



CROMWELL COLLEGE

Within the University of Queensland

ANNUAL REPORT 2021

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CHAIRPERSON'S REPORT 2021

Our Cromwell College Mission Statement is: *To provide a vibrant community for students in a caring Christian environment that enables them to grow in knowledge and character and willingness to serve.* During the year 2021 we have continued with great success to make our mission a practical reality. We continually provide a high standard of service to our students so that the College experience value-adds to their outcomes.

Cromwell College is a community that welcomes and supports a diverse group of people as students, not necessarily the greatest academics or the most accomplished sportspeople but those who would most benefit by the College experience. Bursary programs funded by the Foundation facilitate access to the College for students who would not otherwise be able to afford it. Nevertheless, our academic achievements remain high. The spirit of support and pride in the College is strongly evident throughout the student body but also in the staff and College leadership.

It is the Cromwell College belief that excellence in scholarship is not confined to academic achievement but also experience in a full range for sporting, cultural, social and spiritual activities. There are many activities for students to choose from as well as personal and academic support from a range of people within the College community and the community environment itself. A team of advisors, tutors and mentors provides personal and academic support to students. Because of this our academic results university retention rates higher than the average.

Cromwell maintains a healthy relationship with the other nine residential colleges, the University and the sector nationally. The University Colleges Australia (Queensland Chapter) meets monthly.

After several years of negotiation with University Senate member Anne Cross, the colleges have finalised the University's Relationship Framework and Working Together Terms of Reference. We are seeing good communications and support on all levels.

Enrolments at the College began 2021 at capacity. The retention rate was significantly higher than previously, due to many students wishing to have the College experiences they missed during 2020.

While 2022 commences once again with a full College, we are aware of the environment in which we operate. University Colleges in general are being challenged by circumstance often beyond their control – in particular the economic climate, tertiary learning alternatives and changes in student preferences for accommodation. Changes to our client and physical environments continually need to be responded to. Kev Carmody House, the University of Queensland's Student Residence Project, located in Hood Street opposite the College, opened this year fully booked.

The College Board of Governors gives an intentional direction for the College and drives continual improvement in current activities and through the introduction of new initiatives. The immediate outcomes are in a more positive university experience for our students with overall higher academic outcomes and a higher course retention rate than the general university student population.

The annual Board retreat was held in February and included for this occasion our senior staff. We commenced a review of our strategy plan and the preparation of a new one, facilitated by Effective Governance. We anticipate that the process will be completed by June.

The Board have given of their time and diverse skills for the betterment of the College: Executive Committee, the Property Committee, the Finance Committee and the Foundation as well as personal activities. A major factor in the Board's effectiveness is the range of backgrounds, talents and interests bringing a multifaceted dimension to decision making. I thank them for their commitment to the College. We welcomed Dr Al Jury, the University of Queensland appointed director, to the Board, taking up his position in early 2021. Dr Jury is the university's Chief Human Resources Officer.

Financially we are in a strong position.

The property plan remains active with continual upgrades to facilities. Towards the end of 2021 the major renovations to the administration block and installation of new tutorial rooms were commenced. Work should be completely finished by April and will be of great benefit to the College. Coming in at more than three million dollars this project is the first major building development since the Begbie building in 2013. An increasing number of students are taking advantage of the tutorial program which is continuing to expand rapidly and has far exceeded any space which can be made available. While we have previously on several occasions reorganised spaces to cater for a growing staff, our administration block has never actually been extended since Cromwell opened in 1954 so the additions are not before time.

COCA – the Cromwell Old Collegians' Association – is increasing its connections with College alumni through more complete databases and the widening networks of personal contacts. It publishes the College's contact newsletter, COCA News. In addition to social functions, alumni are supporting current students through business breakfasts and as academic tutors.

The Foundation under the leadership of Foundation chair Richard Shannon provides financial support to give students access to the College. The expenditure on bursaries is rising continually and applications are expected to increase further in the foreseeable future.

Our Principal and his wife Simon and Dr Kylie Armstrong rapidly became part of the College. Simon is popular with the students and has the confidence of the staff. As the year has progressed he has shown collaborative and strong leadership, making his presence felt throughout the College.

We are seeing positive outcomes from our Marketing & Advancement Manager Symantha Liu, justifying the Board's decision to create the position.

The sense of vitality and community at Cromwell are a continual joy and we should all be proud of the year's achievements.

I would like conclude by thanking:

- The staff - the Deputy Principal, Dean of Students and Business Manager; and people associated with college services – student advisors, housekeeping, buildings and maintenance, grounds, kitchen and administration.
- The Students' Association who have worked with the Principal and the Board of Governors in making this a great place.
- Those who have given financial support to Cromwell.

Finally, there is my thanks to God for the goodness he has shown our College and my prayers to him that his blessings will continue.

Dr Joe Goodall
Chairperson

PRINCIPAL'S REPORT

2021 was a year of change and challenges for Cromwell with the appointment of the seventh Principal, Simon Armstrong and the COVID pandemic continuing to impact on College operations and procedures.

The College year commenced with the traditional P Week program where student leaders and O Week committee members completed a variety of activities and workshops to better equip them in achieving the collective goal of a positive Cromwell experience for all residents.

