's church and God's world".

Mid-2018 saw the resignation of two long standing Directors, Richard Cardew and Peter Young.

Richard served the ACT for over ten years including terms as Chair of the Board of Directors for four years, Chair of the Academic Board, a member of the Audit and Risk Management Committee and Chair of the new Dean Selection Committee. Over this time, the number of affiliated colleges, students and curriculum offerings grew significantly. Richard always gave generously of his time and his knowledge of higher education policy and the university sector.

Peter served the ACT for over seven years and was Chair of the Audit & Risk Management Committee for over five years. He brought a very deep knowledge of accounting and risk management practice and contributed significantly to the development of the ACT's strategic direction and implementation of that strategic direction.

The Board thanks both Richard and Peter for their contributions over many years and gives thanks to God for their service and commitment to theological education in Australia.

In July 2018, I was appointed interim Chair for twelve months and asked by the Board to oversee a Board renewal process. After a period of consultation with members and other stakeholders, the ACT appointed four new Directors in September 2018: Professor Anne Abraham, Professor Phil Dolan, Rev Dr Theresa Lau, and Senior Professor Roger Lewis. Details of their background and experience is set out in the Directors' Report to the ACT's 2018 Financial Statements.

The ACT's March 2016 application for recognition as an Australian University of Specialisation remains under assessment and consideration by the Tertiary Education Quality and Standards Agency. Whatever the outcome of the application, the ACT's objects remain as set out in its constitution: to foster and direct the systematic study of theology and other disciplines related to Christian ministry by teaching and research in a manner and at a level comparable to the standards of Australian universities. In pursuit of these objects, the Board has adopted an updated strategy for the five years 2018-2022 based around four priorities:

- enabling affiliated colleges to realise their potential in higher education;
- fostering and enhancing a world class culture of research and scholarship;
- promoting the study of theology and related disciplines through the collaborative model; and
- sustaining the ACT in its role fostering and leading a robust consortium.

These priorities were discussed at the annual Consortium Conference in June 2018 with a particular focus on issues of safeguarding (including a session on the implications of Royal Commission into Institutional Responses to Child Sexual Abuse for theological education), diversity and resourcing affiliated college Boards. This year's Consortium Conference will focus on religious freedom and theological education and the changing regulatory environment for higher education providers.

The Board is grateful for the leadership of Dr Martin Sutherland as Dean and CEO of the ACT and I commend to your reading his report on the operations of the ACT and the consortium it fosters and leads, as well as the ACT's 2018 Financial Statements.

A handwritten signature in black ink, appearing to read 'Greg Hammond', with a stylized flourish at the end.

*Greg Hammond*  
Chair, Board of Directors

## From the Dean

This Annual Report covers the activities of the Australian College of Theology in 2018. ACT has continued to offer first class teaching and research in a rapidly changing tertiary environment.

Key statistics (see below) show that 2018 was a challenging year for some of ACT's affiliated colleges. Whilst graduations were again strong, overall enrolments were down, especially in undergraduate, three-year programmes. Shorter, Diploma programmes remained strong. These trends are not unique to ACT. All fields of tertiary education are beginning to respond to an increased call for flexibility and shorter-term qualifications.

These structural challenges aside, the accompanying Directors' Report and Financial Statements for 2018, records another pleasing financial performance. ACT has been able to maintain a strong surplus, with increased efficiency and careful control of expenditure. The ACT remains securely positioned to hold its place in a challenging tertiary environment, with resources to invest in new initiatives as they emerge.

The ACT lodged an application for recognition as an Australian University of Specialisation (AUS) in March 2016. The application remains unresolved. A draft report on ACT's application was received in July 2017. In light of ACT's response, a second draft report was issued by the Tertiary Education Quality and Standards Authority (TEQSA) in September 2018. New issues were raised and a further detailed response has been lodged. No final finding on the application has yet been made.

Fundamental to the AUS vision is recognition of ACT's research culture. Research and publication are key ways by which a Christian Higher Education Provider pursues its calling. ACT continues to invest in research, partnering with affiliated colleges and faculty to enable and encourage new work. The section of this report which highlights research and scholarship gives an account of the research culture at ACT. Further details of publications will be in the 2018 Research Report which will be made available on the ACT website.

The major internal project for 2018 was a thorough revision of ACT's curriculum to better align it with the structure and expectations of the Australian Qualifications Framework (AQF). The various academic committees of ACT have made substantial progress in this complex exercise. The result will be a sharper, more clearly delineated and flexible set of programmes which will be implemented in 2020. The project has been undertaken in connection with our self-accrediting processes. The revised curriculum has been accredited for seven years from 2020.

ACT is well served by its Board of Directors. Each brings their best to the task and offers significant time to the governance of our affairs. The staff in the ACT office are similarly dedicated. I have been especially grateful for the support of the Associate Dean Rev Dr Graeme Chatfield and the senior team. The way we manage this unusual and sometimes complex institution in a constantly changing environment is always under review. The staff have responded with innovative ideas and an impressive capacity to adapt to new requirements.

ACT draws together a wide range of providers. Our affiliated colleges vary by denominational link, history, style, size and location. Each has its own sense of mission and calling. Some focus on training for traditional ministries, others for cross-cultural mission, still others are exploring options for the wider training of Christian professionals. ACT's commitment is to enable the best flourishing possible of each college in the Higher Education (HE) environment. This means keeping up with new regulations and the shifting ground of tertiary funding. With a number of changes to legislation already in place or signaled, all Higher Education Providers must be alert and responsive to the requirements of the sector and their stakeholders.

The Royal Commission into Institutional Responses to Child Sexual Abuse published its report in December 2017. ACT has taken seriously the findings of the Commission, along with its recommendations for creating safe institutions. This has begun at the top, with the intentional improvement to the diversity of the Board of Directors. The Academic Board has noted the need for issues of safety to be found throughout the curriculum. Affiliated colleges now report on progress made in this area. ACT has resolved to join the National Redress Scheme for Institutional Child Sexual Abuse.

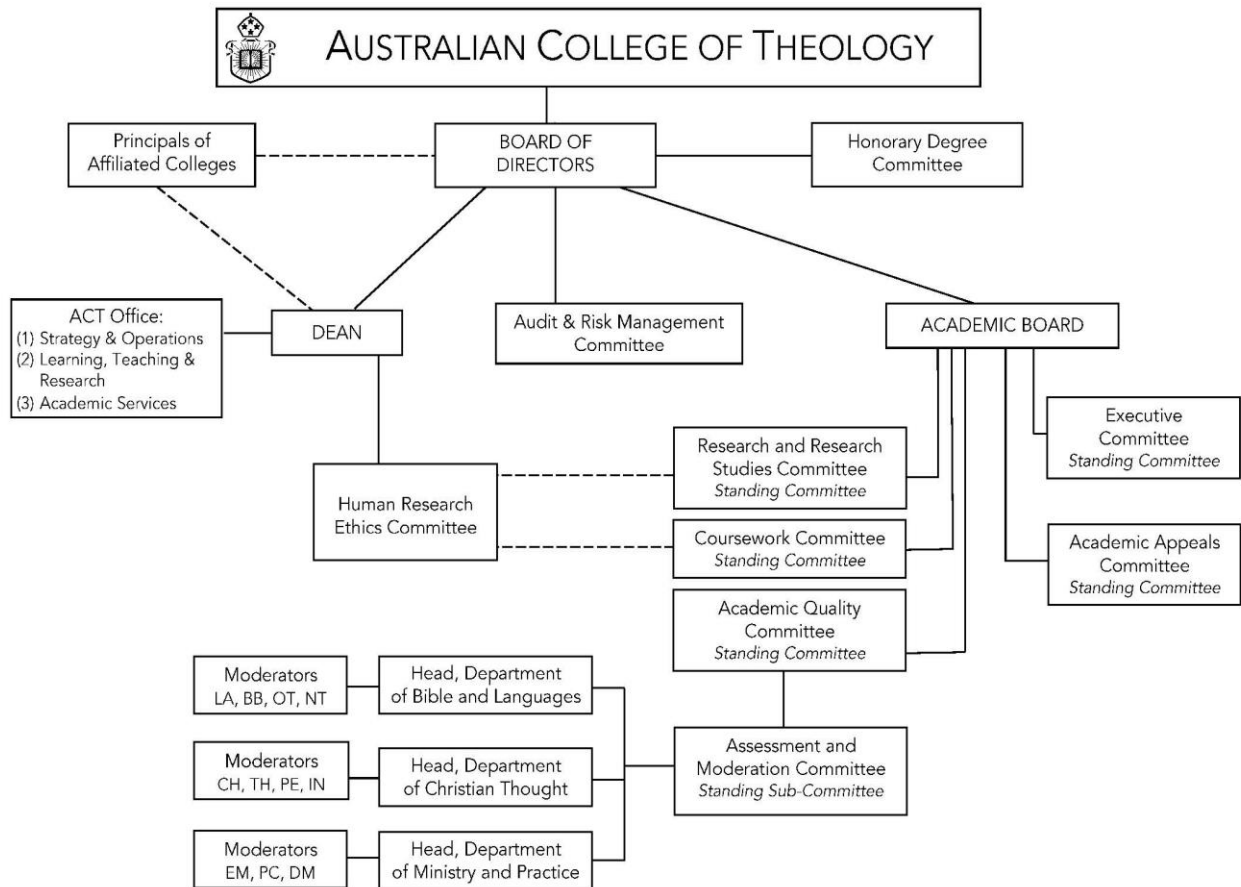
All this has highlighted the range of issues relating to safe environments. Attention is being paid to questions of domestic and sexual violence as well as to the better inclusion of those with disabilities. Increasingly, these are issues addressed by regulators as they assess institutions' performance in higher education.

ACT continues its commitment to pursuing University status, with an up-to-date curriculum and a strong research culture. We will continue to seek ways to retain students in study, increase the representation of women, the disabled and indigenous peoples. We will build an environment which promotes the safety and hospitality which characterises the Gospel. ACT will invest in its research culture and initiatives to build the visibility of well-founded Christian research. None

of this will happen without change, but the commitment remains to ACT's longstanding vision for theological education which "equips people to faithfully serve God's church and God's world."



*Martin Sutherland*  
Dean and CEO.



## Management Team 2018

### **Strategy & Operations**

Martin Sutherland, Dean/CEO  
 Tara Holdaway, EA to Dean  
 Vicki Chen, Director of Finance  
 Mary Ann Navidad, Financial Accountant  
 Paul Yeates, Director of Quality & Operations  
 Meredith Walker-Harding, Quality Assurance Officer  
 Stephen Sarkoezy, Academic Quality Officer

### **Learning Teaching & Research**

Graeme Chatfield, Associate Dean and Director of Research  
 Geoff Treloar, Director of Learning & Teaching  
 Elizabeth Kohn, Research Students Administrator  
 Megan Powell du Toit, Publishing Manager

### **Academic Services**

Simon Davies, Registrar  
 Diana Tadjudin, Deputy Registrar  
 Elisa Norris, Academic Administrative Officer  
 Asanka Gunarathne, Academic Administrative Officer  
 Coralie Scott, Academic Administrative Officer

## The ACT as a Consortium of Colleges

The Australian College of Theology exists as a partnership between the Anglican Church of Australia and a confessionally diverse, national network of Bible and theological colleges delivering the awards of the ACT on its behalf.

Colleges affiliated with the Australian College of Theology are represented at all levels of ACT governance. The relationship between each college and the ACT is expressed in the Affiliation Agreement signed by each affiliated college and the Board of Directors, the governing body of the ACT.

