

AUSTRALIAN COLLEGE OF MINISTRIES

ABN 96 130 267 604

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2018.

Directors

The names of directors in office at any time during or since the end of the year are:

Andrew Peter Ball	Raymond David Cheal (resigned 18 April 2018)
Dennis Charles Nutt	Kenneth James Graham
Neville John Cox	Leslie John Gainer
Alison Dawn Feldman	Daniel Robert Dwyer
Alasdair Iain MacDougall (appointed 22 February 2018)	Daniel Wan Cheung Yeung (appointed 14 March 2018)

Directors have been in office since 1st January 2018 to the date of this report unless otherwise stated.

Company Secretary

Catherine Kleemann was appointed company secretary on 1 May 2012 and held the position at the end of the year.

Principal Activities

The principal activities of the company during the financial year were:

- The provision of religious and educational training.

There was a decision to wind down vocational education operations during the year, as a result of Governmental changes to the VET FeeHelp model and uncertainty within the vocational education sector. This had a direct impact on operations during 2018.

Short-term and long-term objectives

The company's short-term objectives are to:

- Provide a holistic and transformational discipleship experience anywhere in Australia in a cost effective way
- To fully integrate with initiatives to support the kingdom values of our governing bodies, Churches of Christ NSW and the Christian and Missionary Alliance of Australia.

AUSTRALIAN COLLEGE OF MINISTRIES

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DIRECTORS' REPORT (cont'd)

Short-term and long-term objectives (cont'd)

The company's long-term objectives are to:

- Support Christian communities in their ministry and mission through the development of effective, healthy and spiritual leaders
- Build a national reputation as a centre for excellence and innovation in spiritual formation, ministry preparation, theological depth and mission practice
- Develop job ready graduates who are pursuing lives of purpose enhanced by college's rich emphasis on simple uncluttered Christianity
- Become sustainable through wise stewardship, effective management, stakeholder buy-in, staff development and strategic partnership

Operating Results

The net amount of the profit of the Company for the year ended 31 December 2018 was \$157,488. (2017: profit of \$125,941)

Dividends Paid or Recommended

As the company is limited by guarantee there has been no dividend paid or recommended since the end of the previous financial year.

Review of Operations

The company took over the operations of an unincorporated entity, Churches of Christ in NSW – Australian College of Ministries, and was assigned its assets and liabilities on 25th June 2008. There were no changes in the nature of operations during the year.

Australian College of Ministries is committed to serving disciples of Jesus, by offering Higher Education awards ranging from Diploma to Doctoral studies.

Information on Directors

Andrew Peter Ball

Qualifications:	Bachelor of Science (Honours) Bachelor of Divinity Doctor of Ministry
Experience:	30 years pastoral ministry, Executive Ministry Director of Churches of Christ in NSW and the ACT
Interest in Contracts	None
Special Responsibilities:	None

AUSTRALIAN COLLEGE OF MINISTRIES

A.B.N. 96 130 267 604

DIRECTORS' REPORT (cont'd)

Information on Directors (Cont'd)

Dennis Charles Nutt

Qualifications:	Bachelor in Arts Diploma of Education Bachelor of Divinity Master of Arts (Honours) Doctor of Philosophy
Experience:	Over 44 years experience in theological education and has served as the Head of Theology at Wesley Institute and Registrar of the Sydney College of Divinity.
Interest in Contracts	None
Special Responsibilities:	Chair of the Academic Board

Kenneth James Graham

Qualifications:	Diploma in Structural Engineering Diploma in Theology Certificate IV Family Counselling Bachelor of Ministry
Experience:	Over 27 years ministry experience and is currently president of C&MA Australia, Chairman/Director – Alliance Development Fund, Director – CAMA Services Overseas Aid Fund, NSW Police Chaplaincy
Interest in Contracts	None
Special Responsibilities:	None

Neville John Cox

Qualifications:	Grad Dip CM, FPNA, FCIS, FFin, JP, OAM
Experience:	54 years in Finance Industry, Director of several businesses in profit & not for profit sectors.
Interest in Contracts	None
Special Responsibilities:	Chairman, member of Finance Committee

