

Australian College of Theology Limited

ABN 88 869 962 393

Annual Report - 31 December 2020

Australian College of Theology Limited

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General Information

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.

Further detail on standing policies and operations of the College may be found on the ACT website at <http://www.acttheology.edu.au/>

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 March 2021. The Directors have the power to amend and reissue the financial statements.

Australian College of Theology Limited
Directors' Report
31 December 2020

The Directors present their report, together with the financial statements, on the Company for the year ended 31 December 2020.

Directors

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

Anne Abraham
Paul Barker
Phillip Dolan
Gregory Norman Hammond OAM
Kathryn Harden-Thew
Brian Shardlow Harris
Timothy James Harris (resigned 5 May 2020)
Theresa Lau (resigned 14 September 2020)
Roger Lewis
Ian Colwell Miller OAM
Brian S. Rosner
Ian Smith (appointed 1 January 2021)

Information on Directors

Name:	Anne Abraham
Title:	Independent Director
Qualifications:	BSc (Syd), DipEd (Syd.T.C.), MAcc (C.Sturt), GradCertHEd (UNSW), MCom (W'gong), PhD (W'gong).
Experience and expertise:	<p>Dr Anne Abraham 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, as well as two graduate degrees in education. Anne is a committed Christian who is an active member of her local church where she is currently serving in three leadership roles, as well as discipling young women on a one-to-one basis.</p> <p>Anne has held academic positions at various institutions over the past three decades, the most recent being Professor in Accounting at Polytechnic Institute Australia (PIA) and Adjunct Professor at Western Sydney University. Anne has won both international and national awards for excellence in teaching and learning. She has an established publication record, significant experience in presenting papers at international conferences and evidence of completed doctoral supervisions. Her extensive governance experience includes involvement in academic, community and Christian organisations.</p> <p>Until recently, Anne was a Director and Treasurer of Foresight Australia, and Chair of their Finance, Audit and Risk Committee. She served as the Chair of the Higher Education and Research Ethics Committee of Western Sydney University, for four years and as the Chair of the Academic Board of PIA for two years. She has also been a non-executive director on a number of not-for profit organisations.</p>
Special responsibilities:	Member, Finance, Risk, Audit and Compliance Committee; Member, Academic Board (from 27 February 2021)

Australian College of Theology Limited

Directors' Report

31 December 2020

Name: Paul Barker
Title: Non-independent Director
Qualifications: BA (Macq), ThL (ACT), DipMin (ACT), BTheol (ACT), PhD (University of Bristol)
Experience and expertise: 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 holds a Bachelor of Arts Degree from Macquarie University, a Licentiate in Theology, Diploma in Ministry and Bachelor of Theology from the Australian College of Theology and a Doctor in Philosophy from the University of Bristol.
Dr Barker has 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 & 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 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: Deputy Chair, Board of Directors (from 1 September 2019)

Name: Phillip Dolan
Title: Independent Director
Qualifications: BA (Macq), MBA (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

Australian College of Theology Limited

Directors' Report

31 December 2020

Name: Gregory Norman Hammond OAM
Title: Independent Director
Qualifications: BA (Hons) (Syd), LLB (Hons) (Syd), PTC (Moore), ThA (Hons) (ACT)
Experience and expertise: Greg is a consultant and adviser to financial institutions, charities and not-for-profit organisations and has over 30 years' experience as a commercial lawyer. He was a member of the panel which reviewed the ACNC legislation in 2018 and he completed an independent review for the Federal Government on access to capital by cooperatives and mutuals in 2017. He was a partner of King & Wood Mallesons for over 27 years (1987–2014) and an Adjunct Fellow with the Applied Finance Centre at Macquarie University for over 20 years.
His current roles include being chairman of Anglican Community Services (t/as Anglicare Sydney) and Olive Tree Media, 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: Chair, Finance, Risk, Audit and Compliance Committee (from 1 September 2019)

Name: Kathryn Harden-Thew
Title: Independent Director
Qualifications: BADipEd (UNE), MEd(TESOL W'gong), PhD (W'gong), FHEA
Experience and expertise: From 2008 to 2020, Kathryn engaged in various academic roles at the University of Wollongong (W'gong). Moving from the School of Education in early 2014, she became an Academic Developer (Lecturer) working in the Deputy Vice Chancellor's (Academic) unit. She was the Co-ordinator of the University's professional development in learning and teaching review process for all teaching staff at the University. Kathryn's research interests include investigating transitions in higher education; professional development for sessional staff. 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 W'gong, Kathryn met the challenges and joys of full-time ministry for nine years. While having served in a number of capacities in women's and children's ministries across adult life, Kathryn's particular passion is reading the Bible and praying one-to-one with women, especially ministering to women who have experienced tragedy in adult life.
Kathryn Harden-Thew has served the ACT as a member of the Board of Directors since 2017. During this time she has also continued to encourage the development of industry leading teaching and learning PD across the College through leading workshops and speaking at the annual teaching and learning conference. Prior to taking up membership of the Board of Directors, Kathryn was an external member of both the Coursework Committee and the Coursework Unit Review Panel.
Special responsibilities: None

