

CROMWELL COLLEGE

Within the University of Queensland



ANNUAL REPORT 2023

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CHAIRPERSON'S REPORT 2023

In fulfilling the Cromwell strategic direction and vision of Living and learning for leadership in life, our values talk about our hopes, actions and lived expectations for all our people, be they board, staff or students. We hear these often referred to as “the Crommie ticker,” or the culture of the College.

Community – respectful, celebrating diversity and inclusion.

Resilience – building inner strength.

Opportunity – freedom to pursue an enjoyable experience.

Motivation – being the best you can be.

Wellness – mind, body and soul

Ethics – personal values built upon spirituality and integrity.

Leadership – responsibility for self and others

Learning – social and academic development

It is a great privilege to be part of the Cromwell College community and we as a board are thankful for the College Executive team who work with the Student Executive team, RA's, and students to build and develop those values. While we may not always being the winning team at the ICC competitions, nor have the highest achieving academic results, we see our values reflected in those who turn up to cheer on the team, who participate, who encourage each other to be their best self, who take responsibility for themselves and who celebrate the diverse and wonderful community that is Cromwell.

We have a great board who willingly give of their time, expertise, and experience to support and grow the Cromwell community. A major factor in the Board's effectiveness is the range of backgrounds, talents, and interests, bringing a multifaceted dimension to decision making and to their participation in the life of the College. This year we welcomed to the board Mr Brett Lovegrove (Pro-Vice Chancellor, Global Partnerships) as the new UQ Senate appointee; and Ms Melissa McCosker, an alumnus, bringing expertise in law, taxation, and project management.

Current board members consist of elected members, past graduates of the College, members nominated by the Uniting Church in Qld Synod, a University of Queensland Senate appointee and two current students (the Student President and the Board of Governor's student representative). The board was ably served by Board Secretary Ms Joanne Landmark who was assisted in minute taking by Deputy Principal Mr Michael Crome.

Mr Eric McChesney-Clark led the Property Committee, with Finance Committee (and then the combined Finance and Property Committee) led by Mr Richard Shannon. These two committees ably undertook to ensure that the College continues in a strong financial position and that the buildings and grounds show evidence of continued care and renewal. Richard also chaired the Foundation Committee which administers the scholarship funds to assist selected students with the cost of being at University and College.

The finalising of the new Constitution was an item of consideration at multiple board meetings with the final draft submitted to both UQ and UCA late in 2023. To date, we continue in discussions with Uniting Education (UCA), with an expectation of an approved new Constitution later this year. Dr Joe Goodall (immediate past Chair) led the work on the drafting of the Constitution, ably assisted by Rev Dr Peter Lockhart who led the development and approval by the Board of the Christian Ethos of Cromwell College statement. These two documents will allow us to move forward confidently with a Constitution that is fit for purpose and ensures that we remain true to our objects and mission.

We were joined at the February 2024 Board Retreat by the UQ Vice Chancellor Professor Deborah Terry AC who spoke about some of the great achievements, and the future challenges of the University education sector, including the impact of the Australian Universities Accord. We are blessed at Cromwell to have started 2024 with a full cohort, but our students and their families face increased economic, social and well-being pressures that impact on their life at Cromwell. UQ has released The Queensland Commitment Roadmap which should and will impact on the future operations of Cromwell, with the Chancellor and Vice Chancellor both reiterating strongly that residential colleges are a key plank of the UQ offering.

We celebrate our 70th year in 2024. We are thankful for the original founders and funders of the College, for their vision and passion, for those who have led the College in Board and Executive roles, for the staff who have served the student community and for the many thousands of students who have called Cromwell home. Cromwell has changed in the past 70 years, but the spirit of Cromwell remains true.

In closing, thanks as always goes to the CEO Mr Simon Armstrong and his staff team and their families, for their contribution to the Cromwell community. Thanks also to my fellow board members for your governance expertise, passion, and good humour as we have met in committee and at board meetings. Thanks also to the University of Queensland Vice Chancellor and Deputy Provost for their generosity of time and wisdom.