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DIRECTORS' REPORT (cont'd)

Information on Directors (Cont'd)

Alison Dawn Feldman

Qualifications:	BA, Grad Dip, Med
Experience:	Senior lecturer in Public Relations, School of Humanities & Communication Faculty of Arts, University of Southern Qld.
Interest in Contracts	None
Special Responsibilities:	Member of Academic Board

Leslie Gainer

Qualifications:	Bachelor of Science (Honours) Doctor of Philosophy
Experience:	Over 21 years experience in theological education including College Manager / Register of ACOM and Associate Dean / Registrar of Sydney College of Divinity
Interest in Contracts	None
Special Responsibilities:	Member of Academic Board

Daniel Dwyer

Qualifications:	Bachelor of Laws (Hons) Bachelor of Information Technology Graduate Diploma in Legal Practice Master of Laws (International Business and Economic Law) Master of Emergency Management
Experience:	16 years company directorships in not for profit sector 16 years in legal, general counsel and corporate leadership roles
Interest in Contracts	None
Special Responsibilities:	None

AUSTRALIAN COLLEGE OF MINISTRIES
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DIRECTORS' REPORT (cont'd)

Information on Directors (Cont'd)

Alasdair Iain MacDougall

Qualifications:	Bachelor of Theology Master of Theology
Experience:	14 years ministry experience within Churches of Christ NSW, Senior Pastor of Liberty Church of Christ
Interest in Contracts	None
Special Responsibilities:	Member of Research Committee

Daniel Wan Cheung Yeung, CA, FCPA, MACS

Qualifications:	Honours Master in Accounting Master of Accounting Master of Divinity Graduate Diploma in Information Systems Bachelor of Commerce (Accounting) Bachelor of Business Administration (Management) Doctor of Philosophy (Candidate)
Experience:	National Treasurer of Christian and Missionary Alliance Australia Director of Alliance Development Fund Lecturer in Accounting Information Systems, School of Business, Western Sydney University
Interest in Contracts	None
Special Responsibilities:	Chair of Finance Committee

AUSTRALIAN COLLEGE OF MINISTRIES
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DIRECTORS' REPORT (cont'd)

Directors' Meetings

During the year, 4 meetings of directors were held. Attendances were:

	<u>Number Attended</u>	<u>Number eligible to attend</u>
Andrew Peter Ball	4	4
Raymond David Cheal	1	1
Dennis Charles Nutt	3	4
Kenneth James Graham	2	4
Neville John Cox	4	4
Alison Dawn Feldman	3	4
Leslie John Gainer	4	4
Daniel Robert Dwyer	4	4
Alasdair Iain MacDougall	3	4
Daniel Wan Cheung Yeung	3	4

Members' Liability

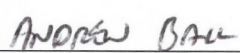
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$20 (2017: \$20).

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 9 and forms part of the directors' report for the financial year ended 31st December 2018.

For and on behalf of the Board.

 **NEVILLE COX**
 Name and signature of Director

 
 Name and signature of Director

Sydney, 25 JUNE 2019



AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as auditor of Australian College of Ministries Ltd for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Assura Group Pty Ltd
Chartered Accountants



Hanoze Udachia
Director

Sydney, 25 June 2019

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenues	2	3,698,746	4,156,650
Other income	2	703,986	864,559
Employee benefits expense		(1,985,212)	(1,975,065)
Depreciation and amortisation expense	3	(20,892)	(21,380)
Undergraduate, Postgraduate & Vocational Education Course Expenses		(1,796,187)	(2,258,007)
Internet, IT and Telephone expense		(30,867)	(35,451)
Motor vehicle, parking & travel expenses		(144,158)	(145,565)
Marketing expense		(38,936)	(64,398)
Administration expense		(228,992)	(395,402)
Net profit (loss) before income tax expense		157,488	125,941
Income tax expense	1(a)	Nil	Nil
Profit (loss) for the year		157,488	125,941
Other comprehensive income			
Gain (Loss) on revaluation of financial assets		(25,227)	2,976
Total other comprehensive income for the year		(25,227)	2,976
Total comprehensive income (loss) attributable to members of the entity		132,261	128,917

The accompanying notes form part of these financial statements.