The O Week program was unfortunately but necessarily compromised due to the pandemic. Our parents were unable to experience a 'true' Cromwell lunch, however, the warm welcome from our students and staff more than compensated for this. Our O Week program remained agile to account for any changed health restrictions and our traditional skip had a pool noodle added to ensure health directives were not compromised.

The COVID pandemic continued to challenge us throughout the year however we were most grateful that restrictions placed on us did not result in all students leaving the College as was the case the previous year. The students were incredibly resilient and compliant and remained positive throughout.

Our students continue to perform very well academically with a combined GPA for the year of 5.08. Our students have been well supported by Senior Tutors Chrissy Meelen and Maxine Allwood backed by our Academic Mentors who regularly monitor and support student progress. Our focus continues to improve the student academic performance with the introduction of business mentors and a 21st Century skills program.

The Cromwell College community were keen participants in the ICC sport, cultural and service events with some pleasing results. It is the support from our students that certainly set us apart from other Colleges with undoubtedly the largest support group at the ICC events. Spiritual enquiry continues to grow through a combination of student interest assisted by their preferred supporting organisation. Our relationship with Red Frogs continues and we thank them for their support at our many social initiatives. These social events are an integral part of College life that combine to make the complete residential college experience.

Student safety and wellbeing remain as a major area of focus. The College completed a number of student safety forums in an effort to mitigate against any safety and wellbeing risks students may encounter. Our pastoral focus and attention continues with the Principal, Deputy Principal and Dean of Students all living on site 24/7, together with two Senior Staff who are past Cromwell students.

Towards the end of the year, the Board mandated a compulsory double dose vaccination policy for new and returning students as well as all Cromwell staff, contractors and visitors to further support the wellbeing of our community.

The College has seen considerable change with long awaited renovations and construction commencing towards the end of the year. Latent conditions, poor weather and construction and supply challenges due to COVID resulted in the project being delayed, however, once completed, our students will have access to outstanding tutorial and social spaces.

The Board and senior management commenced preliminary work on the College's next strategic plan with a review of our Mission, Vision, Value and Strategic levers through interviews and conversations with staff, students and parents both past and present. The revised strategic document will be shared with our community in 2022.

College enrolments were maintained above budget. The establishment of an additional corridor (Bishop) in Campus Lodge in 2021 was not without its' challenges given that self contained living was deemed not to be the same as the residential corridor experience, hence the departure of some students.

The Student Association Executive continue to provide social and service events to engage our students and are commended for their efforts. The role of our RAs has never been more crucial with the ever increasing rise in mental wellbeing concerns, especially during the pandemic. I am truly grateful to all for the care, compassion and leadership the Executive and RAs have demonstrated throughout the year.

The College is governed by a volunteer Board led by Chairman Dr Joe Goodall. Long standing Board member Dr Janet Porter resigned after 20 years of service. The College welcomed Professor Polly Parker and Dr Al Jury to the Board of Governors in 2021. My sincere thanks to all members of the Board for their ongoing support and guidance.

The College remains committed to fostering a positive and productive relationship with the College Foundation and Cromwell Old Collegian's Association (COCA). The employment of a Marketing and Advancement Manager will further enhance and develop this relationship in the years to come.

My sincere thanks to all staff and students for their support throughout my first year as Principal and look forward to continuing my servant leadership for years to come.

SECRETARY'S REPORT

Six general meetings of the Board were held during 2021. Those holding office during the year were as follows:

TRUSTEES:

Chairperson: Dr J Goodall
Treasurer: Ms J Young
Secretary: Mr B de Jong

BOARD OF GOVERNORS:

The number of meetings attended is indicated in brackets.

Ex officio: The Principal, Mr. S. Armstrong

Elected by the Uniting Church, Queensland Synod:

Ms D Abbey	(5 of 6)
Mr B B de Jong	(5 of 6)
Dr J Goodall	(6 of 6)
Rev P J Lockhart	(6 of 6)
Ms J Young	(5 of 6)

Elected by the Board of Governors:

The Hon Justice J A Logan	(5 of 6)
Mr A E McChesney-Clark	(6 of 6)
Dr J Porter	(1 of 1)
Dr S Bade	(6 of 6)
Mr R Shannon	(5 of 6)
Dr Dolly Parker	(5 of 6)

Life Governors:

Mr M J C Head
Mr B B de Jong
Mr A E McChesney-Clark

Elected by Cromwell College Old Collegians' Association:

Ms J Landmark	(6 of 6)
Mr B Durance	(4 of 6)

Appointed by the Senate of the University of Queensland:

Dr Al Jury	(3 of 4)
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Elected by Cromwell College Students' Association:

Mitchel Northcote	(4 of 6)
Luke Gaughan	(2 of 3)

Visitor to the College:

OFFICERS AND COMMITTEES:

At the 70th Annual General Meeting held on 10th March 2021, the following officers were elected:

Chairperson:	Dr J Goodall
Deputy Chairperson:	Dr J Porter
Secretary:	Mr B de Jong
Treasurer:	Ms J Young

Property Committee

Six Property Committee meetings were held during the year.

Mr A E McChesney-Clark - Chairperson	(6 of 6)
Dr J Porter	(2 of 6)
Mr R A Switzer	(6 of 6)
Mr M Crome	(6 of 6)
Mr J March	(6 of 6)
Mr N Yarrow	(6 of 6)
Ms D Abbey	(1 of 6)
Ms L Roos	(3 of 6)
Mr K Jeynes	(1 of 6)

Finance Committee

Three Finance Committee meeting was held during the year.