The richness of such a collection of colleges, each with a strong sense of their particular calling, is evident in the profiles each has provided for the ACT website. (See <http://www.acttheology.edu.au/our-colleges/>)

## The Affiliated Colleges

Western Australia:	Trinity Theological College Vose Seminary
South Australia:	Bible College SA
Victoria:	Melbourne School of Theology Presbyterian Theological College Reformed Theological College Ridley College
New South Wales:	Christ College Mary Andrews College Morling College Sydney Missionary and Bible College Youthworks College
Queensland	Brisbane School of Theology Malyon College Queensland Theological College
New Zealand:	Laidlaw College

## Courses and Enrolment

The ACT offers specialist qualifications in ministry, theology, and Christian studies, ranging from undergraduate diplomas through to doctoral degrees. Awards are compliant with the Australian Qualifications Framework. ACT's courses are delivered through a network of independent affiliated colleges.

Under the Higher Education Support Act 2001 and the National Guidelines for Higher Education Approval Process – Guidelines for awarding self-accrediting authority to higher education institutions other than universities, the ACT has self-accrediting authority in the field of Religious Studies. After a process involving external consultation and benchmarking, all ACT courses were approved for re-accreditation during 2016. Accordingly, all courses currently offered by the ACT are accredited until 31 December 2021.

### Five Year Trends

ACT remains the largest provider of HE courses in theology in Australasia. Overall enrolments have been steady across the period. After a dip in the middle years, Equivalent Full Time Study (EFTS) rose in 2016 and 2017, but fell back by nearly 6% overall in 2018. Some challenging trends continue. As **Table One** shows, there has been a significant decline (26%) in undergraduate degrees such as the Bachelor of Theology and the Bachelor of Ministry. ACT does not seem to have lost these students, but they are choosing different courses. The strongest area of growth has been in undergraduate diplomas at AQF levels 5 & 6 (28%). More vocationally-oriented students have contributed to a rise in taught postgraduate courses such the Master of Divinity and the Master of Ministry. First year commencements in these degrees continue to be strong. Nevertheless, ACT does exhibit a sector-wide trend towards shorter courses. Indications from students suggest the attraction of flexibility and multiple pathways – factors which will need to be considered in curriculum planning,

**TABLE ONE: Course Enrolments Trend 2014-2018**

	2014		2015		2016		2017		2018		5-yr trend
	n.	eftsl	n.	eftsl	n.	eftsl	n.	eftsl	n.	eftsl	eftsl
<b>Sub-degrees (AQF 5 &amp; 6)</b>	737	284	840	340	948	397	1,006	414	915	400	+41%
<b>Degrees (AQF 7)</b>	843	446	775	418	759	398	731	373	652	328	-26%
<b>Bachelor Honours/Graduate (AQF 8)</b>	722	218	702	201	733	212	811	245	859	235	+8%
<b>Masters Coursework/Extended (AQF 9)</b>	841	426	833	420	899	464	948	455	932	441	+3%
<b>Research (AQF 9 &amp; 10)</b>	86	45	96	53	96	51	93	46	83	40	-11%
<b>Other</b>	38	6	33	6	19	4	23	4	27	5	-20%
<b>Grand Total</b>	3,267	1,426	3,279	1,438	3,454	1,526	3,612	1,538	3,468	1,448	+2%

**Tables Two and Three** list the courses offered by ACT in 2018, together with the student enrolments and numbers graduating from each course

**TABLE TWO: Course Enrolments - 2018**

<i>Course</i>	<i>EFTSL</i>	<i># Students</i>
<b>Undergraduate – Sub-degrees (AQF 5 &amp; 6)</b>		
<i>Diploma of Christian Studies</i>	147.3	230
<i>Diploma of Theology</i>	79.1	277
<i>Diploma of Ministry</i>	82.6	232
<i>Diploma of Theology/Diploma of Ministry</i>	17.8	43
<i>Advanced Diploma of Theology</i>	30.2	46
<i>Advanced Diploma of Ministry</i>	12.8	34
<i>Adv. Diploma of Theology/Adv. Diploma of Ministry</i>	12.6	18
<i>Associate Degree of Theology</i>	4.9	12
<i>Associate Degree of Ministry</i>	12.5	23
<b>TOTAL</b>	<b>399.7</b>	<b>915</b>
<b>Undergraduate – Degrees (AQF 7)</b>		
<i>Bachelor of Christian Studies</i>	13.8	35
<i>Bachelor of Theology</i>	170.5	335
<i>Bachelor of Ministry</i>	119.5	244
<i>Bachelor of Theology/Bachelor of Ministry</i>	24.2	38
<b>TOTAL</b>	<b>328.0</b>	<b>652</b>
<b>Postgraduate – Bachelor Honours/Graduate (AQF 8)</b>		
<i>Bachelor of Theology (Honours)</i>	2.8	6
<i>Bachelor of Ministry (Honours)</i>	0.2	1
<i>Graduate Certificate of Christian Studies</i>	0.5	1
<i>Graduate Certificate of Divinity</i>	27.9	132
<i>Graduate Certificate of Theology</i>	3.0	10
<i>Graduate Certificate of Ministry</i>	3.5	14
<i>Graduate Diploma of Christian Studies</i>	4.0	14
<i>Graduate Diploma of Divinity</i>	186.8	664
<i>Graduate Diploma of Theology</i>	3.0	7
<i>Graduate Diploma of Ministry</i>	3.6	10
<b>TOTAL</b>	<b>235.3</b>	<b>859</b>
<b>Postgraduate – Masters Coursework/Extended (AQF 9)</b>		
<i>Master of Divinity</i>	300.6	596
<i>Master of Divinity/Graduate Diploma of Divinity</i>	34.1	42
<i>Master of Ministry</i>	42.0	84
<i>Master of Missional Leadership</i>	3.9	12
<i>Master of Arts (Christian Studies)</i>	13.5	33
<i>Master of Arts (Theology)</i>	28.9	99
<i>Master of Arts (Ministry)</i>	17.6	66
<b>TOTAL</b>	<b>440.6</b>	<b>932</b>
<b>Postgraduate - Research (AQF 9 &amp; 10)</b>		
<i>Master of Theology</i>	8.9	21
<i>Doctor of Ministry</i>	2.5	6
<i>Doctor of Philosophy</i>	27.3	53
<i>Doctor of Theology</i>	1.0	3
<b>TOTAL</b>	<b>39.6</b>	<b>83</b>
<b>Other Student Enrolments</b>		
<i>Cross-institutional – Undergraduate</i>	3.5	20
<i>Cross-institutional – Postgraduate</i>	1.6	7
<b>TOTAL</b>	<b>5.1</b>	<b>27</b>
<b>TOTAL Course Enrolments</b>	<b>1,448.3</b>	<b>3,468</b>
<b>TOTAL Student Enrolments (Headcount)</b>	<b>1,448.3</b>	<b>3,362</b>
<i>Non-AQF ACT Courses</i>	51.3	156

**TABLE THREE: Graduates by Course 2018**

<b>Course</b>	<b># Graduates</b>
<b>Undergraduate – Sub-degrees (AQF 5 &amp; 6)</b>	
Diploma of Christian Studies	121
Diploma of Theology	68
Diploma of Ministry	49
Diploma of Theology/Diploma of Ministry	17
Advanced Diploma of Theology	11
Advanced Diploma of Ministry	7
Adv. Diploma of Theology/Adv. Diploma of Ministry	1
Associate Degree of Theology	5
Associate Degree of Ministry	13
<b>TOTAL</b>	<b>292</b>
<b>Undergraduate – Degrees (AQF 7)</b>	
Bachelor of Christian Studies	5
Bachelor of Theology	51
Bachelor of Ministry	34
Bachelor of Theology/Bachelor of Ministry	7
<b>TOTAL</b>	<b>97</b>
<b>Postgraduate – Bachelor Honours/Graduate (AQF 8)</b>	
Bachelor of Theology (Honours)	4
Bachelor of Ministry (Honours)	0
Graduate Certificate of Christian Studies	0
Graduate Certificate of Divinity	68
Graduate Certificate of Theology	14
Graduate Certificate of Ministry	2
Graduate Diploma of Christian Studies	3
Graduate Diploma of Divinity	147
Graduate Diploma of Theology	2
Graduate Diploma of Ministry	4
<b>TOTAL</b>	<b>244</b>
<b>Postgraduate – Masters Coursework/Extended (AQF 9)</b>	
Master of Divinity	85
Master of Divinity/Graduate Diploma of Divinity	13
Master of Ministry	9
Master of Missional Leadership	0
Master of Arts (Christian Studies)	4
Master of Arts (Theology)	23
Master of Arts (Ministry)	11
<b>TOTAL</b>	<b>145</b>
<b>Postgraduate - Research (AQF 9 &amp; 10)</b>	
Master of Theology	5
Doctor of Ministry	1
Doctor of Philosophy	5
Doctor of Theology	1
<b>TOTAL</b>	<b>12</b>
<b>TOTAL Graduates in AQF Qualifications</b>	<b>790</b>
Graduates of Non-AQF ACT Courses	35

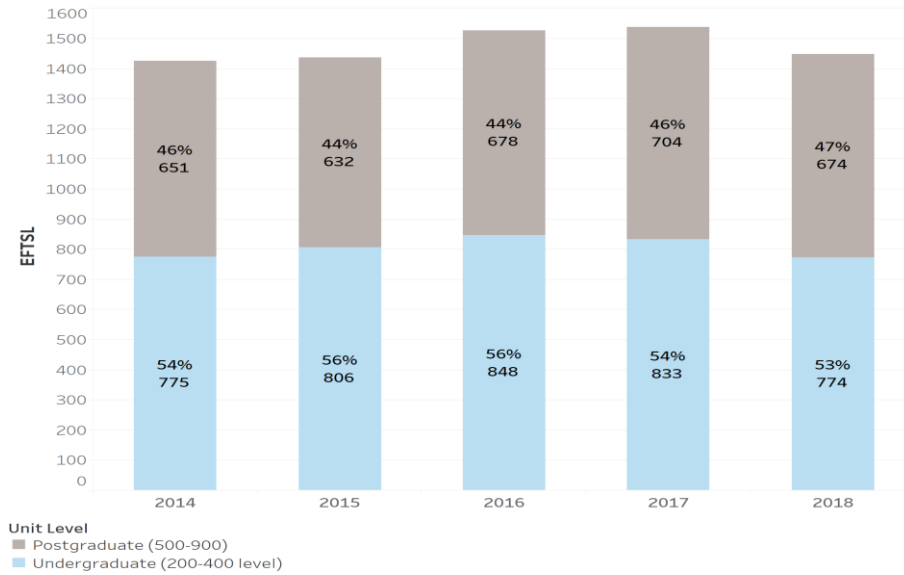
# Outcomes

## Students

As noted in the previous reports, the composition of students at ACT has been markedly stable.

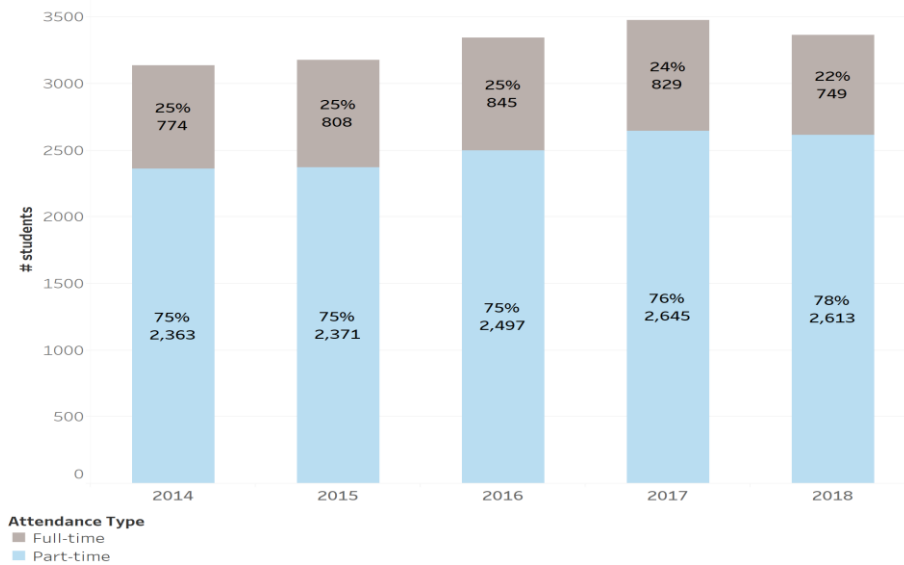
**FIGURE ONE: Students by Level (EFTSL)**

The relative proportions of undergraduate/postgraduate students have been statistically steady. As noted above, however, the makeup of undergraduate students has shifted towards shorter courses.