Name: Brian Shardlow Harris
Title: Non-independent Director
Qualifications: BSocSc (Social Work) (University of Natal), BTh (University of South Africa), BTh (Hons) (University of South Africa), MTh (University of South Africa), PhD (University of Auckland), Cert IV TAE
Experience and expertise: Dr Brian Harris directs the AVENIR Leadership Institute and was for 17 years the principal of Vose Seminary in Perth (now merged with Morling College), where he continues to teach on a part time basis. A Distinguished Visiting International Scholar of London's Spurgeon's College, Brian has also been a visiting scholar at theological colleges around the world and has served as a director of numerous Christian Boards. He is the chair of the Academic Board of the Australian College of Theology.
Special responsibilities: Chair, Academic Board (from 22 May 2017)

Australian College of Theology Limited

Directors' Report

31 December 2020

Name: Timothy James Harris (*resigned 5 May 2020*)
Title: Non-independent Director
Qualifications: PhD (Flin), MTh (ACT), BTh (ACT), DipArts (Moore), BA (Macq)
Experience and expertise: Dr Timothy Harris has been involved in theological education for over thirty years, teaching in theological colleges from across a range of church traditions, as well in public university contexts (Flinders University and now Charles Sturt University). He has been an examiner at all levels of theological education, and most often at Masters and Doctoral levels. His own doctoral studies involved a combination of theological interpretation, together with expertise in philosophies associated with the classical traditions, and methodological and analytical tools drawn from cultural anthropology. His doctoral thesis through Flinders University, SA, was awarded in 2004 with the title *The Subversion of Status: Pauline Notions of Humility and Deference in Graeco-Roman Perspective, with Special Reference to Stoicism and Epictetus*. Tim also has a Master of Theology and Bachelor of Theology from the Australian College of Theology, a Diploma of Arts from Moore College and a Bachelor of Arts from Macquarie University. Tim successfully established a new theological college in New Zealand (Bishopdale Theological College, Nelson), laying the foundations for a framework and context-based pedagogy that continues to flourish. Since returning to Adelaide and being ordained as a bishop in the Anglican Church, Tim has lectured through St Barnabas College as part of the Charles Sturt University School of Theology, serving for a period as Vice-Principal and on the School Executive. While teaching at degree and post-graduate levels, he has also successfully supervised honours, masters and doctoral students.
In relation to both his responsibilities as a bishop and as an academic and educator, Dr Harris has been a member of the General Synod Theological Educators Network, and is the co-chair of the Anglican-Lutheran National Dialogue group, and been co-chair of the Anglican-Lutheran International Dialogue Group.

Special responsibilities: None

Name: Theresa Lau (*resigned 14 September 2020*)
Title: Non-independent Director
Qualifications: BA (Melb), DipDiv&Miss (SMBC), BTheol (ACT), PhD (Melb)
Experience and expertise: Rev Dr. Theresa Yu Lau currently serves as Dean of Faculty & Development at Melbourne School of Theology Chinese Department. She is also an ordained priest in the Anglican Church of Australia, having 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

Australian College of Theology Limited

Directors' Report

31 December 2020

Name: Roger Lewis
Title: Independent Director
Qualifications: BSc Hons (Syd), PhD (Griff), DipTheolSt (Moore), BTheol (ACT).
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, 2019+) 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 and Board Chair 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: Chair, Board of Directors (from 1 September 2019)

Name: Ian Colwell Miller OAM
Title: Independent Director
Qualifications: BA, LL.M (Syd), ThL (ACT), MAICD (Macq), GradDipTheol (C.Sturt), MTh (C.Sturt)
Experience and expertise: Ian has over 40 years' experience in law. He was a partner of Hunt & Hunt Lawyers from 1981 to 2020 and has now moved to the position of Senior Consultant with Hunt & Hunt practicing in the areas of commercial and property law, wills and estates, and charities law. Ian was Chairman of the Council of Barker College for 16 years which role ended in 2016. He is a Director of the Church Missionary Society Trust Limited and Chairman of Pentel (Australia) Pty Limited and a Consultant Editor to CCH Australia. Ian has been actively involved in the Anglican Diocese of Sydney and is a member of the Sydney Diocesan Synod as well as serving as Churchwarden of his parish. In addition Ian is the Chairman of the Board of Management in a retirement village.
Special responsibilities: Member, Finance, Risk, Audit and Compliance Committee