Mr A Betts	(2 of 2)
Mr R A Switzer	(5 of 6)
Mr B de Jong	(5 of 6)
Mr M Crome	(4 of 6)
Mr J March	(6 of 6)
Ms J Young	(6 of 6)
Ms L Roos	(5 of 6)
Mr K Jeynes	(4 of 6)

APPOINTMENTS:

Bentleys was appointed as College Auditor.

Short Statement

College operations in 2021 continued to face challenges as a result of Covid19, which also extended to governance arrangements.

The Board of Governors largely returned to face to face meetings despite the challenges of social distancing and lock downs, but continued to make use of technology to discharge their fiduciary duties.

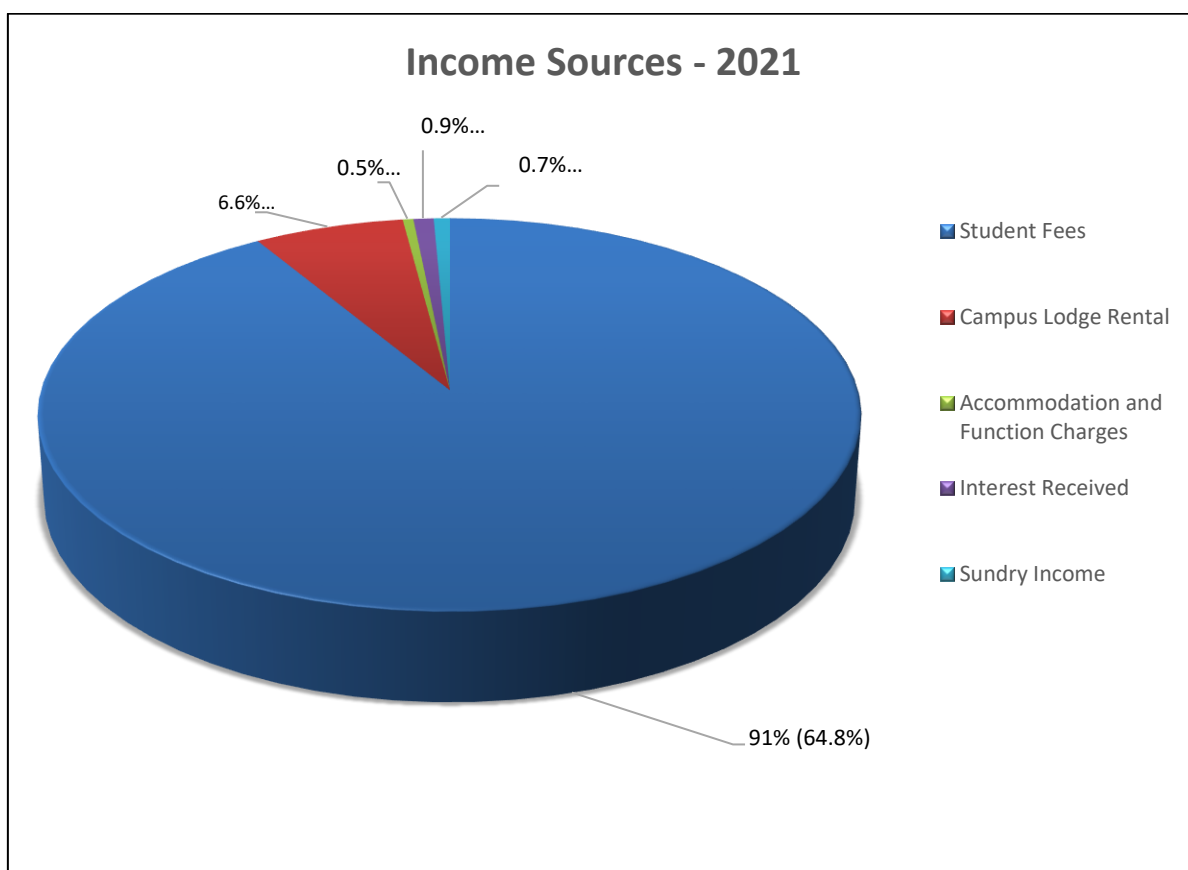
Thanks to all who have contributed to the success of 2021, in particular to the Principal, Simon Armstrong, his staff, the Board of Governors, Cromwell supporters and the students who call Cromwell home.