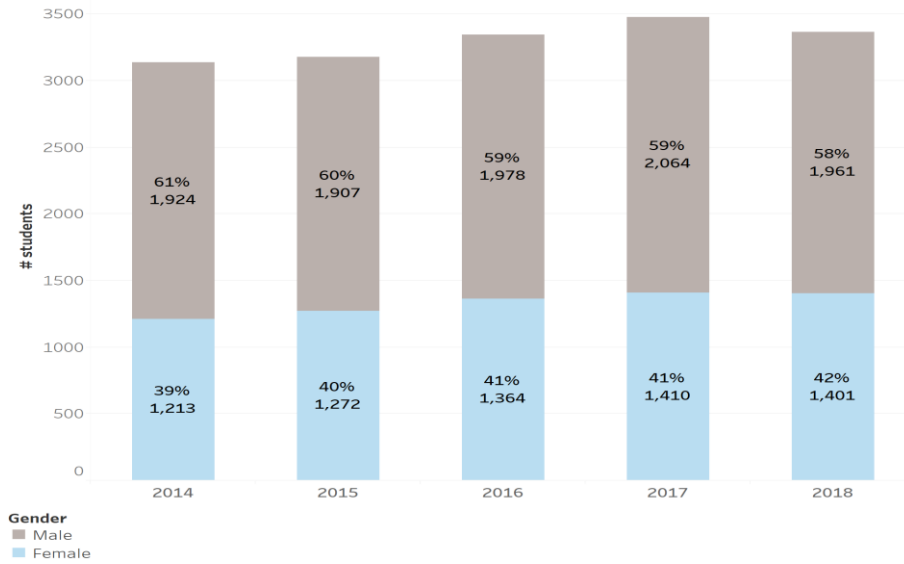
**FIGURE TWO: Students Part-Time vs Full-Time**

Also very steady is the proportion of students studying part-time. ACT has a very high PT figure compared to the wider Higher Education sector. This is known to have a significant impact on attrition and completion rates.



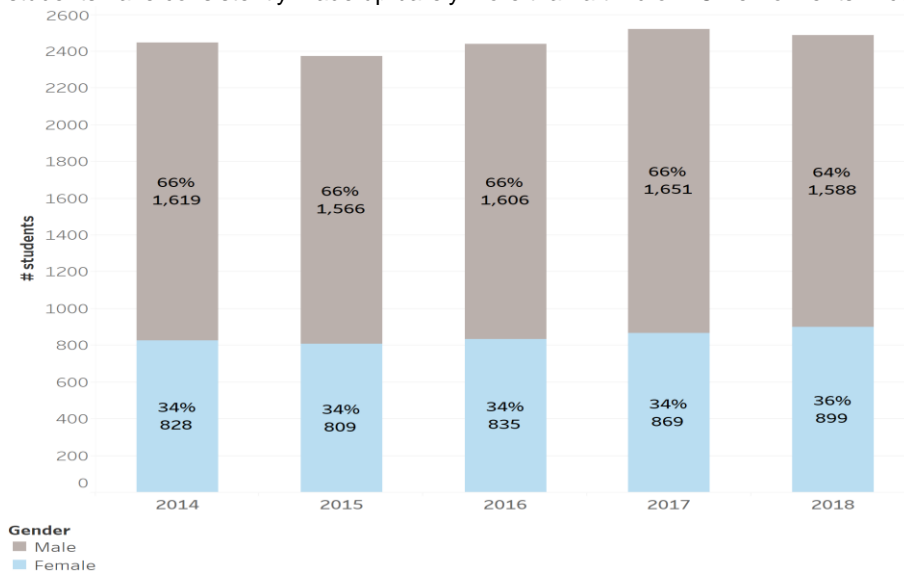
### FIGURE THREE: Students by Gender

For more than a decade, ACT has maintained a steady proportion of male/female students of 60/40. The proportion of female students is below the sector average and significantly below the sector average for humanities subjects.



### FIGURE FOUR: Students by Gender (Degree courses and above)

When the figures for gender are cross matched with level of study, an even less satisfactory picture emerges. Female students have consistently made up barely more than a third of ACT enrolments in courses at degree level and above.



**TABLE FOUR: Completion Rates (6-yr)**

	All students	Full-time	Part-time
<b>Australian College of Theology</b>	50.1%	74.1%	37.8%
<b>Non-University Higher Education Institutions (NUHEIs)</b>	58.1%	66.4%	34.3%
<b>Universities (Table A and B)</b>	71.6%	76.4%	57.6%

- Based on an average value for commencing years 2008-2012
- Source: <https://www.education.gov.au/student-data>

**TABLE FIVE: Commencing Attrition Rate – 2016-2017**

	All students	Full-time	Part-time
<b>Australian College of Theology</b>	24.9%	15.0%	31.4%
<b>Non-University Higher Education Institutions (NUHEIs)</b>	26.8%	23.5%	37.9%
<b>Universities (Table A and B)</b>	17.5%	13.7%	30.2%

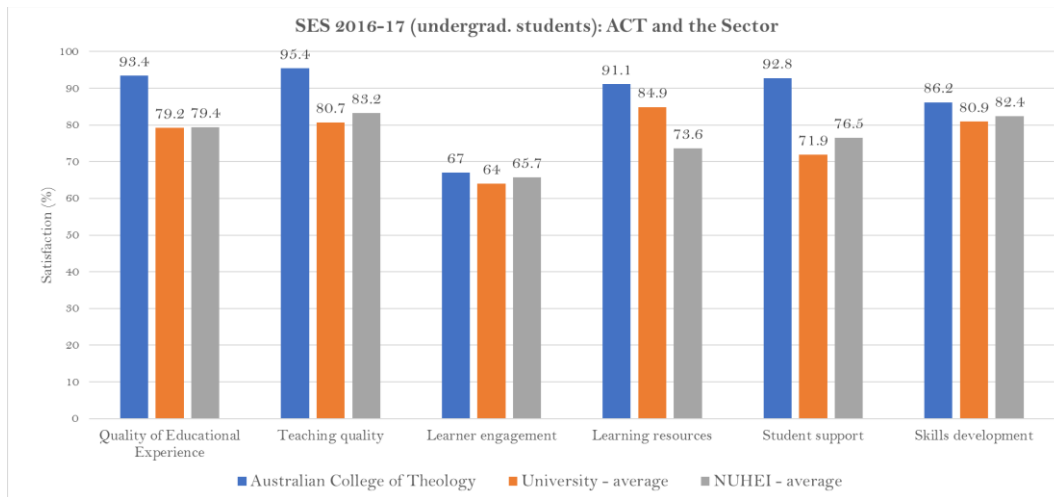
- Source: <https://www.education.gov.au/student-data>

## Satisfaction and Destination

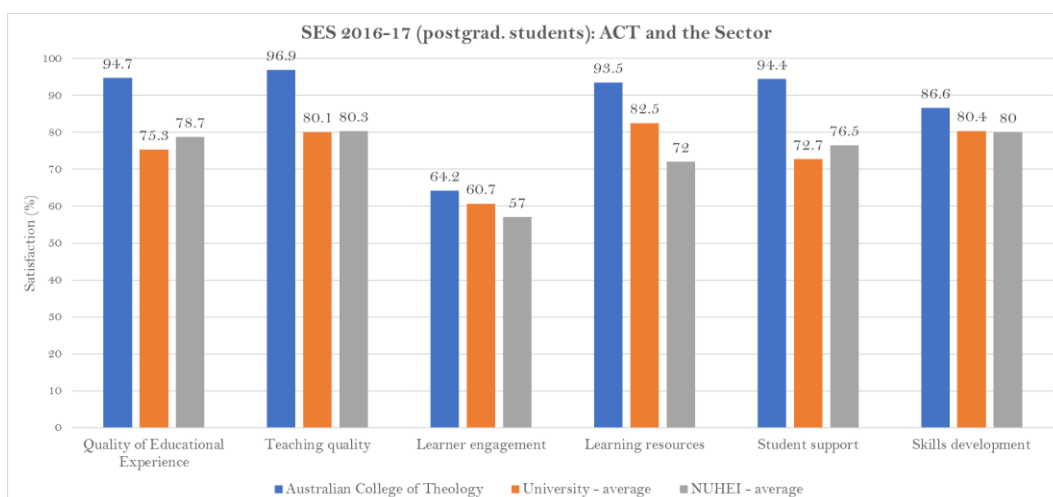
ACT, like other providers in the HE sector, receives rich data from a variety of surveys. This is processed and interpreted by our Quality team and reported to the relevant Boards and Committees and to affiliated colleges as appropriate. Such feedback enables ACT to identify areas of strength and weakness and to identify its relative performance within the HE sector.

### FIGURES FIVE & SIX: Student Experience Survey (SES) 2016-17

This survey of current students shows high degrees of satisfaction and, overall, places ACT very highly within the sector, especially among postgraduate students. The stand-out area of lower satisfaction is in “learner engagement”. This reflects the high proportion of PT students, but remains an area requiring attention by ACT and its affiliated colleges.



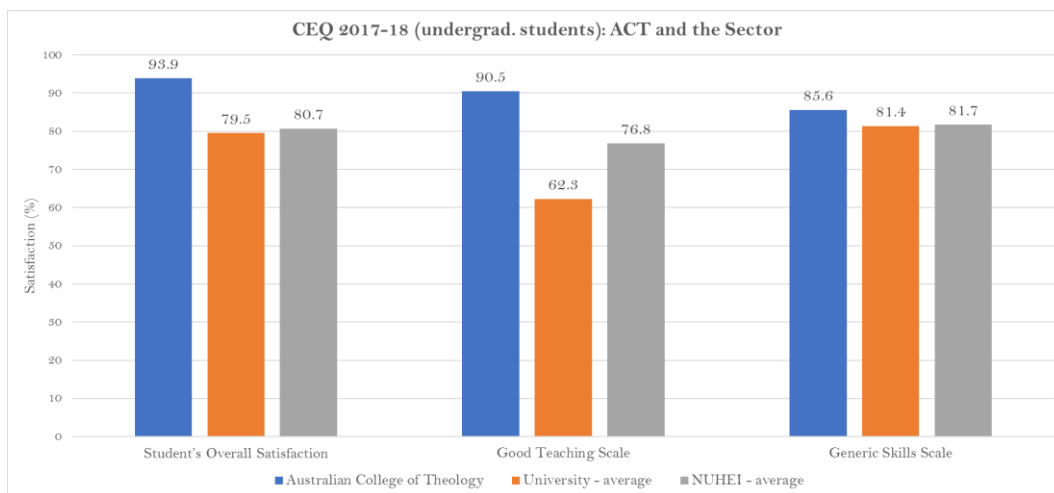
	Quality of educational experience	Teaching quality	Learner engagement	Learning resources	Student support	Skills development
<b>ACT Ranking</b> (out of all universities and NUHEIs; n=94)	7	8	36	9	7	21