Name: Brian S. Rosner
Title: Non-independent Director
Qualifications: BA (Hons) (Syd), 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 for 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

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Directors' Report
31 December 2020

Name:	Ian Smith (<i>appointed 1 January 2021</i>)
Title:	Non-independent Director
Qualifications:	BA (Syd), DipEd (STC), BTh (Hons) (ACT), MEd (Hons) (UNE), MTh (ACT), PhD (Syd)
Experience and expertise:	Ian was appointed by the Board to fill the casual vacancy for a principal of an affiliated college following the retirement of Brian Harris as principal of Vose Seminary. Ian is the Principal of Christ College in Sydney and lecturer in New Testament and Greek exegesis. He has been on the full-time staff at Christ College since 1995, prior to which he was a missionary with Australian Presbyterian World Mission at Talua Ministry Training Centre in Vanuatu. Ian has also worked as a high school teacher and as the minister of Griffith Presbyterian Church. Ian Smith holds a Bachelor of Arts degree (majoring in French and Indonesian) from the University of Sydney, a Diploma of Education from Sydney Teachers' College, a Master Of Education (honours) degree from the University of New England including a thesis on the history of the Presbyterian Church's commitment to education in the New Hebrides (now Vanuatu), a Bachelor of Theology (honours) and a Master of Theology from the Australian College of Theology studied at Moore Theological College and the Presbyterian Theological College respectively, and a Doctor of Philosophy degree from the University of Sydney which investigates the Apostle Paul's letter to the Colossians.
Special responsibilities:	None

Objectives

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

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.

Principal activities

In 2020 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 affiliated colleges.

The Company pursued the requirements of the Higher Education Threshold Standards, 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.

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 regular review of student numbers across its suite of courses.

Australian College of Theology Limited
Directors' Report
31 December 2020

2020 Financial Results

The surplus of \$267,929 for the year ended 31 December 2020 exceeded the anticipated result when a revised 2020 budget was prepared in April 2020. The impact of COVID-19 generally and, in particular, on student enrolments at the ACT and its affiliated colleges and on the performance of ACT's investment portfolio, was less severe than anticipated in the revised budget.

The surplus can be principally attributed to the Federal Government's cash flow boost (\$100,000) for which ACT is very grateful, higher semester 2 enrolments, lower expenses in many areas and lower expenditure on special projects related to teaching and learning and translations related to courses in languages other than English (LOTE). It is anticipated that these special projects will be funded in 2021 (approximately \$80,000).

Total equity at 31 December 2020 was \$7,596,806, principally comprising (a) the combined value of ACT's office at Level 5, 33 York Street, Sydney (\$6,778,574) and ACT's Investment Portfolio (\$2,308,576), less (b) the aggregate of the drawn balance of ACT's loan facility with Commonwealth Bank of Australia (\$750,000) and trade and other payables (\$859,441).

The audited financial statements attached to this report provide further detail on the results for the year ended 31 December 2020, and the assets and liabilities of ACT at year end

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2020, and the number of meetings attended by each Director were:

	Directors' Meetings	
	Number attended	Number eligible to attend
Anne Abraham	4	6
Paul Barker	6	6
Phillip Dolan	6	6
Gregory Norman Hammond OAM	6	6
Kathryn Harden-Thew	5	6
Brian Shardlow Harris	4	6
Timothy James Harris (<i>resigned 5 May 2020</i>)	2	2
Theresa Lau (<i>resigned 14 September 2020</i>)	4	4
Roger Lewis	6	6
Ian Colwell Miller OAM	6	6
Brian Rosner	6	6
Ian Smith (<i>appointed 1 January 2021</i>)	-	-

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.

Total amount of members' liability

As at 31 December 2020 the total amount which members of the Company are liable to contribute if the Company is wound up is \$570 based on 57 registered members. (2019, \$580).

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on the 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 29 March 2021, authorising two directors to sign on behalf of the Board.

**Australian College of Theology Limited
Directors' Report
31 December 2020**

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Roger Lewis
Director



Greg Hammond OAM
Director

29 March 2021

The Board of Directors
Australian College of Theology Limited
Level 5, 33 York Street
SYDNEY NSW 2000

Dear Board Members

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 2020, 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 Audit Pty Ltd



Mark Boyle
Director

Sydney

29 March 2021

Australian College of Theology Limited
Directors' Declaration
31 December 2020

In the Directors' opinion:

- the attached financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*;
- comply with Australian Accounting Standards, which, as stated in the basis of preparation Note to the financial statements, including the Australian Accounting Interpretations and the *Australian Charities and Non-for-profits Commission Regulation 2013*;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to Regulation 60-15 of the *Australian Charities and Non-for-profits Commission Regulation 2013*:



Roger Lewis
Director



Greg Hammond OAM
Director

29 March 2021

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 2020, 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 2020 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 2020, 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.