Joanne Landmark
Secretary

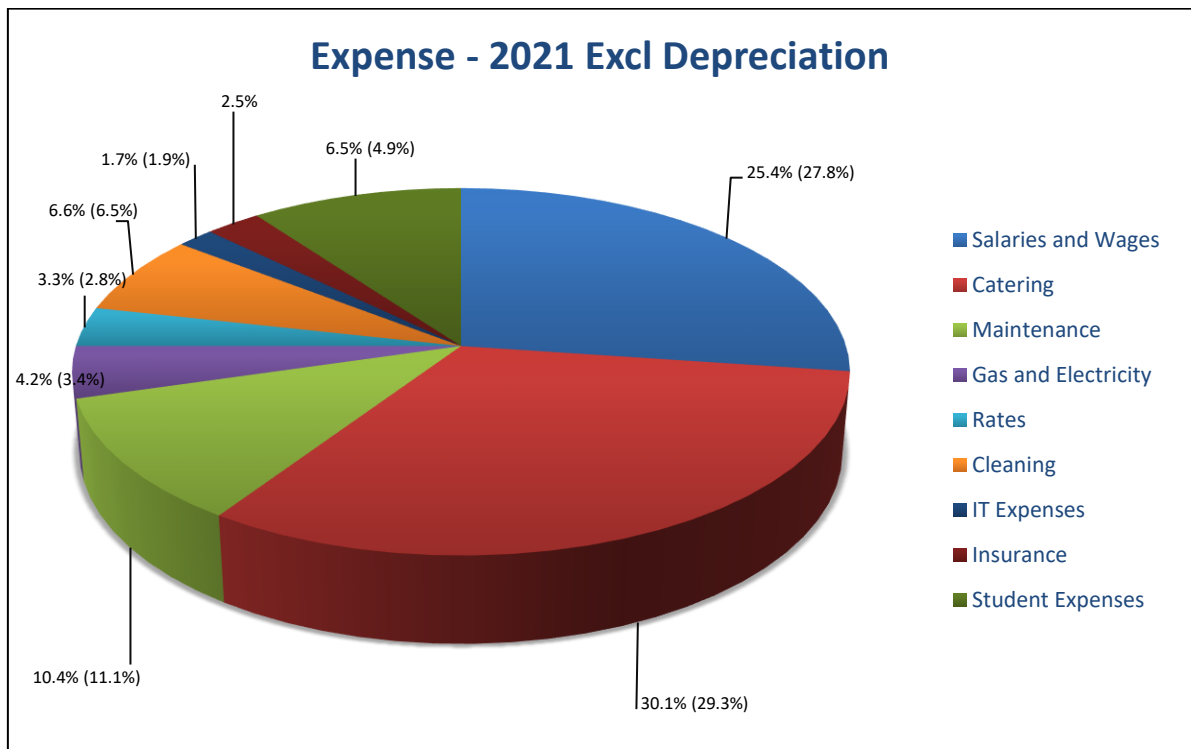
TREASURER'S REPORT

The 2021 year saw a return to an “almost normal” Cromwell with the College returning to its normal domestic student capacity, with international students outside of Australia still unable to access face to face university education. This resulted in a marked decrease (18%) in income from Campus Lodge across the year.

The return of normal capacity brought with it extra costs to comply with COVID requirements - increased frequency and level of cleaning, kitchen food serving requirements and packaging, and outsourcing of many College events to venues that were able to cater for the large College community in a COVID safe way. There was also a flow on affect to reduced conference income with school and other groups opting to reduce their conference activities. The normal end of year conference income was also affected by the building work that the College commenced in September to build new tutorial rooms and to upgrade and extend the Administration building.



The construction of the tutorial rooms and the Administration upgrade was the most significant building activity the College has undertaken in the last 10 years. It has a project budget of \$3.45 million, financed through an equity loan with the NAB and through the College's cash reserves. The financing decision has been supported by the College's investment portfolio of fixed interest securities, listed equities and cash in a JB Were managed fund. This fund has been increased by over \$1 million in 2021 and has returned \$43,430 in investment income in the 2021 year.



Components of overall income and expense, in percentage terms, are shown in the following pie charts with previous year's percentages shown in brackets.

The overall financial result was an operating deficit of \$100,087 for the year, in comparison to the operating deficit in 2020 of \$645,859. This result is a positive one given the continued impact COVID19 had on the College and the university sector during the year.

The College is in a sound financial position at year end with net assets of \$16,159,183, cash reserves of \$3,082,495 and financial investment assets of \$1,557,144. Employee provisions decreased with the final payments of long service and annual leave to the past principal.

The College elected to adopt the new Simplified Disclosure (SDS) published financial reports format ahead of the 2022 requirement. This decision was taken in assessing that the College had no "public accountability" and therefore was able to report using the SDS format rather than the more extensive General Purpose (GPFR) format.

The Finance Committee has been ably supported by the College Executive and in particular by the Business Manager Mr Jason March. They have demonstrated professionalism and expertise in the steering of the College through this last 12 months and deserve our thanks for this result.

Judy Young
Treasurer

Cromwell College

Within

The University of Queensland

ABN 12 375 462 554

Financial Report

For the Year Ended 31 December 2021

DECLARATION BY THE COLLEGE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with a resolution of the Council of Cromwell College,
The College Council declares that:

- a) The attached financial statements and notes present fairly the College's financial position as at 31 December 2021 and its performance for the year ended on that date in accordance with the Australian Accounting Standards applicable to the College and the Australian Charities and Not-for-Profits Commission Act 2012; and
- b) There are, when this statement is made out, reasonable grounds to believe that the College will be able to pay its debts as and when they fall due.

This report is made in accordance with a resolution of the College Council and is signed for and on behalf of the Council by;



Dr Joseph Goodall
Chairman of Council



Judy Young
Treasurer

Date: 7th March 2022

Cromwell College
Brisbane

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CROMWELL COLLEGE**



Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cromwell College (the "College"), which comprises the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the College Council.

In our opinion the financial report of the College is in accordance with Division 60 of the *Australian Charities and Not-for-Profit Commission Act 2012*, including:

- (i) giving a true and fair view of the College's financial position as at 31 December 2021 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the College in accordance with the ethical requirements of the Australian 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 confirm that the independence declaration, which has been given to the directors of the College, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the College Council for the Financial Report

The College Council is 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 Non-for-Profits Commission Act 2012*. The College Council's responsibility also includes for such internal control as the College Council 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 College Council is responsible for assessing the ability of the College to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the College Council either intend to liquidate the College or to cease operations, or has no realistic alternative but to do so.