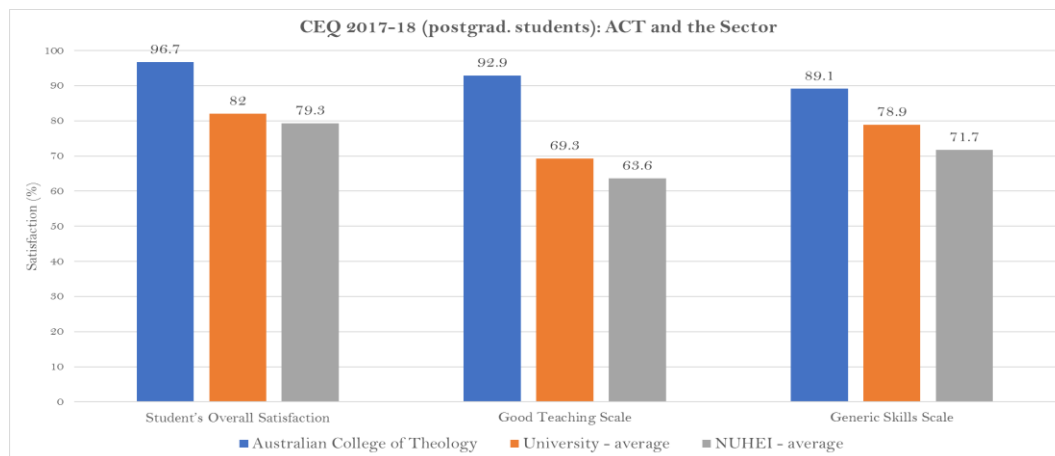
	Quality of educational experience	Teaching quality	Learner engagement	Learning resources	Student support	Skills development
<b>ACT Ranking</b> (out of all universities and NUHEIs; n=72)	1	1	20	2	2	11

## FIGURES SEVEN & EIGHT: Course Experience Questionnaire (CEQ) 2017-2018 – (Surveys Recent Graduates)

ACT's high degree of student satisfaction is further borne out in the responses of graduates.



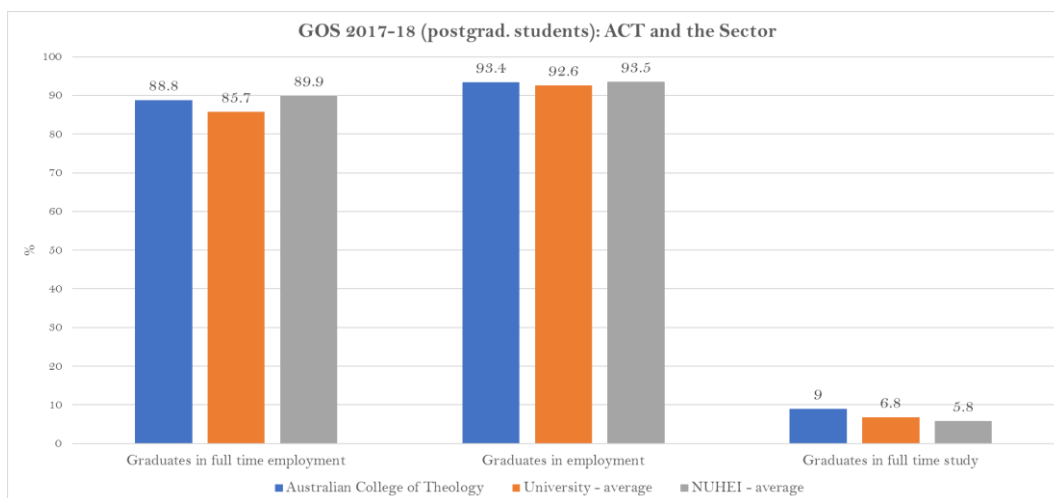
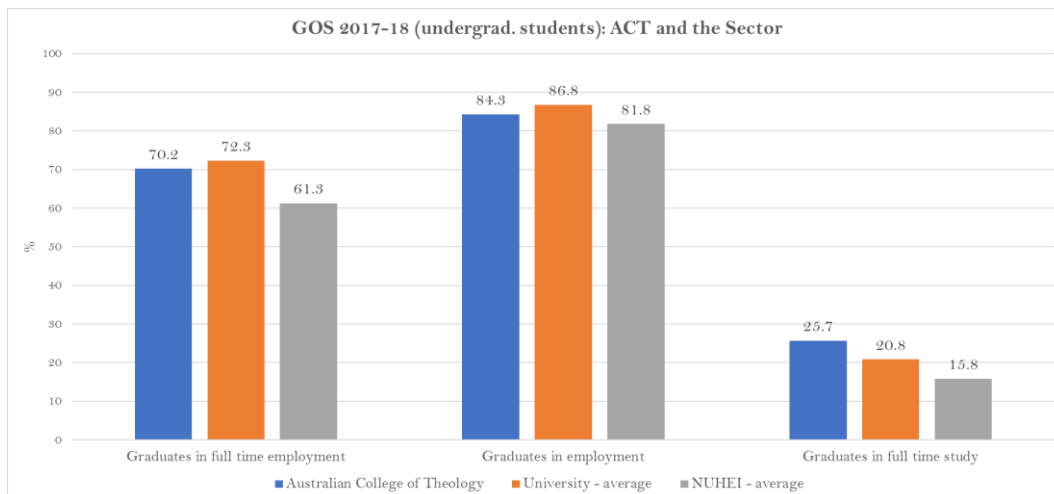
	Students overall satisfaction	Good teaching scale	Generic skills scale
ACT Ranking (out of all universities and NUHEIs; n=85)	4	6	21



	Students overall satisfaction	Good teaching scale	Generic skills scale
ACT Ranking (out of all universities and NUHEIs; n=63)	2	3	6

## FIGURES NINE & TEN: Graduate Outcomes Survey (GOS) 2017-18 – (Surveys Recent Graduates)

These further independent surveys show ACT graduates matching the averages of employment outcomes for the rest of the Higher Education sector.



	Graduates in full time employment	Graduates in employment	Graduates in full time study
<b>ACT Ranking - Undergraduates</b> (out of all universities and NUHEIs; n=54)	37	50	16
<b>ACT Ranking - Postgraduates</b> (out of all universities and NUHEIs; n=60)	18	25	12

## Employer Satisfaction Survey 2016 – (Surveys Employers of Recent Graduates)

	Employability		Overall satisfaction	
	%	n	%	n
<b>Australian College of Theology</b>	86.4	22	92	25
<b>All institutions</b>	86.5	5,311	84.8	5,311

• Overall satisfaction reports the proportion of supervisors giving responses 'Very likely to consider' or 'Likely to consider' to the item: 'Based on your experience with this graduate, how likely are you to consider hiring another graduate from the same course and institution, if you had a relevant vacancy?'

# Research

## Research Culture

The ACT fosters excellence in research, for the benefit of, and engaging with, not only the academy but our wider communities; research that creates positive impacts within communities.

In 2017 we moved into publishing the first collaborative publications through the *ACT Monograph Series*. These have been well received and have provided an opportunity for greater numbers of ACT scholars to be published, alongside respected non-ACT scholars. So far, these books have been edited by ACT faculty. The first such publication was *Finding Lost Words* edited by G. Geoffrey Harper, Kit Barker. This included chapters from thirteen ACT scholars. This book was commended by Tremper Longman III. The second such book was the *Global Edwards*, edited by Rhys Bezzant. This included chapters from many preeminent Edwards scholars, including two by ACT faculty.

At the start of 2018, we had our third collaborative book published, *Theological Education*, edited by Andrew Bain and Ian Hussey. This was almost completely written by ACT scholars, with twenty-four ACT contributors, and was endorsed by the heads of the other Australian theological consortia. This fascinating study has been well received across the sector and has been our best-selling publication to date.

A full list of research publications by ACT faculty will be available in the 2018 Research Report on the ACT Website.

## Compliance and Reporting

ACT is required to report to external regulators and statutory bodies and to comply with a number of state and federal Acts. Key relationships include:

(a) *The Australian Charities and Not-for-profits Commission (ACNC)*

The ACT's Company Secretary submits audited financial statements as soon as possible after the AGM to the ACNC. All current directors of the ACT and their relevant details are listed on the ACNC and ASIC websites.

(b) *Tertiary Education Quality and Standards Agency (TEQSA)*

Under TEQSA all institutions provide a range of staff, academic, financial, and student data on an annual basis. Annual reporting will provide ongoing information that will function as an early warning system with respect to each provider's continued compliance with the Higher Education Threshold Standards 2015. Data for the annual risk assessment of the ACT is submitted in October. This data consists of ACT staff data, financial data of the ACT, student data, and analysis of student evaluations.

(c) *Educational Service for Overseas Students (ESOS) Act*

TEQSA assumed responsibilities for registrations of providers and their courses in mid-2012. These endorsements permit the affiliated colleges of the ACT to deliver ACT courses to overseas students through approved colleges. The ACT was registered nationally on the CRICOS in mid-2014.

(d) *Department of Education*

The ACT's Higher Education Provider (HEP) status requires the reporting of unit and course completion data to the Department through the HEP-CAT reporting program. In addition, the Registrar reports all revisions of enrolment data to the Department and submits the schedule of units, census dates, and tuition fees each semester.

The Higher Education Support Act 2003 (HESA) requires the ACT to maintain regularly updated Repayment Deeds of Guarantee that are signed between each affiliated college and the Board. The Deeds guarantee that any FEE-HELP monies transferred to colleges are retrievable.

In addition, as a requirement of the ACT's HEP status Course Assurance Deeds between the ACT and other providers must be entered into. These allow students to be transferred to other providers to complete the equivalent or similar course of study in the event of the ACT ceasing to provide any of its courses. We have mutually binding Deeds with Avondale College, Moore College, the SCD, the University of Divinity, and the Perth Bible College.

HESA requires the ACT to have the following policies in place:

- Dispute resolution policy for domestic students,
- Re-crediting FEE-HELP balance, and
- Cross-institutional enrolment

These policies must be accessible to all students. All affiliated colleges provide the text of each. Each policy is included in ACT Handbooks.

(e) *Australian Taxation Office (ATO)*

The Director of Finance and Financial Accountant attends an annual workshop which relates to superannuation, PAYG, and other taxation related matters. As a deductible gift recipient, the ACT is required to conduct an annual audit of its entitlement to such authority. The Fringe Benefit Tax reporting year is April-March. The Director of Finance and/or the Financial Accountant prepares and submits the report.

(f) *Human Research Ethics Committee (HREC) Reports to the NSW Privacy Commission and National Health and Medical Research Council*

The CEO is required to comply with statutory guidelines on research under the Health Records and Information Privacy Act 2002. The Company submits the report, prepared by the HREC convenor, by the end of July each year. The ACT is also required to submit a more detailed report to the National Health and Medical Research Council (NHMRC). All HRECs are subject to the Privacy Act 1988 (cwth).

(g) *General Synod*

The ACT is an "associated organisation" of the General Synod. The CEO provides a report on ACT activities to each triennial meeting of the Synod. This took place in 2017. In addition, the CEO provides a copy of the audited financial statements once they have been approved by the AGM.

# Australian College of Theology Limited

## Directors' Report

### 2018

The Directors present their report, together with the financial statements, on the Company for the year ended 31 December 2018.