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
<u>ASSETS</u>			
CURRENT ASSETS			
Cash & cash equivalents	6	534,642	153,299
Trade & other receivables	7	253,849	339,215
Other current assets	8	135,933	84,485
TOTAL CURRENT ASSETS		924,424	576,999
NON-CURRENT ASSETS			
Financial assets	9	722,197	721,215
Property, plant and equipment	10	46,788	38,390
TOTAL NON-CURRENT ASSETS		768,985	759,605
TOTAL ASSETS		1,693,409	1,336,604
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade & other payables	11	122,670	163,214
Provisions	12	315,251	99,630
TOTAL CURRENT LIABILITIES		437,921	262,844
NON-CURRENT LIABILITIES			
Trade & other payables	11	300,000	300,000
Provisions	12	67,059	17,592
TOTAL NON CURRENT LIABILITIES		367,059	317,592
TOTAL LIABILITIES		804,980	580,436
NET ASSETS		888,429	756,168
<u>EQUITY</u>			
Reserves	13	794,053	819,280
Retained earnings	14	94,376	(63,112)
TOTAL EQUITY		888,429	756,168

The accompanying notes form part of these financial statements.

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 January 2017	(189,053)	816,304	627,251
Total comprehensive income for the year			
Profit attributable to members	125,941	-	125,941
Other comprehensive income for the year:			
Net gain on revaluation of financial assets	-	2,976	2,976
Total other comprehensive income for the year	-	2,976	2,976
Total comprehensive income for the year attributable to members of the entity	125,941	2,976	128,917
Balance at 31 December 2017	(63,112)	819,280	756,168
 Balance at 1 January 2018	 (63,112)	 819,280	 756,168
Total comprehensive income for the year			
Profit (loss) attributable to members	157,488	-	157,488
Other comprehensive income for the year:			
Net gain on revaluation of assets	-	(25,227)	(25,227)
Total other comprehensive income for the year	-	(25,227)	(25,227)
Total comprehensive income for the year attributable to members of the entity	157,488	(25,227)	132,261
Balance at 31 December 2018	94,376	794,053	888,429

The accompanying notes form part of these financial statements.

AUSTRALIAN COLLEGE OF MINISTRIES
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from donors and customers		4,433,791	4,809,112
Payments to suppliers and employees		(4,000,675)	(4,908,146)
Interest received		4,737	7,779
Net cash provided by (used in) operating activities	16(b)	437,853	(91,255)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment (net)		(30,300)	(19,893)
Purchase of financial assets (net)		(26,210)	(59,615)
Net cash provided by (used in) investing activities		(56,510)	(79,508)
Cash & cash equivalents as at beginning of the financial year		153,299	324,062
Net increase (decrease) in cash held		381,343	(170,763)
Cash & cash equivalents as at end of the financial year	16(a)	534,642	153,299

The accompanying notes form part of these financial statements.

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Australian College of Ministries is a public company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 and were prepared in order to satisfy the financial reporting requirements under the Australian Charities and Not-For-Profits Commission Regulation 2013. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

a) Income Tax

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

b) Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Plant & Equipment	33% - 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c) Cash and Cash Equivalents

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

d) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably.

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

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year together have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

g) Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 each towards meeting any outstanding obligations of the company. At 31st December 2018 the number of members was two.

h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments (*continued*)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments (*continued*)

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The entity assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The entity allows 0% for amounts that are 30 to 60 days past due, 0% for amounts that are between 60 and 90 days past due and writes off fully any amounts that are more than 90 days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The entity's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Accounting policies applicable to comparative period (31 December 2017)

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments (*continued*)

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVPL)
- Available-for-sale (AFS) financial assets

All financial assets except for those at fair value through profit or loss (FVPL) are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The entity's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(ii) Available-for-sale investments

Available-for-sale (AFS) financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The entity's AFS financial assets include listed securities.

All available-for-sale (AFS) financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue'.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Instruments (*continued*)

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit loss and any subsequent increase in fair value is recognised in other comprehensive income.