The College Council is responsible for overseeing the College's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CROMWELL COLLEGE**



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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
08 March 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue and income	2(a)	5,645,074	4,752,609
Employee expenses		(2,357,860)	(2,635,744)
Food and provisions expenses		(619,536)	(405,696)
Maintenance expenses		(270,898)	(257,342)
Other expenses		(1,546,580)	(1,143,656)
Surplus from Ordinary Activities before depreciation		850,199	310,172
Depreciation and amortisation		(972,983)	(956,030)
Surplus from Ordinary Activities after Related Income Tax		(122,784)	(645,859)
Other Comprehensive Income			
Revaluation of PPE		-	-
Disposal of revalued PPE		-	-
Total Comprehensive Income for the Year		(122,784)	(645,859)

The accompanying notes form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
CURRENT ASSETS			
Cash Assets	3	3,082,495	4,313,111
Receivables	4	101,804	66,027
Inventories	5	18,493	12,322
Other	6	127,287	221,847
TOTAL CURRENT ASSETS		3,330,079	4,613,307
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	12,564,055	12,455,630
Intangibles	8	7,186	-
Financial Assets	9	1,557,144	523,048
TOTAL NON-CURRENT ASSETS		14,128,385	12,978,678
TOTAL ASSETS		17,458,464	17,591,985
CURRENT LIABILITIES			
Payables	10	298,030	172,414
Contract Liabilities	11	748,485	834,247
Employee Provisions	12	170,521	227,962
TOTAL CURRENT LIABILITIES		1,217,036	1,234,623
NON-CURRENT LIABILITIES			
Employee Provisions	12	82,245	75,395
TOTAL LIABILITIES		1,299,281	1,310,018
NET ASSETS		16,159,183	16,281,967
RESERVES AND ACCUMULATED FUNDS			
Accumulated Funds	13	16,159,183	16,281,967
TOTAL RESERVES AND ACCUMULATED FUNDS		16,159,183	16,281,967

The accompanying notes form part of the Financial Statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipts from operating activities		5,571,488	3,977,730
Payments for operating activities		(4,731,196)	(4,612,130)
Interest received		28,810	43,642
Net cash provided by operating activities	16	<u>869,102</u>	<u>(590,758)</u>
Cash Flows from Investing Activities			
Payments for Intangibles		(9,581)	-
Proceeds from/(Purchases of) investments		(1,000,000)	-
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(1,090,137)	(453,282)
Net cash provided by/(used in) investing activities		<u>(2,099,718)</u>	<u>(453,282)</u>
Net Increase/(Decrease) in Cash Held		(1,230,616)	(1,044,041)
Cash at the Beginning of the Financial Year		<u>4,313,111</u>	<u>5,357,152</u>
Cash at the End of the Financial Year	3	<u><u>3,082,495</u></u>	<u><u>4,313,111</u></u>

The accompanying notes form part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained Earnings	Reserves	Total
	\$	\$	\$
As at 1 January 2020	13,260,368	3,667,458	16,927,826
Net Deficit	(645,859)	-	(645,859)
As at 31 December 2020	<u>12,614,510</u>	<u>3,667,458</u>	<u>16,281,968</u>
As at 1 January 2021	12,614,510	3,667,458	16,281,968
Net Deficit	(122,784)	-	(122,784)
As at 31 December 2021	<u>12,491,726</u>	<u>3,667,458</u>	<u>16,159,184</u>

The accompanying notes form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

Financial Reporting Framework

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were special purpose financial statements prepared in accordance with Australian Accounting Standards.

There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the College as a result of the change in the basis of preparation.

The financial statements, except for the cashflow information have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

The College is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Where relevant, accounting policies are described throughout the report accompanying the quantitative notes to which they relate.

Significant Estimates and Judgements

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

The significant estimates and judgements made by the Council are disclosed throughout this report along within the notes to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Note	2021	2020
	\$	\$

2(a) REVENUE AND OTHER INCOME

Overview

Revenue mainly comprises fees from students who reside at the College, and includes rental income from the likes of conferences and functions.

Other income is typically in the form of Investment Income and, since 2020, receipts relating to the Federal Governments' COVID-19 stimulus package.

Investment income is derived from a portfolio of investments that are managed by an external broker, as described in Note 9.

Revenue

Student Fees	5,147,500	3,105,590
Rental Income	374,093	459,089
Conferences and Functions	26,482	121,279
	<u>5,548,075</u>	<u>3,685,958</u>

Investment Income

Revaluation of Investments	6,311	9,438
Investment Distributions	37,119	15,403
	<u>43,430</u>	<u>24,841</u>

Other Income

Contribution From Government - COVID Stimulus Funds	-	974,050
Interest Received	13,164	30,459
Profit (Loss) on Sale/Disposal of Assets	7,200	-
Sundry income	33,205	37,301
	<u>53,569</u>	<u>1,041,810</u>

Total Revenue and Other Income	<u>5,645,074</u>	<u>4,752,609</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Note	2021 \$	2020 \$
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2(a) REVENUE AND OTHER INCOME (CONTINUED)

How we account for the numbers

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

Investment income is recognised when the benefits flow to and are controlled by the College in accordance with AASB 9 Financial Instruments. Investment income includes realised and unrealised gains on financial assets. Interest income is recognised in the period in which it is earned. Dividends and distributions are recognised when the right to receive payment is established.