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. This description forms part of our auditor's report.



Nexia Sydney Audit Pty Ltd



Mark Boyle

Director

Sydney

29 March 2021

Australian College of Theology Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue			
Administrative Fees	3	2,894,922	2,802,202
Donations - Foundation	4	1,976,947	2,117,973
Affiliation fees		138,600	117,425
Interest		630	18,821
Net investment income (including franking credits)		56,816	148,233
Unrealised increase in value of investment		14,043	236,984
Gain on sale of investments		-	19,634
Gain on sale of property		-	2,062,650
Sundry Revenue	5	285,552	29,291
Total revenue		<u>5,367,510</u>	<u>7,553,213</u>
Expenses			
Employee benefits		(2,074,120)	(1,815,671)
Donations		(1,962,507)	(2,103,058)
Fringe benefit tax		(3,043)	(4,398)
Course accreditation costs		(15,963)	(35,631)
Scholarships		(90,000)	(54,000)
Academic study/professional development		(8,458)	(84,348)
Depreciation expense		(191,199)	(130,796)
Auditor's Remuneration	6	(27,080)	(25,526)
Interest expense		(31,289)	(28,630)
Loss on disposal of property, plant & equipment		(1,130)	(3,359)
Loss on sale of investments		(8,038)	(53,253)
Administration and office expenditure		(686,754)	(679,766)
Total expenses		<u>(5,099,581)</u>	<u>(5,018,436)</u>
Surplus for the year		267,929	2,534,777
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>267,929</u></u>	<u><u>2,534,777</u></u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Australian College of Theology Limited
Statement of Financial Position
As at 31 December 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and Cash Equivalents	7	294,129	749,699
Trade and Other Receivables	8	73,580	69,438
Other Current Assets	9	214,552	122,999
Total current assets		<u>582,261</u>	<u>942,136</u>
Non-current assets			
Investments	10	2,177,514	1,803,567
Property, Plant and Equipment	11	6,999,515	7,160,547
Right-of-use Assets	12	13,895	17,962
Total non-current assets		<u>9,190,924</u>	<u>8,982,076</u>
Total assets		<u>9,773,185</u>	<u>9,924,212</u>
Liabilities			
Current liabilities			
Trade and Other Payables	13	859,441	408,959
Contract Liabilities	14	52,000	38,963
Lease Liabilities	15	3,971	3,801
Employee Benefits	16	218,096	163,468
Provisions for Scholarships	17	75,480	64,800
Other Current Liabilities	18	52,361	-
Total current liabilities		<u>1,261,349</u>	<u>679,991</u>
Non-current liabilities			
Borrowings	19	750,000	1,750,000
Lease Liabilities	15	10,347	14,318
Employee Benefits	16	34,857	52,200
Provisions for Scholarships	17	119,826	98,826
Total non-current liabilities		<u>915,030</u>	<u>1,915,344</u>
Total liabilities		<u>2,176,379</u>	<u>2,595,335</u>
Net Assets		<u>7,596,806</u>	<u>7,328,877</u>
Equity			
Reserves	20	2,187,700	2,136,550
Retained surpluses		<u>5,409,106</u>	<u>5,192,327</u>
Total equity		<u>7,596,806</u>	<u>7,328,877</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Australian College of Theology Limited
Statement of Changes in Equity
For the year ended 31 December 2020