#### 1. Directors

<b>Anne Abraham</b>	Part year
Date of appointment:	17 September 2018
Title:	Independent Director
Qualifications:	BSc (UniSyd), DipEd (Syd Teachers College), MAcc (Charles Sturt Uni), GradCertHEd (UNSW), MCom (UoW), PhD (UoW).
Experience and Expertise:	<p>Dr Anne Abraham is currently a Director of Forsight Australia, a large Australian not-for-profit company, Anne acts as Treasurer and Chair of their Finance, Audit and Risk Committee. Until recently, Anne was Professor in Accounting and Program Coordinator at Polytechnic Institute Australia (PIA), where she spearheaded the development of new courses including successful applications for HEQSA approval. Prior to her employment with PIA, she was the independent Chair of their Academic Board and subsequently continued as non-independent member. She was also Adjunct Professor at Western Sydney University supervising Doctoral students as they completed their degrees, and where she was Chair of the University Ethics Committee for four years.</p> <p>Anne has held academic positions at various institutions for the past three decades. She has an established publication record, significant experience in presenting papers at international conferences, and has won both international and national awards for excellence in teaching and learning. Her extensive governance experience includes involvement in academic, community and Christian organisations.</p> <p>Anne is a Fellow of CPA Australia (FCPA), a founding member of the Institute of Management Accountants in Australia (CMA) and member of the Australian Institute of Company Directors (MAICD). She holds a PhD in Accounting and Finance from the University of Wollongong, along with two other masters degrees, an undergraduate degree in science and two graduate degrees in education. Anne is a committed Christian who is an active member of her local church and is currently serving in three leadership roles.</p>
Special responsibilities:	None
<b>Paul Barker</b>	Full year
Date of appointment:	8 May 2017
Title:	Non-independent Director
Qualifications:	BTheol (Ridley College), PhD (University of Bristol)
Experience and Expertise:	<p>Rt Rev Dr Paul Barker currently serves as Assistant Bishop in the Anglican Diocese of Melbourne. He also currently holds the post of Adjunct Professor of Biblical Studies at Myanmar Evangelical Graduate School of Theology, and is responsible for Langham Scholar Care, Australia. Dr Barker is an ACT graduate with extensive exposure and experience in theological education around the world, and most particularly in our South East Asian region. He has served as a CMS missionary based in Malaysia, delivering academic courses at thirteen seminaries in ten countries over the last decade. Prior to this, he has had teaching responsibilities at Cheltenham &amp; Gloucester College of Higher Education in the UK, and as Adjunct Lecturer at Ridley College, Melbourne. He has held formal titles as Visiting Professor, Lecturer, or Scholar at five seminaries in five different countries. Dr Barker has a strong publication record and extensive experience in the governance of Christian organisations, having served in 36 committee or board positions including: Twelve years as a member of the Ridley College Council, with six of those as Vice-Chairman; Eight years on the Ridley College Faculty Review Committee; Five years as a member of the Australian College of Theology Council (2004–2009); Ten years on Archbishop in Council for the Anglican Diocese of Melbourne; Six years on the Executive Committee for the Anglican Diocese</p>

of Melbourne; Two years on the Standing Committee of General Synod of the Anglican Church of Australia; Five years as a member of the Asian Theological Association, AGST Alliance Post-Graduate Biblical Studies Steering Committee.

Dr Barker has also served in a variety of church ministry roles, including thirteen years as the Vicar of Holy Trinity Anglican Church in Doncaster, Victoria.

Special responsibilities:

None

**Richard Victor Clare Cardew**

Part year

Date of appointment:

10 Dec 2007

Date of resignation:

30 June 2018

Title:

Independent Director

Qualifications:

BA Hons (Syd), MA Hons (Syd)

Experience and Expertise:

Richard was formerly Director of the Graduate School of the Environment at Macquarie University, an Associate Professor in the Faculty of the Built Environment at UNSW then Adjunct Professor at Macquarie University. His fields of activity ranged across urban and environmental studies covering historic, social science and scientific perspectives in both teaching and research with frequent academic program development coupled with executive committee experience. He has also served on committees of numerous churches, professional and sporting associations and government. He and his wife attend EV Church at Erina.

Special Responsibilities:

Chair, Board of Directors (from 26 May 2014)

**Philip Dolan**

Part year

Date of appointment:

17 September 2018

Title:

Independent Director

Qualifications:

BA (MaqU), MBusAdmin (UNSW), PhD (Stanford).

Experience and Expertise:

Phil Dolan has tertiary qualifications in mathematics, computer science, business administration and finance, and is a graduate of Macquarie University, the University of New South Wales and Stanford University. He is currently an adjunct professor at La Trobe University Business School. His prior roles include Head of Investment Research in the Funds Management arm of Macquarie Bank, Head of the Department of Applied Finance and Actuarial Studies at Macquarie University, Dean of the Business School at the University of Western Australia, and Pro Vice-Chancellor of the College of Arts, Social Sciences and Commerce at La Trobe University. His research and teaching interests are in finance and investment management. Prof Dolan has served on the Boards of a number of educational institutions, including Abbotsleigh School and Robert Menzies College in Sydney, and Methodist Ladies College and St George's College in Perth. He is a member of the congregation at St Jude's, Carlton.

Special responsibilities:

None

**Gregory Norman Hammond OAM**

Full year

Date of appointment:

26 May 2014

Title:

Independent Director

Qualifications:

BA (Hons), LLB (Hons) (Sydney), PTC (Moore), ThA (Hons) (ACT)

Experience and Expertise:

Greg has over 30 years' experience as a banking and corporate lawyer. He was a partner of King & Wood Mallesons for over 27 years. Since retiring from the firm in 2014 Greg has taken up a number of roles in the banking and finance and not-for-profit sectors. His current roles include being chairman of Anglican Community Services (t/as Anglicare Sydney) and Olive Tree Media, an Adjunct Fellow with the Applied Finance Centre at Macquarie University, a director of Anglican Representative (National Redress Scheme) Limited, G&C Mutual Bank and Opportunity International Australia, and a member of the Glebe Administration Board (the trustee of the Diocesan Endowment for the Anglican Diocese of Sydney) and Sydney Diocesan Services.

Special Responsibilities:

Member, Audit & Risk Management Committee, Interim Chair, Board of Directors (from 1 July 2018)

**Kathryn Joy Harden-Thew**

Full year

Date of appointment:

8 May 2017

Title:

Independent Director

Qualifications:

BA DipEd (UNE), MEd (TESOL, UOW), PhD (UOW), FHEA

Experience and Expertise: Academic Developer and curriculum design (Lecturer, School of Education, University of Wollongong) working in the Deputy Vice Chancellor's (Academic) central unit. She is also the Co-ordinator of the University's professional development in learning and teaching review process. Kathryn engages across disciplinary boundaries through membership of the WATTLE (Wollongong Academy for Tertiary Teaching and Learning Excellence) Executive Committee and a range of other committees and working parties. Kathryn brings her extensive experience of working in higher education at subject, course and institution level to the ACT. Prior to taking up employment at UOW, Kathryn met the challenges and joys of full-time ministry for nine years before moving to the Illawarra to take up employment and study at UOW. Following her move to Albion Park in 2017, she has been serving as a member of the Anglican Church Albion Park (APAC). Kathryn Harden-Thew served the Australian College of Theology as an external member of both the Coursework Committee and the Coursework Unit Review Panel.

Special Responsibilities: None

**Brian Shardlow Harris**

Full year  
Date of appointment: 8 May 2017  
Title: Non-independent Director  
Qualifications: BSocSc, BTh (Hons), MTh, PhD (University of Auckland) Cert IV TAE  
Experience and Expertise: Dr Brian Harris is the Principal of Vose Seminary and is Pastor at Large and chair of the Board for the Carey Group, a church, school and community centre planting movement based in Perth, Australia. In addition to serving as a director of Christian Schools Australia, Brian is a member of the Commission on Theological Education and Spiritual Formation of the Baptist World Alliance, and serves on the Academic Board of the Australian College of Theology. He recently served as a visiting international scholar at Carson Newman University in the USA.

Special Responsibilities: Chair, Academic Board (from 22 May 2017)

**Timothy James Harris**

Full year  
Date of appointment: 26 May 2014  
Title: Non-independent Director  
Qualifications: PhD (Flinders), MTh (ACT), BTh (ACT), DipArts (Moore), BA (Macq)  
Experience and Expertise: Timothy has twenty-five years' experience in theological education. Among his roles have been College Dean and Senior Lecturer of Bishopdale Theological College and Adjunct Lecturer at Laidlaw College (2008-2011). He is presently a member of the faculty of St. Barnabas College, Adelaide, and Adjunct Lecturer at Charles Sturt University, a role that includes supervision of doctoral candidates. Timothy was ordained a bishop in the Anglican Church of Australia in 2011.

Special Responsibilities: None

**Theresa Lau**

Part year  
Date of appointment: 17 September 2018  
Title: Non-independent Director  
Qualifications: BA (UoMelb), DipDiv&Miss (SMBC), BTheol (SMBC), PhD (UoMelb)  
Experience and Expertise: Rev Dr. Theresa Yu Lau currently serves as Curriculum Planning Director & Online Learning Coordinator at Melbourne School of Theology Chinese Department. She is also an ordained priest in Anglican Church Australia. Have been a missionary to Spain, serving as Academic Dean & Associate Professor in New Testament at International Chinese Biblical Seminary in Europe. Graduated from the University of Melbourne with a BA, majoring in Psychology & Jewish Studies, BTh from Australian College of Theology through Sydney Missionary and Bible college, and PhD from the University of Melbourne. Dr. Lau has been Adjunct Lecturer at Ridley College, Melbourne, Chinese Theological College Australia, Sydney, Logos Academy of Ministry and Mission, Australia and various universities and seminaries in Asia, also serving on the editorial board for The Acts 15 Society, US and on the advisory board of Keys Mission Organization, International.

Special responsibilities: None

**Roger Lewis**

Part year  
Date of appointment: 17 September 2018  
Title: Independent Director

Qualifications: BSc Hons (USyd), PhD (Griffith), DipTheolSt (Moore), BTheol (ACT Ridley).  
Experience and Expertise: Roger Lewis is a Senior Professor and Associate Dean Research in the Faculty of Engineering and Information Sciences at the University of Wollongong. He was previously the Head of the School of Physics. He is a Fellow of the Australian Institute of Physics and a Fellow of the Royal Microscopical Society. He has served on the College of Experts of the Australian Research Council (2015-2017) and as an Executive Member of the Australian Council of Engineering Deans (2012-2018). He holds a Diploma of Theological Studies (Moore Theological College) and a Bachelor of Theology (Australian College of Theology), studying in multiple modes (on-line, intensive, distance, on campus) at multiple institutions (Ridley, SMBC, Christ College, MST). He is a Fellow of the Institute for the Study of Christianity in an Age of Science and Technology. Dr Lewis has served in a variety of church ministry roles, most recently as Associate Minister at Figtree Anglican Church, March-June 2018.

Special responsibilities: None

**Ian Colwell Miller**

Full year  
Date of appointment: 7 June 2010  
Title: Independent Director  
Qualifications: BA, LLM, ThL (ACT), MAICD, GradDipTheol (CSU), MTh (CSU)  
Experience and Expertise: Ian has 40 years' experience in law. He has been a partner of Hunt & Hunt Lawyers since 1981. Until 2016 he was Chairman of the Council of Barker College. He remains a Director of the Church Missionary Society Trust Limited and Chairman of Pentel (Australia) Pty Limited. He is a member of the Anglican Church General Synod and the Sydney Anglican Synod, and a Consultant Editor to CCH Australia.

Special Responsibilities: Member, Audit and Risk Management Committee

**Brian S. Rosner**

Full year  
Date of appointment: 8 May 2017  
Title: Non-independent Director  
Qualifications: BA (Hons) (Sydney), MTh (Dallas), PhD (Cambridge)  
Experience and Expertise: Brian is a New Testament scholar of international standing, having edited or written over a dozen books, published in most of the major peer-reviewed journals and supervised around twenty doctorates. He is the Principal of Ridley College and previously lectured at the University of Aberdeen in Scotland and Moore Theological College. He has served on the Board of Studies at all three institutions, with particular responsibilities to do with postgraduate studies and higher degrees by research at Aberdeen and Moore. He is currently a director of Ridley College and previously served as a director of Robert Menzies College, Macquarie University. Brian is an active researcher and a great believer in the value of collaborative endeavour. He is an ordained Anglican minister, serves as President of EFAC Victoria and Tasmania and is on the Victorian Committee of the Gospel Coalition of Australia. Brian is also passionate about promoting the gospel in the public sphere and is a fellow of The Centre for Public Christianity. In recent years his articles have appeared in The Age and The Australian and he has been interviewed on Compass and The Spirit of Things.