Classification and subsequent measurement of financial liabilities

The entity's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss (FVPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

j) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

k) Leases

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

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m) Comparative figures

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

n) Critical accounting estimates and judgments

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

o) Adoption of New and Revised Accounting Standards

During the year, the Directors have considered the impact of new and revised AAS and Interpretations on the operations of the Company. The Directors do not believe the impact of these new and revised standards to be material in relation to the recognition, measurement and disclosure of the Company's transactions.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

<u>NOTE 2: REVENUE AND OTHER INCOME</u>	2018	2017
	\$	\$
Revenue		
Revenue from operating activities		
— Undergraduate Course revenue	2,596,681	3,136,705
— Postgraduate Course revenue	1,102,065	1,010,855
— Vocational educational	-	9,090
Total revenue	3,698,746	4,156,650
Other income		
— Donations	4,404	3,488
— Interest received	4,737	7,779
— Investment Income	33,640	63,916
— Subsidies	566,138	554,978
— Other revenue	95,067	234,398
Total other income	703,986	864,559
Total revenue and other income	4,402,732	5,021,209

NOTE 3: PROFIT FOR THE YEAR

a) Expenses:

Employee benefits expense:

— Contributions to defined contribution superannuation funds	175,180	157,010
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Depreciation of non-current assets:

— Plant & Equipment	20,892	21,380
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AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 4: KEY MANAGEMENT PERSONNEL

Transactions with Key Management Personnel

a. Directors' Remuneration

No income was paid or payable to any key management personnel of the company.

The names of the company directors who have held office during the financial year are:

— Andrew Peter Ball	— Dennis Charles Nutt
— Raymond David Cheal (resigned 18 Apr 2018)	— Kenneth James Graham
— Neville John Cox	— Alison Dawn Feldman
— Leslie John Gainer	— Daniel Robert Dwyer
— Alasdair Iain MacDougall (appointed 22 February 2018)	— Daniel Wan Cheung Yeung (appointed 14 March 2018)

NOTE 5: AUDITOR'S REMUNERATION

	2018	2017
	\$	\$
Remuneration of the auditor of the company for:		
— Auditing or reviewing the financial report	10,700	12,000
	10,700	12,000

NOTE 6: CASH & CASH EQUIVALENTS

CURRENT

Cash on hand	364	1,150
Cash at bank	534,278	152,149
TOTAL CASH	534,642	153,299

NOTE 7: TRADE & OTHER RECEIVABLES

CURRENT

Trade Receivables	90,881	335,765
Other Receivable	162,968	3,450
NET CURRENT RECEIVABLES	253,849	339,215

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
<u>NOTE 8: OTHER ASSETS</u>		
CURRENT		
Prepayments	60,050	59,183
GST Receivable (net)	75,883	25,302
TOTAL OTHER ASSETS	135,933	84,485

NOTE 9: FINANCIAL ASSETS

NON CURRENT		
Available for sale financial assets	722,197	721,215

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant and equipment		
At Cost	200,843	188,670
Accumulated Depreciation	(154,055)	(150,280)
TOTAL PLANT AND EQUIPMENT	46,788	38,390

Movements in Carrying Amounts

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

	2018	2017
	\$	\$
Plant and equipment		
Balance at beginning of the year	38,390	39,877
Additions/(Disposals) at cost	29,290	19,893
Depreciation expense	(20,892)	(21,380)
Carrying amount at the end of the year	46,788	38,390

The fixed assets of Australian College of Ministries (unincorporated) were taken over by the Company on 25 June 2008 together with the related amounts of accumulated depreciation.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

<u>NOTE 11: TRADE & OTHER PAYABLES</u>	2018	2017
	\$	\$
CURRENT		
Unsecured Liabilities		
Trade Creditors	13,604	56,486
Other Creditors and Accrued Expenses	109,066	106,728
	122,670	163,214
NON CURRENT		
Unsecured Liabilities		
Churches of Christ, NSW	300,000	300,000
<u>NOTE 12: PROVISIONS</u>		
CURRENT		
Employee entitlements	315,251	99,630
NON CURRENT		
Employee entitlements	67,059	17,592
<u>NOTE 13: RESERVES</u>		
General Reserve – ACOM Foundation	287,764	287,764
Asset Revaluation Reserve	16,388	41,615
General Reserve (represented by Assets & Liabilities taken over from unincorporated entity)	489,901	489,901
	794,053	819,280

