

AUSTRALIAN COLLEGE OF MINISTRIES

ABN 96 130 267 604

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

CONTENTS

	<i>Page</i>
Directors' Report	3
Auditor's Independence Declaration	9
Statement of Profit or Loss & Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	29
Auditor's Report	30

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 2017.

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

Dennis Charles Nutt

Kenneth James Graham

Neville John Cox

Alison Dawn Feldman

Leslie Gainer (appointed 19 April 2017) Daniel Dwyer (appointed 29 November 2017)

Directors have been in office since 1st January 2017 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.

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 other fresh hope initiatives to support the kingdom values of our governing bodies, Churches of Christ NSW and the Christian and Missionary Alliance of Australia Inc.

AUSTRALIAN COLLEGE OF MINISTRIES**A.B.N. 96 130 267 604****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 2017 was \$125,940. (2016: loss of \$204,091)

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:	BSc(Hons), BD, DMin
Experience:	29 years pastoral ministry, sessional lecturer.
Interest in Contracts	None
Special Responsibilities:	None

Information on Directors (Cont'd)

Qualifications:	
Experience:	18 years as Board Member including unincorporated ACOM
Interest in Contracts	None
Special Responsibilities:	Chair of finance committee

Qualifications:	Bachelor in Arts Diploma of Education Bachelor of Divinity Master of Arts (Honours) Doctor of Philosophy (Candidate)
Experience:	Over 43 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 academic board

Qualifications:	Diploma in Structural Engineering Diploma in Theology Certificate IV Family Counselling Bachelor of Ministry
Experience:	Over 26 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

AUSTRALIAN COLLEGE OF MINISTRIES**A.B.N. 96 130 267 604****DIRECTORS' REPORT (cont'd)****Information on Directors (Cont'd)****Neville John Cox**

Qualifications:	Grad Dip CM, FPNA, FCIS, FFin, JP.
Experience:	53 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

Alison Dawn Feldman

Qualifications:	BA, Grad Dip Ed, 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 20 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

AUSTRALIAN COLLEGE OF MINISTRIES**A.B.N. 96 130 267 604****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:	15 years company directorships in not for profit sector 15 years in legal, general counsel and corporate leadership roles
Interest in Contracts	None
Special Responsibilities:	None

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	3	4
Dennis Charles Nutt	4	4
Kenneth James Graham	3	4
Neville John Cox	4	4
Alison Dawn Feldman	4	4
Leslie Gainer (appointed on 19 April 2017)	3	4
Daniel Dwyer	1	1

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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$20 (2016: \$20).

AUSTRALIAN COLLEGE OF MINISTRIES

A.B.N. 96 130 267 604

DIRECTORS' REPORT (cont'd)

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 2017.

For and on behalf of the Board.


NEVILLE COX

Name and signature of Director


ANDREW BALL

Name and signature of Director

Sydney, 18 July 2018



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 2017, 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, 18 July 2018

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 2017

	Note	2017 \$	2016 \$
Revenues	2	4,156,650	2,727,265
Other income	2	864,559	502,642
Employee benefits expense		(1,975,065)	(1,738,257)
Depreciation and amortisation expense	3	(21,380)	(13,766)
Undergraduate, Postgraduate & Vocational Education Course Expenses		(2,258,007)	(1,098,986)
Internet, IT and Telephone expense		(35,451)	(42,656)
Motor vehicle, parking & travel expenses		(145,565)	(134,635)
Marketing expense		(64,398)	(33,718)
Administration expense		(395,402)	(371,980)
Net profit (loss) before income tax expense		125,941	(204,091)
Income tax expense	1(a)	Nil	Nil
Profit (loss) for the year		125,941	(204,091)
Other comprehensive income			
Gain (Loss) on revaluation of financial assets		2,976	26,795
Total other comprehensive income for the year		2,976	26,795
Total comprehensive income (loss) attributable to members of the entity		128,917	(177,296)

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 2017

	Note	2017 \$	2016 \$
<u>ASSETS</u>			
CURRENT ASSETS			
Cash & cash equivalents	6	153,299	324,062
Trade & other receivables	7	339,215	142,888
Other current assets	8	84,485	76,494
TOTAL CURRENT ASSETS		576,999	543,444
NON-CURRENT ASSETS			
Financial assets	9	721,215	658,874
Property, plant and equipment	10	38,390	39,877
TOTAL NON-CURRENT ASSETS		759,605	698,751
TOTAL ASSETS		1,336,604	1,242,195
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade & other payables	11	163,214	220,967
Provisions	12	99,630	78,237
TOTAL CURRENT LIABILITIES		262,844	299,204
NON-CURRENT LIABILITIES			
Trade & other payables	11	300,000	300,000
Provisions	12	17,592	15,740
TOTAL NON CURRENT LIABILITIES		317,592	315,740
TOTAL LIABILITIES		580,436	614,944
NET ASSETS		756,168	627,251
<u>EQUITY</u>			
Reserves	13	819,280	816,304
Retained earnings	14	(63,112)	(189,053)
TOTAL EQUITY		756,168	627,251