	Sustainability fund \$	Development fund \$	Accreditation fund \$	Retained profits \$	Total equity \$
Balance at 1 January 2019	1,545,000	250,000	271,000	2,755,791	4,821,791
Adjustment for change in accounting policy	-	-	-	(27,691)	(27,691)
Balance at 1 January 2019 - restated	1,545,000	250,000	271,000	2,728,100	4,794,100
Surplus for the year	-	-	-	2,534,777	2,534,777
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,534,777	2,534,777
Transfers (from)/to funds	46,350	-	24,200	(70,550)	-
Balance at 31 December 2019	<u>1,591,350</u>	<u>250,000</u>	<u>295,200</u>	<u>5,192,327</u>	<u>7,328,877</u>
	Sustainability fund \$	Development fund \$	Accreditation fund \$	Retained profits \$	Total equity \$
Balance at 1 January 2020	1,591,350	250,000	295,200	5,192,327	7,328,877
Surplus for the year	-	-	-	267,929	267,929
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	267,929	267,929
Transfers (from)/to funds	47,750	-	3,400	(51,150)	-
Balance at 31 December 2020	<u>1,639,100</u>	<u>250,000</u>	<u>298,600</u>	<u>5,409,106</u>	<u>7,596,806</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Australian College of Theology Limited
Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Cash Flows From Operating Activities			
Receipts in the course of operations		5,880,579	5,261,863
Payments in the course of operations		<u>(4,970,087)</u>	<u>(4,740,452)</u>
Dividends received		910,492	521,411
Interest received		63,570	148,312
Interest and other finance costs paid		<u>(31,289)</u>	<u>(28,209)</u>
Net Cash From Operating Activities	21	<u>943,403</u>	<u>665,199</u>
Cash Flows From Investing Activities			
Payments for investments		(437,351)	(544,570)
Payments for property, plant and equipment	11	(27,671)	(7,230,669)
Proceeds from disposal of investments		69,409	512,902
Proceeds from disposal of property, plant and equipment		<u>441</u>	<u>3,491,693</u>
Net Cash Used in Investing Activities		<u>(395,172)</u>	<u>(3,770,644)</u>
Cash Flows From Financing Activities			
Proceeds from borrowings		-	1,750,000
Repayment of borrowings		(1,000,000)	-
Repayment of lease liabilities		<u>(3,801)</u>	<u>(2,636)</u>
Net Cash (Used in)/From Financing Activities		<u>(1,003,801)</u>	<u>1,747,364</u>
Net Decrease in Cash and Cash Equivalents		(455,570)	(1,358,081)
Cash and cash equivalents at the beginning of the financial year		<u>749,699</u>	<u>2,107,780</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>294,129</u></u>	<u><u>749,699</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Note 1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

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

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. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Group applying not for-profit specific requirements contained in the Australian Accounting Standards.

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.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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

Sale of goods

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

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Note 1. Significant Accounting Policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Volunteers services

The Company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Refer to Note 3 for further details.

Income tax

As the Company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

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

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

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

Cash and cash equivalents

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

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. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Investments and other financial assets

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

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

Note 1. Significant Accounting Policies (continued)

Financial assets at amortised cost

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

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

Financial assets at fair value through profit or loss

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

Impairment of financial assets

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

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

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

Property, plant and equipment

Freehold property is recorded at cost less accumulated depreciation.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Freehold property	2.5%
Fixtures and fittings	10%
Furniture and equipment	20%
Computer and peripherals	25%

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

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

Note 1. Significant Accounting Policies (continued)

Right-of-use assets

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

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

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

Impairment of non-financial assets

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

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

Trade and other payables

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

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Borrowings

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

Lease liabilities

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

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

Note 1. Significant Accounting Policies (continued)

Provisions

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Note 1. Significant Accounting Policies (continued)

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

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

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 2020. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical Accounting Judgements, Estimates and Assumptions

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of property, plant and equipment

The Company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Australian College of Theology Limited
Notes to the Financial Statements
31 December 2020

Note 3. Administrative Fees

Administration fees and Department of Education, Skills and Employment FEE-HELP

In accordance with Australian Accounting Standards (AASB15 Revenue from Contracts with Customers), 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 the 17 colleges affiliated with the ACT in 2020. 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, Skills and Employment 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, Skills and Employment 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, Skills and Employment 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 over-payments in prior periods, which may result from the use of estimates and historical trends prior to student registrations at census being determined.

	2020	2019
	\$	\$
Administrative fee	<u>2,894,922</u>	<u>2,802,202</u>
	2020	2019
	\$	\$
Total FEE HELP payments received from the Department of Education, Skills and Employment	18,390,839	17,760,508
<i>Breakdown of FEE-HELP received:</i>		
	2020	2019
	\$	\$
Total FEE HELP payments made to affiliated colleges	14,987,327	14,801,972
Total FEE-HELP still due and payable to affiliated colleges as at year end	422,323	154,361
Excess FEE-HELP received from the Department of Education, Skills and Employment, for acquittal in the following year	48,563	4,305
FEE-HELP retained by the Company	<u>2,932,626</u>	<u>2,799,870</u>
	<u>18,390,839</u>	<u>17,760,508</u>
<i>Breakdown of Administrative Fees:</i>		
	2020	2019
FEE-HELP retained by the Company for the year	2,932,626	2,799,870
Other administration fees charged to affiliated colleges and students, net of adjustments in prior years' FEE-HELP retained by the Company	<u>(37,704)</u>	<u>2,332</u>
	<u>2,894,922</u>	<u>2,802,202</u>

Australian College of Theology Limited
Notes to the Financial Statements
31 December 2020

Note 4. Donations - Foundation

	2020	2019
	\$	\$
Donations received (gross)	1,976,947	2,117,973
Donations given (gross)	(1,962,507)	(2,103,058)

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.