Special Responsibilities: None

**Peter William Young**

Part Year  
Date of appointment: 24 June 2011  
Date of resignation: 15 May 2018  
Title: Independent Director  
Qualifications: BA (Economic & Financial Studies) (Macq), MA (Management) (Macq), FCA, FStratPS, FAMI CPM, GAICD

Experience and Expertise: Peter Young has extensive consulting experience in business strategy, transformation, growth, talent formation and leadership development, working with listed and private "for profit" and "for benefit" organisations in both the private and public sectors, in single entities and transcending multiple business units in complex business structures undergoing massive transformation. He has held senior management roles in Australia with responsibilities extending throughout Asia, the Americas and Europe. He is a Fellow of the Institute of Chartered Accountants in Australia, Fellow of the Strategic Planning Society, Fellow of the Australian Marketing Institute, where he is a Certified Practising Marketer, and a Graduate Member of the Australian Institute of Company Directors.

Special Responsibilities: Chair, Audit and Risk Management Committee (From 11 June 2013)

## 2. Objectives

The Company's chief purpose is to equip people faithfully to serve God's church and God's world in support of the Gospel's message in society and culture.

## 3. Strategy for achieving objectives

The Company is an Australian government approved Higher Education Provider, fostering and leading a robust consortium of independent affiliated colleges in the systematic study of theology and other disciplines related to Christian ministry. The Company delivers programs, processes and services necessary to deliver learning and teaching, research and scholarship up to the highest level, in collaboration with its affiliated colleges and other stakeholders, supported by external specialist advisers.

## 4. Principal activities

In 2018 the ACT continued to award formationally purposeful and vocationally relevant qualifications and to foster excellence up to the highest level in teaching and learning, research and scholarship. Through its boards and committees, it initiates curriculum development and maintains quality assurance processes developed in collaboration with its affiliated colleges.

The Company pursued the requirements of the Higher Education Threshold Standards (2015), notably with respect to monitoring the quality of learning and teaching across the consortium of affiliated colleges, and facilitating and resourcing the academic governance of the Company through meetings of the Academic Board and its committees.

## 5. Performance measures

The Company self-assesses its performance against feedback from affiliated colleges, by the continued confidence of external unit field moderators and thesis examiners that students enrolled in the Company's courses are meeting stated learning outcomes, and by the maintenance of student numbers across its suite of courses.

## 6. Meetings of directors

There were 5 formal face-to-face meetings of the Board in 2018: 26 February, 26 March, 28 May, 27 August, and 5 November. There were also 3 special meetings of the Board in 2018: 12-21 April (via email), 1 May, and 24 September.

	Directors' Meetings	
	Number attended	Number eligible to attend
Anne Abraham	2	2
Paul Barker	7	8
Richard Victor Clare Cardew (Chair) #2	5	5
Philip Dolan	1	2
Gregory Norman Hammond OAM	7	8
Kathryn J Harden-Thew	8	8
Brian Shardlow Harris	6	8
Timothy James Harris	7	8
Theresa Lau	1	2
Roger Lewis	2	2
Ian Colwell Miller	8	8
Brian Rosner	6	8
Peter William Young #1	4	4

#1 Resigned May 2018

#2 Resigned June 2018

## 7. The amount of each member's liability

The amount that each member of the Company is liable to contribute if the Company is wound up is \$10. (2017: \$10)

### 8. Total amount of members' liability

As at 31 December 2018 the total amount which members of the Company are liable to contribute if the company is wound up is \$580 based on 58 registered members (2017: \$580).

### 9. Auditor's independence declaration

A copy of the auditor's independence declaration is set out on a following page.

This report is made in accordance with a resolution of directors, under subsection 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

This Directors' Report was approved by resolution of the Board of Directors on 1 April 2019, authorising two directors to sign on behalf of the Board.

Director



Greg Hammond

Director



Ian Miller

Sydney,

Dated: 1 April 2019

The Board of Directors  
Australian College of Theology Limited  
Level 10, 257 Clarence Street  
SYDNEY NSW 2000

Dear Sirs/Mesdames

**Auditor's Independence Declaration under Subdivision 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* to the Directors of Australian College of Theology Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



**Nexia Sydney Partnership**



**Mark Boyle**  
*Partner*

Sydney

1 April 2019

**Sydney Office**

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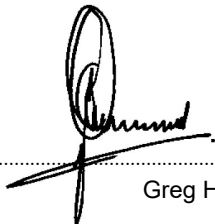
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## Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 31 December 2018 are in accordance with the *Australian Charities and Non-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards, which, as stated in basis of preparation Note to the financial statements, including the Australian Accounting Interpretations) and the *Australian Charities and Non-for-profits Commission Regulation 2013*; and
  - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to Regulation 60-15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director .....  
  
Greg Hammond

Director .....  
  
Ian Miller

Dated: 1 April 2019

## Independent Auditor's Report to the Members of Australian College of Theology Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian College of Theology Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and 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 the Company is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- ii) 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 Company in accordance with 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.

#### Other information

The directors are responsible for the other information. The other information comprises the information in Australian College of Theology Limited's annual report for the year ended 31 December 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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### **Directors' responsibility 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 and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibility 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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_files/ar4.pdf](http://www.auasb.gov.au/auditors_files/ar4.pdf). This description forms part of our auditor's report.



### **Nexia Sydney Partnership**



**Mark Boyle**

*Partner*

1 April 2019  
Sydney

**Australian College of Theology Limited**

ABN 88 869 962 393

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 December 2018**

	Note	2018 \$	2017 \$
<b>Revenue and Other Income</b>			
Administrative Fees	10	2,694,070	2,609,810
Donations (Foundation)	12	2,533,145	1,055,330
Affiliation Fees		114,600	112,940
Interest		37,216	25,325
Net Investment Income (including Franking Credits)		188,594	76,183
Gain on Sale of Investments		12	27,691
Sundry Revenue		27,863	24,137
		<b>5,595,500</b>	<b>3,931,416</b>
<b>Expenditure</b>			
Employee Benefits	9	1,614,192	1,496,439
Donations	12	2,517,689	1,045,940
Fringe Benefits Tax		3,468	2,888
Course Accreditation Costs		33,864	27,597
Academic Study/Professional Development		72,345	59,854
Scholarships	8	52,518	90,000
Depreciation and Impairment expense	6	62,322	69,622
Digital Portal costs		24,429	61,043
Loss on Disposal of Property, Plant & Equipment		6,042	7,333
Loss on Sale of Investments		100,041	16,999
Unrealised Decrease/(Increase) in Value of Investments		73,480	(23,810)
Auditor's Remuneration	2	21,465	21,000
Australian University of Specialisation application fee		-	85,000
Administration and Office Expenditure		505,706	495,735
		<b>5,087,561</b>	<b>3,455,640</b>
<b>Surplus for the year</b>		<b>507,939</b>	<b>475,776</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
Total comprehensive income for the year	15(b)	<b>507,939</b>	<b>475,776</b>

The accompanying notes form part of these financial statements.

# Australian College of Theology Limited

ABN 88 869 962 393

## Statement of Financial Position

As At 31 December 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash at Bank	15(a)	1,660,194	1,940,734
Term Deposits	15(a)	447,586	490,419
Trade and Other Receivables	3	161,280	70,267
Other Assets	4	87,767	87,635
<b>TOTAL CURRENT ASSETS</b>		<b>2,356,827</b>	<b>2,589,055</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	1,490,705	1,536,420
Investments	5	1,568,533	1,210,178
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,059,238</b>	<b>2,746,598</b>
<b>TOTAL ASSETS</b>		<b>5,416,065</b>	<b>5,335,653</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	204,375	647,483
Provision for Annual Leave		92,808	80,836
Provision for Long Service Leave		76,029	45,161
Provision for Scholarships	8	60,000	72,480
<b>TOTAL CURRENT LIABILITIES</b>		<b>433,212</b>	<b>845,960</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Long Service Leave		43,436	56,035
Provision for Scholarships	8	117,626	119,806
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>161,062</b>	<b>175,841</b>
<b>TOTAL LIABILITIES</b>		<b>594,274</b>	<b>1,021,801</b>
<b>NET ASSETS</b>		<b>4,821,791</b>	<b>4,313,852</b>
<b>EQUITY</b>			
Sustainability Fund	14	1,545,000	1,500,000
Development Fund	14	250,000	250,000
Accreditation Fund	14	271,000	150,000
Retained Surplus		2,755,791	2,413,852
<b>TOTAL EQUITY</b>		<b>4,821,791</b>	<b>4,313,852</b>

The accompanying notes form part of these financial statements.

## Australian College of Theology Limited

ABN 88 869 962 393

### Statement of Changes in Equity

For the Year Ended 31 December 2018

2018

	Retained Earnings	Sustainability Fund	Development Fund	Accreditation Fund	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 January 2018</b>	<b>2,413,852</b>	<b>1,500,000</b>	<b>250,000</b>	<b>150,000</b>	<b>4,313,852</b>
Surplus for the year	507,939	-	-	-	507,939
Total other comprehensive income for the year	-	-	-	-	-
Transfers (from)/to funds	(166,000)	45,000	-	121,000	-
<b>Balance at 31 December 2018</b>	<b>2,755,791</b>	<b>1,545,000</b>	<b>250,000</b>	<b>271,000</b>	<b>4,821,791</b>

2017

	Retained Earnings	Sustainability Fund	Development Fund	Accreditation Fund	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 January 2017</b>	2,559,243	1,060,900	217,933	-	3,838,076
Surplus for the year	475,776	-	-	-	475,776
Total other comprehensive income for the year	-	-	-	-	-
Transfers (from)/to funds	(621,167)	439,100	32,067	150,000	-
<b>Balance at 31 December 2017</b>	<b>2,413,852</b>	<b>1,500,000</b>	<b>250,000</b>	<b>150,000</b>	<b>4,313,852</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts in the Course of Operations	4,895,835	3,974,189
Payments in the Course of Operations	(4,851,962)	(3,200,841)
Interest Received	53,760	36,129
Dividends Received	133,506	66,299
NET CASH FROM OPERATING ACTIVITIES	15(b) <u>231,139</u>	<u>875,776</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments Acquired at Market Value	(552,199)	(383,000)
Proceeds on Disposal of Investments	20,335	528,289
Payments for Property, Plant and Equipment	(23,303)	(46,933)
Proceeds on Disposal of Property, Plant and Equipment	655	369
NET CASH FROM INVESTING ACTIVITIES	<u>(554,512)</u>	<u>98,725</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in cash and cash equivalents held	(323,373)	974,501
Cash and cash equivalents at beginning of year	2,431,153	1,456,652
<b>Cash and cash equivalents at end of financial year</b>	15(a) <u><u>2,107,780</u></u>	<u><u>2,431,153</u></u>

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

The financial report covers the Australian College of Theology Limited (the Company) as an individual entity. The Company is a not-for-profit public Company limited by guarantee, incorporated and domiciled in Australia. The registered office and principal place of business is Level 10, 257 Clarence Street, Sydney NSW 2000.

#### **1 Summary of Significant Accounting Policies**

##### **(a) Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commissions Act 2012*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

##### **(b) Comparative figures**

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### **(c) New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

###### **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'. The standard introduces additional new disclosures. The Company adopted this standard from 1 January 2018 and the impact of its adoption is nil on the Company.