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

<u>NOTE 14: RETAINED EARNINGS</u>	2018	2017
	\$	\$
Opening balance	(63,112)	(189,053)
Net surplus (loss) for the year	157,488	125,941
	<u>94,376</u>	<u>(63,112)</u>

NOTE 15: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

<u>NOTE 16: CASH FLOW INFORMATION</u>	2018	2017
	\$	\$
a) Reconciliation of Cash & cash equivalents		
Cash & cash equivalents at end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	364	1,150
Cash at Bank	534,278	152,149
Cash & cash equivalents	<u>534,642</u>	<u>153,299</u>
b) Reconciliation of cash flow from operations with net profit after income tax		
Operating surplus/(deficit) after income tax	157,488	125,941
Non-cash flows in net profit		
Depreciation	20,892	21,380
Loss on sale of fixed asset	1,011	-
Changes in assets and liabilities:		
Decrease/(increase) in receivables	85,366	(196,327)
Decrease/(increase) in other assets	(51,448)	(7,991)
Increase/(decrease) in payables	(40,544)	(57,503)
Increase/(decrease) in provisions	265,088	23,245
Cash flows from operations	<u>437,853</u>	<u>(91,255)</u>

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 17: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments contracted for but not capitalised in the accounts is payable as follows	2018	2017
	\$	\$
No later than one year	52,272	51,562
Later than 1 year but not later than 5 years	40,603	65,277
	<u>92,875</u>	<u>116,839</u>

NOTE 18: FINANCIAL RISK MANAGEMENT

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018	2017
		\$	\$
Financial assets			
Cash and cash equivalents	6	534,642	153,299
Trade and other receivables	7	253,849	339,215
Available-for-sale financial assets	9	722,197	721,215
Total financial assets		<u>1,510,688</u>	<u>1,213,729</u>
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	11	422,670	463,214
Total financial liabilities		<u>422,670</u>	<u>463,214</u>

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

The directors are not aware of any matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

AUSTRALIAN COLLEGE OF MINISTRIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 20: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTE 21: CONTINGENT LIABILITIES

Estimates of the potential financial effect of contingent liabilities that may become payable:	2018	2017
	\$	\$
Sydney College of Divinity	50	50
	50	50

ACOM is a member of Sydney College of Divinity. All members of Sydney College of Divinity need to contribute up to \$50 in the event of the company winding up.

NOTE 22: STATEMENT OF OPERATIONS BY SEGMENTS

The company derived its income from the provision of training and educational services within Australia, subscriptions from related parties, and through receipt of donations from the community.

NOTE 23: COMPANY DETAILS

The principal place of business and registered office of the company is:
Level 1, 3 Rider Boulevard, Rhodes, NSW 2138

AUSTRALIAN COLLEGE OF MINISTRIES

A.B.N. 96 130 267 604

DIRECTORS' DECLARATION

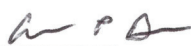
The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 10 to 29 are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the company;
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Name and signature of Director

Name and signature of Director

Sydney, 25 JUNE 2019



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE AUSTRALIAN COLLEGE OF MINISTRIES LTD**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian College of Ministries Ltd, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Australian College of Ministries Ltd has been prepared in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) Giving a true and fair view of the financial position of Australian College of Ministries Ltd as of 31 December 2018 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Div 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 as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the ACNC Act and of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 management either intends to liquidate Australian College of Ministries Ltd or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE AUSTRALIAN COLLEGE OF MINISTRIES LTD (cont'd)**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE AUSTRALIAN COLLEGE OF MINISTRIES LTD (cont'd)**

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

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Assura Group Pty Ltd
Chartered Accountants**



**Hanoze Udachia
Director**

Sydney, 25 June 2019