COVID-related receipts are accounted for as contributions under AASB 1058 and recognised as income when control is obtained.

Donations and bequests are recognised as income when received.

2(b) EXPENSES

The operating result includes the following

<i>Remuneration of auditors</i>		
- audit services	15,000	15,000
Bad and Doubtful Debts	-	-

3 CASH ASSETS

Cash at bank	3,081,895	4,312,950
Cash on hand	600	161
	<u>3,082,495</u>	<u>4,313,111</u>

How we account for the numbers

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. There are no restrictions on the use of cash.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note	2021 \$	2020 \$
4 RECEIVABLES		
Fees & Rent Receivable	32,683	14,275
ATO Receivable	60,019	51,814
Sundry Receivable	9,102	(62)
	<u>101,804</u>	<u>66,027</u>

How we account for the numbers

Trade and other receivables are recorded at amounts due less any provision for expected credit losses.

Significant estimates and judgements

The College recognises expected credit losses on Receivables. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The College uses the simplified approach to impairment of Receivables. The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

The College 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.

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

Receivables past due but not impaired at 31 December 2021 is \$4,700

5 CURRENT INVENTORIES

Food & Beverage	18,493	12,322
	<u>18,493</u>	<u>12,322</u>

How we account for the numbers

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to stock on hand on a first in first out basis.

6 OTHER CURRENT ASSETS

Prepayments	125,633	116,815
Accrued Income	1,654	105,032
	<u>127,287</u>	<u>221,847</u>

How we account for the numbers

An asset is recognised for amounts incurred that will generate a direct future economic benefit

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Note	2021 \$	2020 \$
7 PROPERTY, PLANT AND EQUIPMENT		
Furniture and equipment - at cost	5,173,593	5,118,636
Accumulated depreciation - furniture and equipment	(4,142,550)	(3,832,256)
	1,031,044	1,286,379
Motor vehicles - at cost	62,860	57,518
Accumulated depreciation - motor vehicles	(10,477)	(15,098)
	52,383	42,420
Land improvements - at cost	19,015,002	18,962,439
Accumulated depreciation - land improvements	(8,581,842)	(8,080,284)
	10,433,160	10,882,155
Capital Projects - Work in Progress	1,047,468	244,676
TOTAL PROPERTY, PLANT AND EQUIPMENT	12,564,055	12,455,630

How we account for the numbers

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

Gains and losses on disposals are calculated as per the difference between the net disposal proceeds and the assets carrying amount at the time of disposal and are included in profit or loss in the year that the item is derecognised.

Land and Buildings

Freehold land and buildings are carried at their cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset at cost, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the College and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they were incurred.

Land Improvements

Land improvements are carried at their cost.

Furniture and equipment and motor vehicles

Furniture and equipment and motor vehicles are carried at cost.

Donated assets

Donated assets are carried at fair value.

Capital WIP

Capital WIP relates to projects that have been commenced but are not yet completed. No depreciation is charged against Capital WIP.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Reconciliation of the movements in the carrying amounts of each class of property, plant and equipment between the beginning and end of the current year.

2021	Work in Progress	Equipment and Fittings	Land and improvements	Motor Vehicles	TOTAL
Balance at beginning of the year	244,677	1,286,378	10,882,155	42,420	12,455,630
Additions	881,434	114,777	83,622	62,860	1,142,692
Disposals at WDV	-	4,378	18,319	40,982	63,679
Transfers	- 78,643	-	78,643	-	-
Depreciation expense	-	365,733	592,941	11,915	970,589
Carrying amount at year end	<u>1,047,468</u>	<u>1,031,044</u>	<u>10,433,160</u>	<u>52,383</u>	<u>12,564,055</u>

2020					
Balance at beginning of the year	429,389	1,453,480	11,019,581	50,946	12,953,396
Additions	298,271	144,119	15,873	-	458,263
Disposals at WDV	-	-	-	-	-
Transfers	- 482,983	24,024	458,959	-	-
Depreciation expense	-	335,245	612,258	8,526	956,029
Carrying amount at year end	<u>244,677</u>	<u>1,286,378</u>	<u>10,882,155</u>	<u>42,420</u>	<u>12,455,630</u>

Significant estimates and judgements

Depreciation is charged on property, plant and equipment on a straight line basis.

Depreciation is calculated so as to write off the net cost of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

Land Improvements	5 – 40 years
Buildings	10 – 40 years
Furniture & Equipment	3 – 5 years
Motor Vehicles	5 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Note	2021 \$	2020 \$
8 INTANGIBLES		
Software		
At cost	30,866	21,285
Accumulated amortisation	(23,680)	(21,285)
	<u>7,186</u>	<u>-</u>

How we account for the numbers

Intangible assets are those without physical substance. Internally generated assets are not recognised on the Statement of Financial Position. Externally acquired assets are recognised at cost, less any impairment losses and amortisation. Finite-life intangible assets are amortised based on their expected useful life.