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 2017

	Note	Retained Earnings	Reserves	Total
		\$	\$	\$
Balance at 1 January 2016		130,187	674,360	804,547
Total comprehensive income for the year				
Profit attributable to members		(204,091)	-	(204,091)
Other comprehensive income for the year:				
Net gain on revaluation of financial assets		-	26,795	26,795
Retrospective adjustment in relation to asset revaluation reserve	22	(115,149)	115,149	-
Total other comprehensive income for the year		-	141,944	26,795
Total comprehensive income for the year attributable to members of the entity		(319,240)	141,944	(177,296)
Balance at 31 December 2016		(189,053)	816,304	627,251
Balance at 1 January 2017		(189,053)	816,304	627,251
Total comprehensive income for the year				
Profit (loss) attributable to members		125,941	-	125,941
Other comprehensive income for the year:				
Net gain on revaluation of 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

The accompanying notes form part of these financial statements.

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from donors and customers		4,809,112	3,373,035
Payments to suppliers and employees		(4,908,146)	(3,282,548)
Interest received		7,779	4,144
Net cash provided by (used in) operating activities	16(b)	(91,255)	94,631
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment (net)		(19,893)	(24,590)
Proceeds from financial assets (net)		(59,615)	(6,035)
Net cash provided by (used in) investing activities		(79,508)	(30,625)
Cash & cash equivalents as at beginning of the financial year		324,062	260,056
Net increase (decrease) in cash held		(170,763)	64,007
Cash & cash equivalents as at end of the financial year	16(a)	153,299	324,062

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 2017

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 Charities and Not-for-Profits Commission Act 2012 and 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.

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.

AUSTRALIAN COLLEGE OF MINISTRIES

A.B.N. 96 130 267 604

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Plant and Equipment (continued)

Depreciation (continued)

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
A.B.N. 96 130 267 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 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**A.B.N. 96 130 267 604****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2017****NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(i) Financial Instruments****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(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 and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

AUSTRALIAN COLLEGE OF MINISTRIES**A.B.N. 96 130 267 604****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2017****NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(i) Financial Instruments (continued)***(ii) Available-for-sale investments (cont'd)*

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available -for-sale financial assets are classified as current assets

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

AUSTRALIAN COLLEGE OF MINISTRIES

A.B.N. 96 130 267 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit and loss.

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**A.B.N. 96 130 267 604****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2017****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

Following accounting standards have been issued by the AASB but are not effective for year ended 31 December 2017:

1. AASB 9 Financial instruments (effective date 01 January 2018)
2. AASB 15 Revenue recognition from contracts with customers (effective date 01 January 2018)
3. AASB 16 Leases (effective date 01 January 2019)

Management has determined there will be no material impact on the entity's financial report on account of AASB 9 Financial instruments and AASB 15 Revenue recognition from contracts with customers. Further, management is in the process of assessing the impact of AASB 16 Leases in future years and the likely impact of the same has not been included in the financial report for the year ended 31 December 2017.

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>NOTE 2: REVENUE AND OTHER INCOME</u>	2017	2016
	\$	\$
Revenue		
Revenue from operating activities		
— Undergraduate Course revenue	3,136,705	1,615,908
— Postgraduate Course revenue	1,010,855	708,444
— Vocational educational	9,090	402,913
Total revenue	4,156,650	2,727,265
Other income		
— Donations	2,988	12,215
— Interest received	7,779	4,144
— Investment Income	2,437	4,143
— Subsidies	554,978	408,777
— Other revenue	296,377	73,363
Total other income	864,559	502,642
Total revenue and other income	5,021,209	3,229,907

NOTE 3: PROFIT FOR THE YEAR

a) Expenses:

Employee benefits expense:

— Contributions to defined contribution superannuation funds	157,010	132,326
Depreciation of non-current assets:		
— Plant & Equipment	21,380	13,766

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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	— Kenneth James Graham
— Neville John Cox	— Alison Dawn Feldman
— Leslie Gainer (appointed on 19 April 2017)	— Daniel Dwyer (appointed on 29 November 2017)

NOTE 5: AUDITORS' REMUNERATION

	2017	2016
	\$	\$
Remuneration of the auditor of the company for:		
— Auditing or reviewing the financial report	12,000	12,000
	<u>12,000</u>	<u>12,000</u>

NOTE 6: CASH & CASH EQUIVALENTS

CURRENT

Cash on hand	1,150	1,000
Cash at bank	152,149	323,062
TOTAL CASH	<u>153,299</u>	<u>324,062</u>

NOTE 7: TRADE & OTHER RECEIVABLES

CURRENT

Trade Receivables	335,764	130,825
Other Receivable	3,450	12,063
NET CURRENT RECEIVABLES	<u>339,215</u>	<u>142,888</u>

AUSTRALIAN COLLEGE OF MINISTRIES

A.B.N. 96 130 267 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
<u>NOTE 8: OTHER ASSETS</u>		
CURRENT		
Prepayments	59,183	60,222
GST Receivable (net)	25,302	16,272
TOTAL OTHER ASSETS	84,485	76,494

NOTE 9: FINANCIAL ASSETS

NON CURRENT		
Available for sale financial assets	721,215	658,874

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant and equipment		
At Cost	188,670	187,633
Accumulated Depreciation	(150,280)	(147,756)
TOTAL PLANT AND EQUIPMENT	38,390	39,877

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.