##### **(d) Financial instruments**

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

###### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(d) Financial instruments (continued)**

##### **Financial assets (continued)**

##### ***Classification***

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### ***Amortised cost***

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### ***Financial assets at fair value through profit or loss (FVPL)***

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

##### ***Impairment of financial assets***

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(d) Financial instruments (continued)**

###### **Financial assets (continued)**

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### ***Trade receivables and contract assets***

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### ***Other financial assets measured at amortised cost***

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### **Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(d) Financial instruments (continued)**

##### **Financial liabilities (continued)**

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

#### **(e) Impairment of non-financial assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill to nil and then to the other assets in the unit in proportion to their carrying amount.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation decrease as described in the accounting policy for property, plant and equipment.

#### **(f) Revenue and other income**

Revenue includes only the gross inflows of economic benefits received and receivable by the Company on its own account. Amounts collected on behalf of third parties are not economic benefits which flow to the Company and do not result in increases in equity. Therefore, they are excluded from revenue. In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal (affiliated colleges) and which do not result in increases in equity for the Company. The amounts collected on behalf of the affiliated colleges are not revenue.

Refer to Note 10 for further details.

#### **(g) Income tax**

The Company is exempt from income tax under the provisions of the *Income Tax Assessment Act 1997*.

#### **(h) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(h) Leases (continued)**

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### **(i) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **(k) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

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

#### **(l) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less any accumulated depreciation.

Property

Freehold property is recorded at cost less accumulated depreciation.

Other Assets

All other classes of property, plant & equipment are recorded at cost less accumulated depreciation.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(l) Property, Plant and Equipment (continued)**

###### Depreciation and Amortisation

The depreciable amount of all fixed assets (including Freehold Property) are depreciated on a straight line basis over their estimated useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Freehold Property	2.5%
Fixtures and Fittings	2.5%
Furniture and Equipment	20%
Computer and Peripherals	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. In 2018, the Company changed the depreciation rate of computers and peripherals from 20% to 25% to reflect a more accurate useful life of the asset.

##### **(m) Trade and other payables**

Trade and other payables are recorded at year-end invoiced amounts or amounts expected to be invoiced or otherwise due and payable by the Company in the coming twelve months. Trade and other payables also includes an estimate of amounts expected to be recognised as revenue and other income in the coming twelve months that at balance date do not meet the revenue and other income recognition criteria under Australian Accounting Standards.

##### **(n) Provisions for Employee Benefits**

Provisions for employee entitlement benefits, including annual leave and long service leave, are recognised at balance date based on the discounted current rate of employee remuneration factored by the days of entitlement at balance date.

Provisions for employee benefits are classified as current or non-current liabilities depending on the employees' entitlement to access the provided benefit within the coming twelve months of balance date.

##### **(o) New 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. 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 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019.

The standard provides a single revenue recognition model. Its core principle is the recognition of revenue for the transfer of promised goods or services to customers based on an amount which the entity expects to be entitled to, in exchange for those goods or services.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **1 Summary of Significant Accounting Policies (continued)**

##### **(o) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)**

The standard will require:

- identify contracts (either written, verbal or implied);
- identify separate performance obligations within the contract;
- determining the transaction price, adjusted for the time value of money excluding credit risk;
- allocation of the transaction price to the separate performance obligations; 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.

The Company will adopt this standard from 1 January 2019 but the impact of its adoption is still being finalised by the Company.

##### **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 eliminates the concept of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset and associated lease liabilities over the term of the lease will be recognised in the statement of financial position. 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.

Operating lease expense under AASB 117 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) under AASB 16. In the earlier periods of the lease, expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. The Company will adopt this standard from 1 January 2019 and the impact of its adoption is expected to be minimal.

##### **AASB 1058 Income for Not-for-Profit Entities**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard establishes principles for Not-For-Profit entities specifically with regard to transactions where the consideration to acquire an asset is significantly less than fair value to enable a Not-For-Profit entity to further its objectives; to volunteer services received; and transfers made to enable an entity to acquire or construct a non-financial asset for its own use. The Company will adopt this standard from 1 January 2019 and the impact of its adoption is expected to be minimal.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **1 Summary of Significant Accounting Policies (continued)**

#### **(p) Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

##### **Key estimates - impairment of plant and equipment**

The Company assesses impairment at the end of the reporting year by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### **Key judgments - Allowance for expected credit losses**

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 2 Auditors Remuneration

	2018	2017
	\$	\$
<b>Nexia</b>		
Audit of the Financial Statements	17,250	16,100
Other Services	4,215	4,900
	<u>21,465</u>	<u>21,000</u>

### 3 Trade and Other Receivables

#### CURRENT

Trade Debtors	15,966	2,381
Department of Education and Training FEE-HELP Receivable	45,640	-
Interest Receivable	5,047	2,393
Other Receivables	94,627	65,493
	<u>161,280</u>	<u>70,267</u>

#### Credit Risk - Accounts Receivable and Other Debtors

The Company does not have any material credit risk exposure to any single receivable or group of receivables. All receivable balances remain within initial trade terms and are considered to be of low credit risk at year end. No balances are past due at year-end.

All of the Company's trade and other receivables have been reviewed for indicators of impairment and no allowance for credit losses was required.

### 4 Other Assets

	2018	2017
	\$	\$
<b>CURRENT</b>		
Prepaid Registration and Sundry Accreditation Costs	13,968	18,793
Sundry Prepayments	73,799	68,842
	<u>87,767</u>	<u>87,635</u>

### 5 Investments

#### Financial assets at fair value through profit or loss

Listed equities	1,033,845	920,376
Other securities	534,688	289,802
	<u>1,568,533</u>	<u>1,210,178</u>

In the period between balance date and the date of approval of the financial statements, 1 April 2019, the Fair Value of the Company's total investment portfolio being managed by an external investment manager, which include listed equities, other securities, cash and term deposits, has increased by approximately 7%.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 6 Property, Plant and Equipment

	2018	2017
	\$	\$
<b>NON-CURRENT</b>		
<b>Freehold Property</b>		
Level 10, 257 Clarence Street - Sydney - at cost	1,532,656	1,532,656
Less Accumulated Depreciation	<u>(207,896)</u>	<u>(168,837)</u>
	<b>1,324,760</b>	<b>1,363,819</b>
<b>Furniture and Equipment</b>		
Furniture and Equipment - at cost	162,160	157,118
Less Accumulated Depreciation	<u>(112,791)</u>	<u>(104,503)</u>
	<b>49,369</b>	<b>52,615</b>
<b>Fixtures and Fittings</b>		
Fixtures and Fittings - at cost	133,967	133,967
Less Accumulated depreciation	<u>(17,391)</u>	<u>(13,981)</u>
	<b>116,576</b>	<b>119,986</b>
<b>Total</b>	<b><u>1,490,705</u></b>	<b><u>1,536,420</u></b>

#### Valuation of freehold property

Subsequent to year end, the Company has agreed to sell the Clarence Street property for \$3,550,000. Further details are provided in Note 21.

#### Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Property	Furniture & Equipment	Fixtures and Fittings	Total
	\$	\$	\$	\$
<b>Year ended 31 December 2018</b>				
Balance at beginning of the year	1,363,819	52,615	119,986	1,536,420
Additions	-	23,303	-	23,303
Disposals - Written down value	-	(6,696)	-	(6,696)
Depreciation expense	<u>(39,059)</u>	<u>(19,853)</u>	<u>(3,410)</u>	<u>(62,322)</u>
<b>Balance at the end of the year</b>	<b><u>1,324,760</u></b>	<b><u>49,369</u></b>	<b><u>116,576</u></b>	<b><u>1,490,705</u></b>
<b>Year ended 31 December 2017</b>				
Balance at beginning of the year	1,402,878	49,330	114,971	1,567,179
Additions	-	38,204	8,360	46,564
Disposals - Written down value	-	(7,701)	-	(7,701)
Depreciation expense	<u>(39,059)</u>	<u>(27,218)</u>	<u>(3,345)</u>	<u>(69,622)</u>
<b>Balance at the end of the year</b>	<b><u>1,363,819</u></b>	<b><u>52,615</u></b>	<b><u>119,986</u></b>	<b><u>1,536,420</u></b>

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 7 Trade and Other Payables

	2018	2017
	\$	\$
<b>CURRENT</b>		
Accrued Expenses/Creditors	66,890	91,109
Department of Education and Training FEE-HELP - current year	-	435,127
Department of Education and Training FEE-HELP - prior year adjustments	2,080	8,688
Affiliated Colleges – FEE-HELP	61,950	59,831
Unearned Revenue	22,000	-
Other Accrued Expenses	47,040	37,517
Other Payable and Provisions	4,415	15,211
<b>Total</b>	<b>204,375</b>	<b>647,483</b>

### 8 Provision for scholarships

#### Movement in carrying amounts

Balance at beginning of year	192,286	165,806
Provisions used	(67,178)	(63,520)
Provisions made	52,518	90,000
<b>Balance at end of the year</b>	<b>177,626</b>	<b>192,286</b>
Current	60,000	72,480
Non-Current	117,626	119,806
	<b>177,626</b>	<b>192,286</b>

The provision for scholarships acknowledges the unpaid portions of 3 full scholarships and 11 half scholarships under the Company's Higher Degree by Research (HDR) Scholarships that the Board has previously resolved to grant to students from 2014 to 2020.

The criteria for allocating scholarships considers research potential, academic merit as well as the mode of study with full-time study being given priority. The Company uses an allocation scheme similar to that adopted by various Australian Universities for allocation of Australian Postgraduate Awards (APA) and is based on a scoring system for research potential and academic merit.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 9 Remuneration of Key Management Personnel and Staff

The senior full-time executives of the Company received gross payments amounting to \$436,767 (2 executives) (2017: \$413,755 (2 executives)) for the year. This total includes: salaries, superannuation, academic study and professional development leave (ASPDL), long service benefits, fringe benefits and other expense allowances for the Dean and Associate Dean. In addition, close family members of senior full-time executives received \$53,901 (2017: \$37,040) in salary and superannuation payments. The lower pay in 2017 is due to maternity leave of a close family member.

The Company provides expenditure reimbursements to directors for travel and accommodation on Company business in accordance with the approved policy. Total reimbursements to directors during the year were \$20,129 (2017: \$16,943).

### 10 Administration Fees and Department of Education and Training FEE-HELP

In accordance with Australian Accounting Standards (AASB118 Revenue), the Company does not recognise total tuition fees as revenue, but only the component of the tuition fee that it retains in line with its Affiliation Agreement with each of its 16 affiliated colleges. The Company's component of tuition fees is called administration fees.

Under the Affiliation Agreements, the Company as the registered higher education provider authorises each affiliated college to offer and deliver the Company's higher education courses. The Company is obliged to disburse to each affiliated college the proportion of FEE-HELP received from the Department of Education and Training to which each college is entitled based on enrolling FEE-HELP students. As a matter of expediency and efficiency, the Company nets out its component of the tuition fee from FEE-HELP moneys disbursed to each affiliated college.

FEE-HELP received from the Department of Education and Training is based on advance estimates of enrolling FEE-HELP students while FEE-HELP remitted to affiliated colleges is based on estimates prior to census date and actuals after the census date. FEE-HELP received from the Department of Education and Training hence may be lower or higher than actual FEE-HELP and is acquitted in the following year. All payments to affiliated colleges are likewise subject to correction of under- or overpayments in prior periods, which may result from the use of estimates and historical trends prior to student registrations at census being determined.