Movement in Carrying Amounts for the year

	Software	Total
Opening Balance	-	-
Additions	9,581	9,581
Amortisation	(2,395)	(2,395)
Closing Balance	<u>7,186</u>	<u>7,186</u>

9 INVESTMENTS

Overview

Surplus cash reserves are invested to meet the College's cashflow requirements to pay operational expenses and invest in capital projects for the future. The College invests across a diversified range of investments to achieve an appropriate balance between risk and return. Decisions on where to invest are dependent on expected returns, cash flow requirements, liquidity of the investment and credit quality.

Funds are invested with reputable brokers who in turn invest in and manage a portfolio consisting of Fixed income securities, Listed equities and a small amount of Cash.

Details of how the risks arising from Investments are managed are further described in Note 19.

Current - at market value

JB Were investment - managed fund	1,557,144	523,048
	<u>1,557,144</u>	<u>523,048</u>

How we account for the numbers

Fixed and call investments are shown at cost. Equity Investments are measured at fair value with changes in carrying amount being included in profit or loss. Interest and distributions are brought to account on an accruals basis.

These are classified as Fair Value Through Profit and Loss (FVTPL), further information on the accounting treatment of financial assets is included at Note 22 (c).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

Note	2021 \$	2020 \$
10 CURRENT PAYABLES		
Trade Creditors	118,637	19,323
Capital Works Creditors	11,575	4,983
Accrued Expenses	115,141	94,567
Superannuation & PAYG Payable	41,677	39,041
Accrued Audit Fees	11,000	14,500
Trade & Sundry Creditors	298,030	172,414

How we account for the numbers

Trade payables are recognised when the College becomes obliged to make future payments resulting from purchase of goods and services.

11 CONTRACT LIABILITIES

Overview

Other liabilities arise from: funds received by the College in advance of satisfying the relevant performance obligations to which they relate (e.g. providing accommodation; delivering certain activities).

Where the College does not have a legal right to defer their obligations beyond 12 months, such liabilities are classified as Current.

Fees received in advance - Cromwell College	552,011	735,170
Fees received in advance - Campus Lodge	190,570	94,605
Other liabilities	5,904	4,472
	748,485	834,247

12 PROVISIONS

Current

Provision for long service leave	17,037	36,994
Provision for accrued annual leave	153,484	190,967
	170,521	227,961

Non-Current

Provision for long service leave	82,245	75,394
	82,245	75,394

How we account for the numbers

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provision made in respect of annual leave and long service leave expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at time of settlement, plus any related on-costs.

Provisions not expected to be settled within 12 months are discounted using corporate bond rates with similar terms to the expected settlement period

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Note	2021 \$	2020 \$
13 ACCUMULATED FUNDS		
Opening Balance	16,281,967	16,927,826
Net Deficit for year	(122,784)	(645,859)
Closing balance	<u>16,159,183</u>	<u>16,281,967</u>

14 CAPITAL COMMITMENTS

Overview

Capital commitments arise where the College has committed, by way of a contract, to capital works that have not yet occurred.

Capital commitments at the reporting date but not recognised as liabilities, payable:

Within one year	2,570,735	68,526
One to five years	-	-

15 CONTINGENCIES

Land under control of Cromwell College at St Lucia (Parish of Indooroopilly) is subdivided as:

294 Carmody Rd (Lots 93-119) and 300 Carmody Rd (Lots 148-152 and Lots 1, 333)

The ultimate title of this land lies with the University of Queensland who has an indefinite Trust arrangement with Cromwell College, registered owner of Trustee of the mentioned land. The Trust Deed stipulates the following conditions on the College –

- All buildings erected and works conducted on the land must be approved by the Senate of the University
- The College shall comply with The Residential Colleges Senate Rule of the University
- Cromwell College cannot, without prior approval of the Governor in Council and the Senate, mortgage, encumber or sell any part of the land
- In the event of any violations of the conditions above cannot be remedied by the College, the Trust agreement becomes void allowing the Senate the right to claim all land and buildings

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Note	2021 \$	2020 \$
15 CONTINGENCIES (CONTINUED)		
<u>3 Rock Street (Lots 146-147)</u>		
This parcel of land is freehold property under the ownership of the Cromwell College. The land has been mortgaged to the National Australia Bank since October 2010 as collateral for capital financing for construction of the residential accommodation "Begbie Building" officially opened in June 2011.		
<u>Financial Liabilities</u>		
The NAB Loan was repaid in full by the College in 2014 ahead of schedule. As at the 31 December 2021, the facility limit available to the College with the NAB is \$630,000 (2020: \$810,000). At period end the unused amount of the facility is \$630,000 (2020: \$810,000).		
The College has received approval for a \$2.5Million Equity Loan from NAB secured by the NAB term deposit and JB Were investment portfolio. The new facility was undrawn at balance date.		
<u>ATO Div 129 Liability</u>		
Based on the GST Tool for Residential Colleges supplied by the Australian Taxation Office for 2021 the College will be input taxed for a proportion of its accommodation, which will likely create a Div 129 liability adjustment as at 31st December 2021. It is anticipated that the liability will be \$20,000 after taking account of a GST Division 129 credit the College will receive from the 2020 calendar year of \$6,212.		
16 CASH FLOW INFORMATION		
CASH FLOW FROM OPERATIONS		
Deficit For the Year	(122,784)	(645,859)
<i>Non-cash flows in deficit</i>		
<i>Other</i>		
Depreciation	972,983	956,029
Net loss on sale of property, plant & equipment	22,697	-
Net investment income reinvested	(27,784)	(11,657)
Revaluation of investments	(6,311)	(9,437)
<i>Changes in Assets & Liabilities</i>		
(Increase)/decrease in receivables and prepayments	(44,596)	15,422
(Increase)/decrease in inventories	(6,171)	(599)
(Increase)/decrease in other assets	103,378	(99,627)
Increase/(decrease) in payables	28,279	(909,679)
Increase/(decrease) in provisions	(50,589)	114,650
NET CASH FLOW FROM OPERATING ACTIVITIES	869,102	(590,758)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

17 SUBSEQUENT EVENTS

The financial report was authorised for issue by the Council on the date the report was signed.