	2017	2016
	\$	\$
Plant and equipment		
Balance at beginning of the year	39,877	29,053
Additions/(Disposals) at cost	19,893	24,590
Depreciation expense	(21,380)	(13,766)
Carrying amount at the end of the year	38,390	39,877

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
A.B.N. 96 130 267 604
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>NOTE 11: TRADE & OTHER PAYABLES</u>	2017	2016
	\$	\$
CURRENT		
Unsecured Liabilities		
Trade Creditors	56,486	28,427
Other Creditors and Accrued Expenses	106,728	192,540
	163,214	220,967
NON CURRENT		
Unsecured Liabilities		
Churches of Christ, NSW	300,000	300,000
<u>NOTE 12: PROVISIONS</u>		
CURRENT		
Employee entitlements	99,630	78,237
NON CURRENT		
Employee entitlements	17,592	15,740
<u>NOTE 13: RESERVES</u>		
General Reserve – ACOM Foundation	287,764	287,764
Asset Revaluation Reserve	41,615	38,639
General Reserve (represented by Assets & Liabilities taken over from unincorporated entity)	489,901	489,901
	819,280	816,304

AUSTRALIAN COLLEGE OF MINISTRIES
A.B.N. 96 130 267 604
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

<u>NOTE 14: RETAINED EARNINGS</u>	2017	2016
	\$	\$
Opening balance	(189,053)	130,187
Net surplus (loss) for the year	125,941	(204,091)
Prior period error	-	(115,149)
	<u>(63,112)</u>	<u>(189,053)</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>	2017	2016
	\$	\$
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	1,150	1,000
Cash at Bank	152,149	323,062
Cash & cash equivalents	<u>153,299</u>	<u>324,062</u>
b) Reconciliation of Cash Flow from operations with net profit after income tax		
Operating surplus/(deficit) after income tax	125,941	(204,091)
Non-cash flows in net profit		
Depreciation	21,380	13,766
Changes in assets and liabilities,		
Decrease/(increase) in receivables	(196,327)	83,299
Decrease/(increase) in other assets	(7,991)	63,975
Increase/(decrease) in payables	(57,503)	120,381
Increase/(decrease) in provisions	23,245	17,301
Cash flows from operations	<u>(91,255)</u>	<u>94,631</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 17: CAPITAL AND LEASING
COMMITMENTS

	2017	2016
	\$	\$
Operating lease commitments contracted for but not capitalised in the accounts is payable as follows		
No later than one year	51,562	45,656
Later than 1 year but not later than 5 years	65,277	48,255
	116,839	93,911

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:

	2017	2016
Note	\$	\$
Financial assets		
Cash and cash equivalents	6 153,299	324,062
Trade and other receivables	7 339,215	142,888
Available-for-sale financial assets	9 721,215	658,874
Total financial assets	1,213,729	1,125,824
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	11 463,214	520,967
Total financial liabilities	463,214	520,967

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
A.B.N. 96 130 267 604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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:	2017	2016
	\$	\$
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: CORRECTION OF PRIOR PERIOD ERROR

The financial report for the year ended 31 December 2016 included an error in respect of year-end valuation of the Asset Revaluation Reserve (ARR). This also resulted in an error of the year-end balance of Retained Earnings. Unavailability of historical cost information on available-for-sale investments led to this cumulative error of past years. Relevant information became available in the current year, and hence a correction of \$115,149 to the ARR value as at 31 December 2016 was deemed necessary. The impact of the adjustments made to the prior year's financial statements upon correction of the error is summarised below.

Adjustment as at 31 December 2016

	As previously stated	Correction of error	Restated balance
Asset Revaluation Reserve	(\$76,510)	\$115,149	\$38,639
Reserves (Total)	\$701,155	\$115,149	\$816,304
Retained Earnings / (Accumulated Loss)	\$73,904	(\$115,149)	(\$189,053)

AUSTRALIAN COLLEGE OF MINISTRIES

A.B.N. 96 130 267 604

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 23: 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 24: 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 28 are in accordance with the requirements of Australian Charities and Not-for-Profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and Australian Charities and Not-for-Profits Commission regulation 2013; and
 - b. give a true and fair view of the financial position as at 31 December 2017 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.



NEVILLE COX

Name and signature of Director



ANDREW DALE

Name and signature of Director

Sydney, 18 July 2018

**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 2017, 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 2017 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards 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, 18 July 2018