Cromwell is a College founded by people of Christian faith and it is imperative that faith continues as the core of Cromwell. We thank God for the goodness we have experienced at the College and pray for continued blessings in the year ahead.

Judy Young
Chairperson

Principal's Report

The following Annual Report has been compiled and completed by Cromwell College Principal/CEO Simon Armstrong. This report is designed to provide a profile of the College and a summary of the performance in 2023.

Enrolments

The year commenced with the College at its capacity of 248. However, as the year progressed, a number of students departed due to mental well-being issues, financial constraints, change of tertiary studies and tertiary institution, poor academic performance and university offers to study overseas.

Of the first year cohort, 56% of the 111 students came from the Brisbane, Gold Coast, Sunshine Coast and Toowoomba / Darling Downs regions, down 4% from the previous year. Students continue to come to Cromwell from all parts of Queensland and interstate and we continue to foster relationships from our 'feeder' schools.

For the whole College, 58% of our students are considered "local" (Brisbane, Gold Coast, Sunshine Coast, Toowoomba/Darling Downs), 20% from other Queensland regions, 17% from interstate and 5% from international destinations.

Although early applications continue to trend, over 300 interviews were conducted last year and a large waiting list formulated after we had reached capacity in mid August. Once again, nearly 15% of provisional offers were not taken up due to no tertiary offer in Brisbane, tertiary offer interstate or a decision not to attend due to financial/personal reason. Whilst no systemic bias was identified in the enrolments it is noted that students are applying to multiple residential colleges at UQ. With this in mind, the decision to present an offer to a successful candidate will continue rather than offers at certain times throughout the year.

Our retention rates (2023-2024) continue to remain high with 90% of our first years continuing to second year and 50% of our second years returning as third year students.

Student Life

The Student Association executive continued to provide social and service events to our students. Spiritual enquiry continues to flourish through a combination of students' interest assisted by their preferred supporting organization. A bible studies group was formed that met regularly. Our relationship with Red Frogs continues and we acknowledge and thank them for their support at our many social events. These social events remain an integral part of College life that contribute greatly to the complete residential college experience.

Staffing

Staff retention remains high with two staff departing this year.

Dean of Students, Krishna Stanton, left after 6 years of service to take up the role as Principal of Raymont College.

Callum Breetzke, Senior Resident Staff departed after 7 years of service.

Newly appointed staff included:

Sophie McKee – Deputy Principal, Student Life

Mathilde Dujardin – Marketing and Advancement Manager

Lindy Roos – Senior Resident Staff

Staff training / College Governance

Staff completed the following training:

- First Aid and CPR
- Discrimination, sexual harassment and workplace bullying workshop / presentation was completed prior to students returning and included a review of the College complaint procedure
- Fire safety
- Fire evacuation and lockdown procedures

A review of existing College policies and procedures was completed to ensure these met legislative changes and workplace obligations regarding management of psychosocial hazards in the workplace and the requirement to provide a psychosocial safe environment.

An onboarding document for new staff was developed addressing the safework model.

Risk and Wellbeing

The safety and wellbeing of all members of our community remain a priority. The college continues to monitor and address workplace health and safety issues through regular checks of facilities and the rapid repair of any identified hazards and / or risks. The College welcomed our first visually impaired student (with support dog) and a review of our tactile guides resulted in a few additional supports and measure put in place.

The prevalence and increase in the number of students presenting with mental wellbeing challenges continues, however with our onsite counsellor, the appointment of our Deputy Principal O-Student Like who is also a counsellor plus increased training for our Residential Assistants (RAs) ensures our students have numerous avenues of support to address issues in a timely manner. The training for our RAs continues with the goal to triage, not treat and refer on if necessary. The transition from home to residential college living and school to university continues to be a challenge that we are addressing through training and support not only of our RAs but also the Student Executive and Academic Mentors. The appointment of a Student Equity and Diversity Officer in 2024 will add further pastoral support for students together with Senior Residential Staff on site.