	2018	2017
	\$	\$
<b>Total FEE HELP payments received from the Department of Education and Training</b>	<b>17,712,849</b>	17,700,665
<b>Breakdown of FEE-HELP received:</b>		
Total FEE HELP payments made to affiliated colleges	15,031,805	14,601,133
Total FEE-HELP still due and payable to affiliated colleges as at year end	54,577	59,831
Excess FEE-HELP received/(FEE-HELP Receivable) from the Department of Education and Training, for acquittal in the following year	(45,640)	435,127
FEE-HELP retained by the Company	2,672,107	2,604,574
<b>Total FEE-HELP payments received</b>	<b>17,712,849</b>	17,700,665
<b>Breakdown of Administrative Fees:</b>		
FEE-HELP retained by the Company for the year	2,672,107	2,604,574
Other administration fees charged to affiliated colleges and students, net of adjustments in prior years' FEE-HELP retained by the Company	21,963	5,236
	<b>2,694,070</b>	2,609,810

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **11 Tuition Assurance**

The Company has an obligation to comply with the tuition assurance requirements of Sections 16-30 and 19-40 of the *Higher Education Support Act 2003* (HESA). If the Company or any of its affiliated colleges for whatever reason should cease to provide a course of study, the Company is required under the HESA guidelines to ensure that a student will be able to receive a payment equivalent to any student contribution amount or tuition fee paid for any undelivered unit of study unless it is transferred to another provider.

In compliance with the HESA guidelines, the Company has entered into a Repayment Deed of Guarantee with each of its affiliated colleges where the latter undertake to refund tuition fees to students for any incomplete units of study for which fees have been paid should the affiliated college cease to operate and the student does not wish to be transferred to another affiliated college and/or to an equivalent award.

The Company believes that the above agreements should mitigate any resulting risk exposures the Company may have in the event that the Company and/or any of its affiliated colleges should cease providing a course or courses of study.

### **12 Charitable Donations**

The Company is recognised by the Australian Taxation Office as an Income Tax Exempt Charity with Tax Deductible Gift Recipient (DGR) status. To this end the Company administers the Australian College of Theology Foundation, whose rules allow it as a Higher Education Provider, to accept donations in order to support the activities of the Company. Donations are given to affiliated colleges to support teaching and learning of the Company's courses.

The result for the year was as follows:

Donations Received (Gross)	<b>2,533,145</b>	1,055,330
Donations Given (Gross)	<b>(2,517,689)</b>	(1,045,940)

### **13 Affiliation Arrangements**

The Company has in place Affiliation Agreements with its affiliated colleges which state (inter alia):

- (a) that the affiliated college complies with the minimum criteria set out in the Institutional and Course Approved Procedures and Criteria for Approval to deliver the courses of the Company;
- (b) the Company undertakes to the affiliated colleges to ensure that its courses are duly accredited and that the Company is registered by the relevant higher education authorities; and
- (c) the Company undertakes to comply with the requirements of higher education agencies and the federal Department of Education and Training.

In addition, the Company has in place agreements to ensure course assurance obligations in respect of providing continuation of its courses to students as follows:

- (a) Course Assurance Deeds (local students); and
- (b) Tuition Assurance undertakings (overseas students).

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 14 Reserves

#### (a) Sustainability Fund and Development Fund

In October 2014 the Board resolved to establish a Sustainability Fund and a Development Fund.

The 'Sustainability Fund' is to be used for such purposes as the Board of the Company determines are necessary to fund the operations of the Company as the result of the occurrence of an unexpected or unforeseen event resulting in a reduction in the annual revenue anticipated to be received by the Company in the current or subsequent financial year, noting that if the Sustainability Fund is used for such purposes it is intended that the Sustainability Fund be replenished in future years to the level prior to such usage.

The 'Development Fund' is to be used for such purposes as the Board of the Company determines is desirable to grow and sustain the Company and its affiliated colleges, noting that if the Development Fund is used for such purposes it is intended that the Development Fund be replenished in future years to the level prior to such usage. The Development Fund expenses incurred during the year was \$14,000 (2017: nil).

#### (b) Accreditation Fund

To ensure that the Company will continue to discharge its obligations under its Affiliation Agreements, and in line with the change in accounting treatment of accreditation costs, the Directors endorsed the establishment of an Accreditation Fund of \$150,000 in 2017 in lieu of the liability 'Provision for Accreditation Costs'. The Reserve has been set aside solely to fund the payment of accreditation costs estimated in the future.

#### (c) Summary

The Sustainability Fund of \$1,545,000 (2017: \$1,500,000), the Development Fund of \$250,000 (2017: \$250,000), and the Accreditation Fund of \$271,000 (2017: \$150,000), totalling \$2,066,000 (2017: \$1,900,000) are underpinned by:

		2018	2017
	Note	\$	\$
Investment Securities at fair value	5	1,568,533	1,210,178
Ord Minnett Cash Management Account	15(a)	174,598	113,672
Term deposit managed by Ord Minnett		100,000	150,000
Franking Credits Receivable		71,957	16,126
Cash at bank set aside for additional investment to underpin the above funds		150,912	410,024
		<b>2,066,000</b>	<b>1,900,000</b>

### 15 Cash Flow Information

#### (a) Reconciliation of cash

Cash at Bank	1,660,194	1,940,734
Term Deposits	447,586	490,419
	<b>2,107,780</b>	<b>2,431,153</b>

The cash at bank balance includes the Ord Minnett Cash Management Trust account of \$174,598 (2017: \$113,672). The term deposits balance includes term deposits managed by Ord Minnett of \$100,000 (2017: \$150,000).

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 15 Cash Flow Information (continued)

#### (b) Reconciliation of total comprehensive income for the year to net cash from operating activities

	2018	2017
	\$	\$
Total comprehensive income for the year	507,939	475,776
<b>Add/(Less):</b>		
Depreciation & Impairment	62,322	69,622
Decrease/(Increase) in Receivables and Prepayments	(91,145)	184,759
Loss/(gain) on sale of investments	100,028	-
Increase/(decrease) in Trade and Other Payables	(443,108)	118,926
Increase/(Decrease) in Provisions	15,581	70,493
(Increase)/Decrease in Value of Investments	73,480	(23,810)
Loss/(Profit) on Sale of Investments	-	(27,691)
Loss on Disposal of Assets	6,042	7,701
Net Cash from Operating Activities	<u>231,139</u>	<u>875,776</u>

### 16 Leasing and Licensing Commitments

#### Turnitin software [Note 18(c) (ii)], Leased photocopier, IT managed services and Risk software

	2018	2017
	\$	\$
<b>Minimum Lease Payments</b>		
Not later than 12 months	39,336	58,124
Between 12 months and 5 years	3,673	36,453
Greater than 5 years	-	-
<b>Total</b>	<u>43,009</u>	<u>94,577</u>

### 17 Capital Risk Management

The Board of Directors controls the capital of the Company to ensure that adequate equity is generated to fund its operations and that returns from investments are maximised within tolerable risk parameters. The Sustainability Fund and Accreditation Fund have been established to assist in funding the operations of the Company. The Audit & Risk Management Committee reports on the adequacy of the funds and ensures that the overall risk management strategy is in line with this objective. The Audit & Risk Management Committee operates under Terms of Reference approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Company's capital consists of financial assets and cash and cash equivalents less financial liabilities.

There are no externally imposed capital requirements.

Management effectively manage the Company's capital by assessing the Company's financial and enterprise wide risks and responding to changes in these risks and in the market.

No changes in capital management strategy were adopted by management in 2018.

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 18 Financial Risk Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and equity price risk.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		2018	2017
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	15(a)	2,107,780	2,431,153
Trade and other receivables	3	161,280	70,267
		<u>2,269,060</u>	<u>2,501,420</u>
Financial assets at fair value through profit or loss:			
- listed equities		1,033,845	920,376
- interest rate securities		534,688	289,802
	5	<u>1,568,533</u>	<u>1,210,178</u>
<b>Total financial assets</b>		<u>3,837,593</u>	<u>3,711,598</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	7	204,375	647,483
<b>Total financial liabilities</b>		<u>204,375</u>	<u>647,483</u>

#### Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Company's financial risk management framework. This includes approval of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit & Risk Management Committee has been appointed to provide oversight and assurance on the appropriateness of the accountability and control framework. This includes reviewing the key business and financial risks and making recommendations to the Board of Directors.

The day-to-day risk management is carried out under policies and objectives which have been approved by the Board of Directors.

The Board of Directors receives regular reports providing details of the effectiveness of the processes and policies.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific financial risks faced are described below:

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **18 Financial Risk Management (continued)**

##### **(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company and arises principally from the Company's receivables and cash and cash equivalents. The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Receivables predominately relate to balances owing from affiliated colleges. The Company has significant transaction experience with the affiliated colleges and has assessed the credit risk as minimal. Management regularly monitors outstanding balances to assess collectability. Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 3.

The Company has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 3.

Credit risk related to balances with banks and other financial institutions is reviewed by the Audit & Risk Management Committee in accordance with approved Board policy.

##### **(b) Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a regular basis;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with licensed, approved banks; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, the Company ensures that it has sufficient cash on demand to meet commitments related to FEE-HELP receipts and transfers, and maximum monthly drawings for operations purposes plus a margin of \$50,000.

Financial liability maturity analysis

Trade and other payables as represented in Note 7 fall due within 1 year. There are no other financial liabilities at year-end.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **18 Financial Risk Management (continued)**

#### **(c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

##### **i. Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

The Company does not have any interest-bearing financial liabilities at the end of the year. The interest rate exposure is limited to fluctuations on interest rate securities listed in Note 5 and interest bearing cash and cash equivalents as disclosed in Note 15(a).

##### **ii. Foreign exchange risk**

The Company is exposed to foreign currency fluctuations arising from a commitment to purchase a license for the Turnitin and Endnote software which is payable in a foreign currency.

##### **iii. Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held. Price risk is limited to investments in equity securities as listed in Note 5.

#### **(d) Market risk - sensitivity analysis**

##### **Sensitivity analysis**

The following table illustrates sensitivities to the Company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting year would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Profit</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 31 December 2018</b>		
+/- 10% in listed investments	<b>103,384</b>	-
+/- 1% in interest rates	<b>61,274</b>	-
<b>Year ended 31 December 2017</b>		
+/- 10% in listed investments	92,037	-
+/- 1% in interest rates	42,722	-

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 19 Fair Value Measurement

The Company measures the following assets at fair value on a recurring basis:

- Financial assets - designated as at fair value through the profit or loss.

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

#### (a) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value:

		Level 1	Level 2	Level 3	Total
31 December 2018	Note	\$	\$	\$	\$
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Designated as at fair value through profit or loss:					
- shares in listed entities		1,033,845	-	-	1,033,845
- other securities		534,688	-	-	534,688
Total financial assets at fair value	5	1,568,533	-	-	1,568,533

		Level 1	Level 2	Level 3	Total
31 December 2017	Note	\$	\$	\$	\$
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Designated as at fair value through profit or loss:					
- shares in listed entities		920,376	-	-	920,376
- other securities		289,802	-	-	289,802
Total financial assets at fair value	5	1,210,178	-	-	1,210,178

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

### **19 Fair Value Measurement (continued)**

#### **(b) Transfers between levels of the hierarchy**

There were no transfers between levels of the fair value hierarchy.

#### **(c) Highest and best use**

The current use of each asset measured at fair value is considered to be its highest and best use.

### **20 Members' Guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstanding obligations of the Company. At 31 December 2018 the number of members was 58 (2017: 58).

### **21 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 1 April 2019 by the Board of Directors. The Directors have the power to amend and reissue the financial statements.

The Company's application with TEQSA for recognition as an Australian University of Specialisation is still pending.

On 5 March 2019, the Company agreed (subject to contract) to sell Level 10, 257 Clarence St, Sydney for \$3,550,000. The Company also simultaneously agreed (subject to contract) to purchase Level 5, 33 York St, Sydney for \$7,000,000. Contracts for both the sale and purchase are expected to be exchanged simultaneously during the week beginning 1 April 2019. The Company will fund the balance of circa \$3.7m (including fitout costs for the new premises estimated to be circa \$200,000) through a combination of cash reserves and an approved commercial bank facility. All balances are exclusive of GST.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

\* END OF REPORT \*

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