Note 5. Sundry Revenue

	2020	2019
	\$	\$
Sundry revenue	<u>285,552</u>	<u>29,291</u>

The Company purchased a group subscription to a library collection, with the group comprising of the Company and all its affiliated colleges. The bulk of the purchase cost was recovered from and billed to affiliated colleges. Total billings were recorded in 2020 as Sundry Revenue (\$173,500) and Revenue received in advance (\$52,361) - see also Note:18. The Company also received the cash flow boost from the federal government (\$100,000) as part of the latter's coronavirus stimulus package.

Note 6. Auditor's Remuneration

	2020	2019
	\$	\$
<i>Nexia Sydney Audit Pty Ltd</i>		
Audit of the financial Statements	23,000	22,526
Other services	<u>4,080</u>	<u>3,000</u>
	<u>27,080</u>	<u>25,526</u>

Note 7. Cash and Cash Equivalents

	2020	2019
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>294,129</u>	<u>749,699</u>

Australian College of Theology Limited
Notes to the Financial Statements
31 December 2020

Note 8. Trade and Other Receivables

	2020	2019
	\$	\$
<i>Current assets</i>		
Trade receivables	18,070	22,541
Other receivables	55,510	46,714
Interest receivable	-	183
	<u>73,580</u>	<u>69,438</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.

Note 9. Other Current Assets

	2020	2019
	\$	\$
<i>Current assets</i>		
Prepaid registration and sundry accreditation costs	20,548	31,269
Sundry prepayments	194,004	91,730
	<u>214,552</u>	<u>122,999</u>

Note 10. Investments

Financial assets at fair value through other profit or loss

	2020	2019
	\$	\$
<i>Non-current assets</i>		
Listed equities	1,787,838	1,413,891
Other securities	389,676	389,676
	<u>2,177,514</u>	<u>1,803,567</u>

Refer to note 23 for further information on fair value measurement.

In the period between balance date and the date of approval of the financial statements, 29 March 2021, 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 decreased by 1.9% as of 29 March 2021.

Australian College of Theology Limited
Notes to the Financial Statements
31 December 2020

Note 11. Property, Plant and Equipment

	2020 \$	2019 \$
<i>Non-current assets</i>		
Level 5, 33 York St - Sydney - at cost	7,005,957	7,005,957
Less: Accumulated depreciation	<u>(227,383)</u>	<u>(83,773)</u>
	6,778,574	6,922,184
Furniture and equipment - at cost	160,947	137,046
Less: Accumulated depreciation	<u>(94,563)</u>	<u>(71,453)</u>
	66,384	65,593
Fixtures and fittings - at cost	182,136	182,136
Less: Accumulated depreciation	<u>(27,579)</u>	<u>(9,366)</u>
	154,557	172,770
	<u>6,999,515</u>	<u>7,160,547</u>

Reconciliations

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

	Freehold property \$	Furniture and equipment \$	Fixtures and fittings \$	Total \$
Balance at 1 January 2019	1,324,760	49,369	116,576	1,490,705
Additions	7,005,956	40,713	182,136	7,228,805
Disposals	(1,311,739)	(3,360)	(115,440)	(1,430,539)
Depreciation expense	<u>(96,793)</u>	<u>(21,129)</u>	<u>(10,502)</u>	<u>(128,424)</u>
Balance at 31 December 2019	6,922,184	65,593	172,770	7,160,547
Additions	-	27,671	-	27,671
Disposals	-	(1,571)	-	(1,571)
Depreciation expense	<u>(143,610)</u>	<u>(25,309)</u>	<u>(18,213)</u>	<u>(187,132)</u>
Balance at 31 December 2020	<u>6,778,574</u>	<u>66,384</u>	<u>154,557</u>	<u>6,999,515</u>

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Notes to the Financial Statements
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Note 12. Right-of-use Assets

	2020	2019
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - right-of-use	20,334	20,334
Less: Accumulated depreciation	<u>(6,439)</u>	<u>(2,372)</u>
	<u><u>13,895</u></u>	<u><u>17,962</u></u>

Additions to the right-of-use assets during the year were nil.

The depreciation expense for the year relating to right-of-use assets was \$4,067 (2019: 2,372).

The Company leases a photocopier for a period of five years and depreciates the asset on a straight-line basis over the five years.