The Council has the power to re-issue the financial report.

18 COLLEGE INFORMATION

Principal place of business and address for correspondence

Cromwell College

60 Walcott St

St Lucia

Tel: (07) 33771300

19 FINANCIAL RISK MANAGEMENT - SIMPLIFIED DISCLOSURES

Overview

The finance committee is responsible for monitoring and managing the College's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the College's in maximising returns while minimising potential adverse effects on the College's ability to fulfill its purposes. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements. Financial assets & liabilities of the College are summarized below:

Financial assets

Cash and Cash Equivalents - accounted for at fair value (Note 3)

Receivables - accounted for at amortised cost (Note 4)

Financial assets (portfolio investments managed by a broker) accounted for at Fair Value Through Profit or Loss (Note 9)

Financial Liabilities

Trade and Other Payables - accounted for at amortised cost (Note 10)

Risk Management

Risks related to financial instruments are managed as follows

Credit Risk

There is no major concentrations of credit risk. Credit risk is managed by investing funds with reputable institutions, and entering into legally enforceable contracts with

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

19 FINANCIAL RISK MANAGEMENT - SIMPLIFIED DISCLOSURES (CONT.)

Liquidity Risk

The College manages liquidity risk by maintaining regular budgets and forecasts, and funding activities from reserves where possible.

In anticipation of increased capital works in 2022, the College has secured an additional finance facility.

Interest Rate Risk

Interest revenue is incidental to operations and no drawdowns have been made on the finance facility, so there is no significant interest rate risk for the College.

Market Price Risk

The financial assets in Note 9 can change in value according to market conditions. The College manages this risk by utilising the services of a professional fund manager, and not relying on the income from the returns to fund operations.

Sensitivity to market conditions

A change in market interest rates is unlikely to impact the College.

Changes in the overall Australian share market will impact returns on the managed investments. However, returns in 2021 were less than 1% of all income, and as investments are held for the longterm, the College would not necessarily have to realise any losses from a temporary downturn in the market.

20 FAIR VALUE MEASUREMENTS

transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the College has access at that date

The College's accounting policies and disclosures require the measurement of fair values for the following:

*Financial assets and Fair Value Through Profit or Loss (as disclosed in Note 9 - Investments)

When one is available, the College recognises the fair value of an instrument using the quoted price in an active market.

If there is no quoted price in an active market, the College uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20 FAIR VALUE MEASUREMENTS (CONTINUED)

The College's Investment are managed by an external broker, to whom the valuation process is delegated.

The broker invests the Colleges' funds in Equity Securities and Corporate Debt securities.

The valuation technique for valuing these securities is the *Market Comparison technique*, which is based on quoted bid prices published by the relevant exchange on which the securities are traded.

21 RELATED PARTIES

Overview

AASB 124 Related Party Disclosures requires disclosure of the compensation of Councilors (executive and non-executive) and those persons having authority and responsibility for planning, directing and controlling the activities of the College, either directly or indirectly. This group is collectively defined as key management personnel.

	2021 \$	2020 \$
a. Key Management Personnel		
Key management personnel compensation:		
– short-term employee benefits	549,304	551,079
– post-employment benefits	66,484	47,282
– termination benefits	115,082	-
– other long-term benefits	-	-

b. **Other Related Parties**

There are no transactions with related parties

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

How We Account for the Numbers

Short-term employee benefits are those which are settled within 12 months from balance date, such as salary, wages and fringe benefits

Post-Employment benefits include defined contribution plans under which the College pays a fixed contribution into a fund during the course of employment.

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

Other Long-Term Employee Benefits are the liabilities for long service leave and annual leave are recognised in the provision for employee benefits and are measured as the present value of expected future payments to be made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

22 OTHER ACCOUNTING POLICIES

Overview

This section includes other information that must be disclosed to comply with Australian Accounting Standards.

(a) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(b) Income Tax

No provision for income tax has been raised as the College operates solely as a non-profit public educational institution and, accordingly, is exempt from income tax under Section 23(e) of the Income Tax Assessment Act 1936 and Section 50-5 of the Income Tax Assessment Act 1997.

(c) Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the College 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 substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for any transaction costs.

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:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Classifications are determined by 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.

Impairment of financial assets

The College 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; and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

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

(d) Recoverable Amount of Non Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(e) Accounting Standards Issued Not Yet Effective

The Australian Accounting Standards Board has issued or amended a number of Accounting Standards and interpretations which are applicable to the College but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60.40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012**

TO THE BOARD OF GOVERNORS OF CROMWELL COLLEGE

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Stewart Douglas
Director
Brisbane
07 March 2022