College Events

The P Week program in early February brought together members of the Student Leadership Team (made of Residential Assistants and members of the Student Association Executive) and O Week Committee for invaluable workshops and other activities to support their leadership journey. The programs and workshops were tailored to equip them with the skills and knowledge in achieving the goal of a positive Cromwell experience for both our incoming and returning students whilst also providing an increased awareness of the need to support their own wellbeing in their final year.

Our O Week program continued to focus on forging friendships and connection and immersing our 111 Freshers into the fabric of our Cromwell family. Our leaders ensure that our newest residents complete a week of memorable events and experiences that challenge all. With the commitment to continuous improvement, a survey conducted provided valuable information and data regarding the format, activities and areas for growth and change that will be shared with the 2024 leaders in assisting with preparations.

Organised social events continue to be an integral part of College life that contribute to the complete residential experience. Coordinated primarily by the student elected Social Committee, these events draw on some of the traditions from previous years but also challenge and set new cultures, expectations and initiatives that align with Cromwell values. A review of events indicated a change in interests and needs of students as well as the shift in the social conscience of today's young

adults. The introduction of tickets for those students choosing not to consume alcohol at events was very well received as was the introduction and commitment by the Social Committee and Student Executive to introduce more alcohol free events such as Corri-Olympics.

The Inter-College Competition (ICC) plays another important role in providing the whole college experience through friendly competition and connection with residents from other UQ colleges. Cromwell continues to perform admirably and above expectations across all sport, cultural and service ICC events. As is always the case, our students participated in a number of events and disciplines, finishing second in the ICC percentage trophy. The support from our students representing the College continues to set us apart from the other colleges with Cromwell providing the largest and most vocal support group at ICC events.

Academic

Our students continue to perform very well academically with a combined GPA for the year of 5.2 which was the highest of all UQ residential colleges. Over the course of the academic year 19 students achieve a GPA of 7 which includes 5 students who received a GPA of 7 in both semesters. We continued the importance of our focus on academic achievement by recognizing and acknowledging 71 students who received a GPA of 6 and above in semester 1 and 81 students in semester 2.

Academic mentors continued to support our first year students as they navigate the challenges associated with transitioning from school to tertiary studies through regular meetings and check ins. Support was extended to all students of the college for the first time acknowledging our commitment to the academic performance of all students. To further support this, the college provided on average 40 tutorials per week with over 34% of students taking up this opportunity.

To assist our students nearing the completion of their tertiary studies and seeking future employment, an 'employability workshop' was conducted mid year. Targeted at our third year students, 32 students completed sessions on CV writing, the application process, interview skills, updating their LinkedIn profile which included professional photos being taken for future use in applications.

Capital Works

After the completion of the first major capital works program in 2022 in over a decade, projects completed focused primarily on areas related to maintenance, improved operations and a reduction in operational expenditure and compliance.

Projects included:

- Fire evacuation system upgrade
- Dining Hall roof replacement
- 100kw solar panel installation
- Carpet replacement in three student corridors
- Internal paint of Hancock building
- Installation and upgrade tactiles for visually impaired

The College continued the development a maintenance program of paint and re-carpet of student corridors in the future.

Partnerships and Relationships

Affiliated with the Uniting Education Schools and Colleges (Uniting Education), the College continued to explore opportunities to continue the relationship with this organisation through attendance at UC hosted workshops and meetings, investigating shared services prospects and inviting attendance at all College formal events and the annual Board retreat. The purpose of Uniting Education is to assist and advise the Synod Standing Committee of the Queensland Synod of the Uniting Church in fulfilling its obligations relating to the oversight of schools and residential colleges in which the Church has an interest. Cromwell College is one of four residential colleges in the University of Queensland (UQ) that have this affiliation, the others being Emmanuel College, Grace College and King's College.