The Company leases office equipment under agreements of less than one year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 13. Trade and Other Payables

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Trade payables	80,395	154,718
Department of Education, Skills and Employment FEE-HELP- current year	48,563	4,305
Department of Education, Skills and Employment FEE-HELP - prior years adjustments	133,200	11,640
Affiliated colleges – FEE-HELP	431,125	164,867
Other accrued expenses	165,810	68,715
Other payable and provisions	<u>348</u>	<u>4,714</u>
	<u><u>859,441</u></u>	<u><u>408,959</u></u>

Note 14. Contract Liabilities

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>52,000</u>	<u>38,963</u>

Note 15. Lease Liabilities

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>3,971</u>	<u>3,801</u>
<i>Non-current liabilities</i>		
Lease liability	<u>10,347</u>	<u>14,318</u>

Refer to note 22 for further information on financial instruments.

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Notes to the Financial Statements
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Note 16. Employee Benefits

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Annual leave	149,593	103,402
Long service leave	68,503	60,066
	<u>218,096</u>	<u>163,468</u>
<i>Non-current liabilities</i>		
Long service leave	<u>34,857</u>	<u>52,200</u>

Note 17. Provisions for Scholarships

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Provisions for scholarships	<u>75,480</u>	<u>64,800</u>
<i>Non-current liabilities</i>		
Provisions for scholarships	<u>119,826</u>	<u>98,826</u>

Movement in carrying amounts

	2020	2019
	\$	\$
Balance at beginning of year	163,626	177,626
Provisions used	(58,320)	(68,000)
Provisions made	90,000	54,000
	<u>195,306</u>	<u>163,626</u>

The provision for scholarships acknowledges the unpaid portions of 1 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.

Note 18. Other Current Liabilities

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Revenue received in advance	<u>52,361</u>	<u>-</u>

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Note 19. Borrowings

	2020 \$	2019 \$
<i>Non-current liabilities</i>		
Bank loans	<u>750,000</u>	<u>1,750,000</u>

The Company secured a \$3,000,000 5-year term loan with a redraw facility to partially fund the purchase of its new office at Level 5, 33 York Street, Sydney. In 2019, the Company repaid \$1,250,000 and in 2020, repaid a further \$1,000,000 which can be redrawn when needed. The bank loan, which is secured by a first mortgage over the York Street office property, is subject to an annual review each year in November.

Note 20. Reserves

	2020 \$	2019 \$
Sustainability fund	1,639,100	1,591,350
Development fund	250,000	250,000
Accreditation fund	<u>298,600</u>	<u>295,200</u>
	<u>2,187,700</u>	<u>2,136,550</u>

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 were \$nil (2019: \$43,922). The balance as at year end is \$250,000 (2019: \$250,000).

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 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. The Accreditation Fund expenses incurred during the year were \$19,695 (2019: \$33,837). The balance as at year end is \$298,600 (2019: \$295,200).

The Sustainability Fund of \$1,639,100 (2019: \$1,591,350), the Development Fund of \$ 250,000 (2019: \$250,000), and the Accreditation Fund of \$298,600 (2019: \$295,200), totalling \$2,187,700 (2019: \$2,136,550) are underpinned by:

	2020 \$	2019 \$
Investment Securities at fair value	2,177,513	1,803,567
Ord Minnett Cash Management Account	96,542	353,508
Franking Credits Receivable	<u>34,521</u>	<u>20,683</u>
	<u>2,308,576</u>	<u>2,177,758</u>

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Note 21. Reconciliation of surplus to net cash from operating activities

	2020 \$	2019 \$
Surplus for the year	267,929	2,534,777
Adjustments for:		
Depreciation and amortisation	191,199	130,796
(Increase)/Decrease in Value of Investments	(14,043)	(236,984)
(Profit)/Loss on Disposal of Assets	1,130	(2,059,291)
Lease Interest Expense	-	421
Loss/(Gain) on Sale of Investments	8,038	33,619
Change in operating assets and liabilities:		
Change in trade and other receivables	(4,142)	91,842
Change in other assets	(91,553)	(35,232)
Change in trade and other payables	450,482	215,856
Change in provisions	68,965	(10,605)
Change in contract liability	65,398	-
Net Cash From Operating Activities	<u>943,403</u>	<u>665,199</u>

Note 22. Financial Instruments

Financial risk management objectives

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, bank loans 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:

	2020 \$	2019 \$
Financial assets		
Cash and cash equivalents	294,129	749,699
Trade and other receivables	73,581	69,438
	<u>367,710</u>	<u>819,137</u>
<i>Financial assets at fair value through profit or loss:</i>		
- listed equities	1,787,838	1,413,891
- interest rate securities	389,676	389,676
	<u>2,177,514</u>	<u>1,803,567</u>
Total financial assets	<u>2,545,224</u>	<u>2,622,704</u>

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Note 22. Financial Instruments (continued)

	2020 \$	2019 \$
Financial Liabilities		
<i>Financial liabilities at amortised cost</i>		
- Bank loans	750,000	1,750,000
- Trade and other payables	963,806	447,922
- Lease liabilities	14,318	18,119
	<u>1,728,124</u>	<u>2,216,041</u>
Total financial liabilities	<u>1,728,124</u>	<u>2,216,041</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 Finance, Risk, Audit and Compliance Committee (formerly 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:

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 7.

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 7.

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

Note 22. Financial Instruments (continued)

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.

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

2020	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Remaining contractual maturities
Bank loans	2.78%	-	-	750,000	750,000
Trade and other payables		963,806	-	-	963,806
Lease liabilities	4.39%	5,420	4,520	6,404	15,444
2019	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Remaining contractual maturities
Bank loans	4.39%	-	-	1,750,000	1,750,000
Trade and other payables		447,922	-	-	447,922
Lease liabilities	4.39%	4,520	4,520	10,924	19,964
		<u>452,442</u>	<u>4,520</u>	<u>1,760,924</u>	<u>2,217,886</u>

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.

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's bank loan outstanding, totalling \$750,000 (2019: \$1,750,000), is a term loan with a redraw facility requiring monthly interest payments and repayment of the principal after 5 years from funding. An official increase/decrease in interest rates of 100 (2019: 100) basis points would have an adverse/favourable effect on profit before tax of \$7,500 (2019: \$17,500) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. The interest rate exposure is limited to fluctuations on interest rate securities listed in Note 11 and interest bearing cash and cash equivalents as disclosed in Note 6.

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.

Note 22. Financial Instruments (continued)

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 9.

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.

	Profit \$	Equity \$
Year ended 31 December 2020		
+/- 10% in listed investments	178,784	-
+/- 1% in interest rates	3,897	-
	Profit \$	Equity \$
Year ended 31 December 2019		
+/- 10% in listed investments	141,389	-
+/- 1% in interest rates	21,397	-

Note 23. 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.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Fair value hierarchy

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity 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

2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Financial assets</i>				
At fair value through profit or loss:				
- shares in listed entities	1,787,838	-	-	1,787,838
- interest rate securities	389,676	-	-	389,676
Total assets	<u>2,177,514</u>	<u>-</u>	<u>-</u>	<u>2,177,514</u>

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Note 23. Fair Value Measurement (continued)

2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Financial assets</i>				
At fair value through profit or loss:				
- shares in listed entities	1,413,891	-	-	1,413,891
- interest rate securities	389,676	-	-	389,676
Total assets	<u>1,803,567</u>	<u>-</u>	<u>-</u>	<u>1,803,567</u>

Transfers between levels of the hierarchy

There were no transfers between levels during the financial year.

Highest and best use

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

Note 24. Key Management Personnel Disclosures

The senior full-time executives of the Company received gross payments amounting to \$347,823 (2019: \$437,776) 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 \$58,608 (2019: \$77,490) in salary and superannuation payments.

Total expenses incurred for all ACT staff during the year:

	2020 \$	2019 \$
Salaries & allowances	1,791,406	1,589,879
Superannuation	205,503	181,874
Unused leave	37,285	3,395
Workers compensation premiums	15,265	13,583
Others	24,661	26,940
	<u>2,074,120</u>	<u>1,815,671</u>

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 \$9,090 (2019: \$30,500).

Note 25. Related Party Transactions

Parent entity

Australian College of Theology Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

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

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Note 26. Tuition Protection

The Company has an obligation to comply with the tuition protection requirements of Sections 16-30, 19-66A and Part 5-1A 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.

Note 27. 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, Skills and Employment.

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).

Note 28. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (30 December 2019: None).

Note 29. Commitments

Turnitin software, Leased photocopier, IT managed services and Risk software

	2020	2019
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>3,971</u>	<u>3,673</u>

Capital commitments

In the opinion of the Directors, the Company did not have any capital commitments at 31 December 2020 (31 December 2019: Nil).

Note 30. 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 Finance, Risk, Audit and Compliance Committee reports on the adequacy of the funds and ensures that the overall risk management strategy is in line with this objective. The Finance, Risk, Audit and Compliance 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 2020.

Note 31. 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 2020 the number of members was 57 (2019: 58).

Note 32. Events after the reporting period

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

END OF REPORT