The Relationships Framework between UQ and affiliated residential colleges finalized last year is being reviewed by Heads of College whereby the top three actions would be identified for further discussion, review and resolution. UQ acknowledged the positive experience, support and assistance the colleges have offered to UQ (and other) students and the value of UQ and the affiliated residential colleges in working collaboratively in matters of mutual interest, including the positive student experience and the safety and wellbeing of residents.

The College executive staff was a participant in the UQ forum and workshop on consent and sexual misconduct as well as workshops regarding shared responsibility and levels of escalation in creating a safe student community amongst UQ residential colleges.

The College continues to engage and connect with the Brisbane tertiary institutions through invitation to College formal events and engaging academics as part of our tutorial program to support student learning.

Governance

The College continues to be governed by a volunteer Board. Longstanding Board member Dr Joe Goodall stepped down as Chairperson and was replaced by Judy Young. The college welcomed UQ representative Brett Lovegrove to the Board. The Board continued the review of the current constitution and awaits UC approval/ In principle, approval by the UQ senate has been received.

I acknowledge and thank all Board members for their support, guidance and commitment throughout the year.

The College operations continue to closely align with the Strategic Directions Document 2022-2025 with new initiatives based on the core strategies of the document as well as the Cromwell College vision, mission and values.

The College remains dedicated to fostering a positive and productive relationship with the College Foundation and Cromwell Old Collegians Association (COCA).

The 2023 College year, whilst challenging at times was very successful with the goal of every member of community contributing to a positive Cromwell experience being achieved. The staff commitment to a culture of continuous improvement with the constant review of our brand and promise, decisions and actions relative to a positive experience for students and staff resulted in a highly successful year for all.

My sincere thanks to the wider Cromwell community for their ongoing support as Principal / CEO and I look forward to continuing my servant leadership in 2024 and beyond.

Simon Armstrong
Principal / CEO April 2024

SECRETARY'S REPORT

Five general meetings of the Board were held during 2023. Those holding office during the year were as follows:

TRUSTEES:

Chairperson: Ms J Young
Treasurer: Mr R Shannon
Secretary: Ms J Landmark

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:

Mr B de Jong	(4 of 5)
Dr J Goodall	(4 of 5)
Rev. Dr. P J Lockhart	(5 of 5)
Mr J Solymosis	(4 of 5)
Ms J Young	(5 of 5)

Elected by the Board of Governors:

The Hon. Justice J A Logan	(3 of 5)
Mr A E McChesney-Clark	(3 of 5)
Dr S Bade	(3 of 5)
Mr R Shannon	(4 of 5)
Ms J Landmark	(4 of 5)

Life Governors:

Mr M J C Head

Elected by Cromwell College Old Collegians' Association:

Ms L Horneman-Wren	(0 of 5)
Mr A Wrigley	(0 of 5)

Appointed by the Senate of the University of Queensland:

Mr B Lovegrove	(1 of 3)
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Elected by Cromwell College Students' Association:

Ms E Marshall	(4 of 5)
Mr L Bindon	(4 of 5)

Visitor to the College:

Rev B Moore

OFFICERS AND COMMITTEES:

At the 72nd Annual General Meeting held on 10th May 2023, the following officers were elected:

Chairperson:	Ms J Young
Deputy Chairperson:	Mr R Shannon
Secretary:	Ms J Landmark
Treasurer:	Mr R Shannon

Property Committee

Three Property Committee meetings were held during the year.

Mr A E McChesney-Clark - Chairperson	(3 of 3)
Mr S L Armstrong	(3 of 3)
Ms E Marshall	(1 of 3)
Mr L Bindon	(1 of 3)
Ms J Young	(3 of 3)

Finance Committee

Ten Finance Committee meeting was held during the year.

Mr R Shannon – Chairperson	(6 of 7)
Ms J Young - Chairperson	(9 of 10)
Mr S L Armstrong	(9 of 10)
Mr B de Jong	(9 of 10)
Ms E Marshall	(5 of 10)
Mr L Bindon	(2 of 10)
Ms J Landmark	(6 of 10)

APPOINTMENTS:

Bentleys was appointed as College Auditor.

Short Statement

In 2023 the College saw a review of its constitution. This lengthy process was led by Dr. Joe Goodall. In addition, a Christian Ethos Statement was written by Rev. Dr. Peter Lockhart. These two documents are expected to be read hand- in -hand. The College hopes to finalise these new documents in the coming months.

The new role of Deputy Principal- Student Life was created. Ms Sophie McKee was appointed to the position to help manage the increasing challenges of the wellbeing of Cromwell students.

In addition, Ms Mathilde Dujardin was hired as the new marketing and advancement officer. Her focus has been to foster the growth and longevity of Cromwell and its culture.

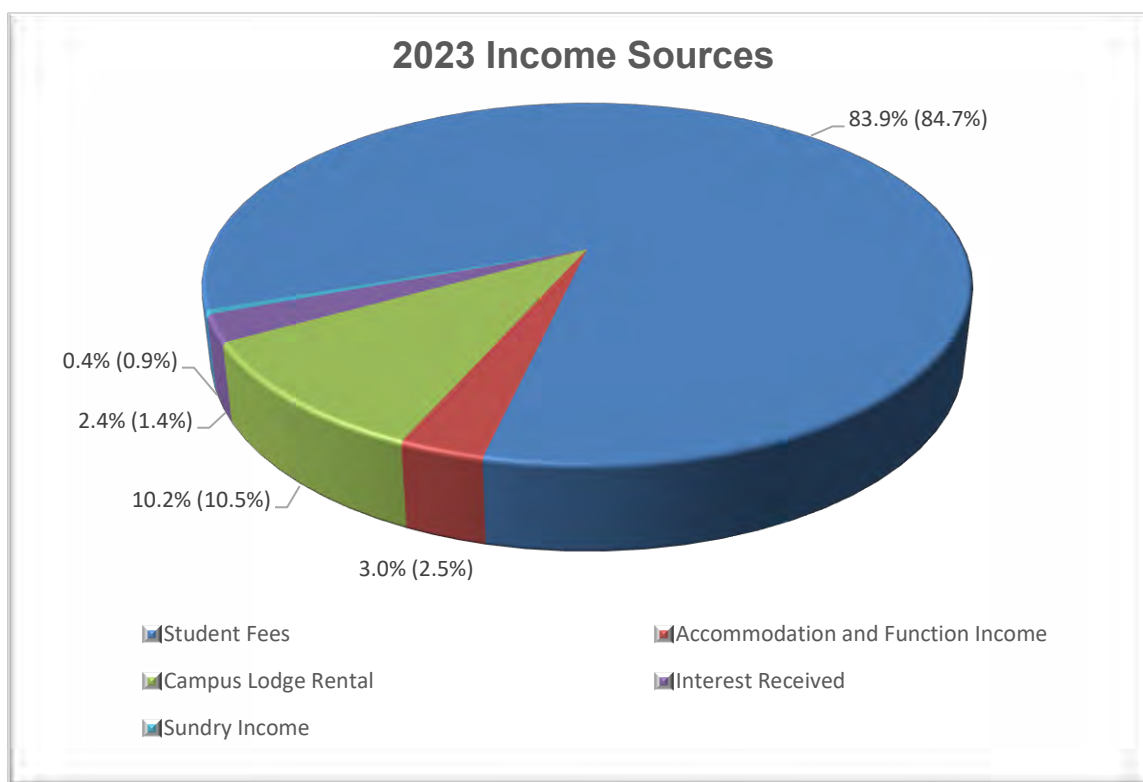
Thanks to all who have contributed to the management of the College in 2023, in particular to the Principal, Simon Armstrong, his staff, the Board of Governors, the greater Cromwell community and the students who call Cromwell home.

Joanne Landmark
Secretary

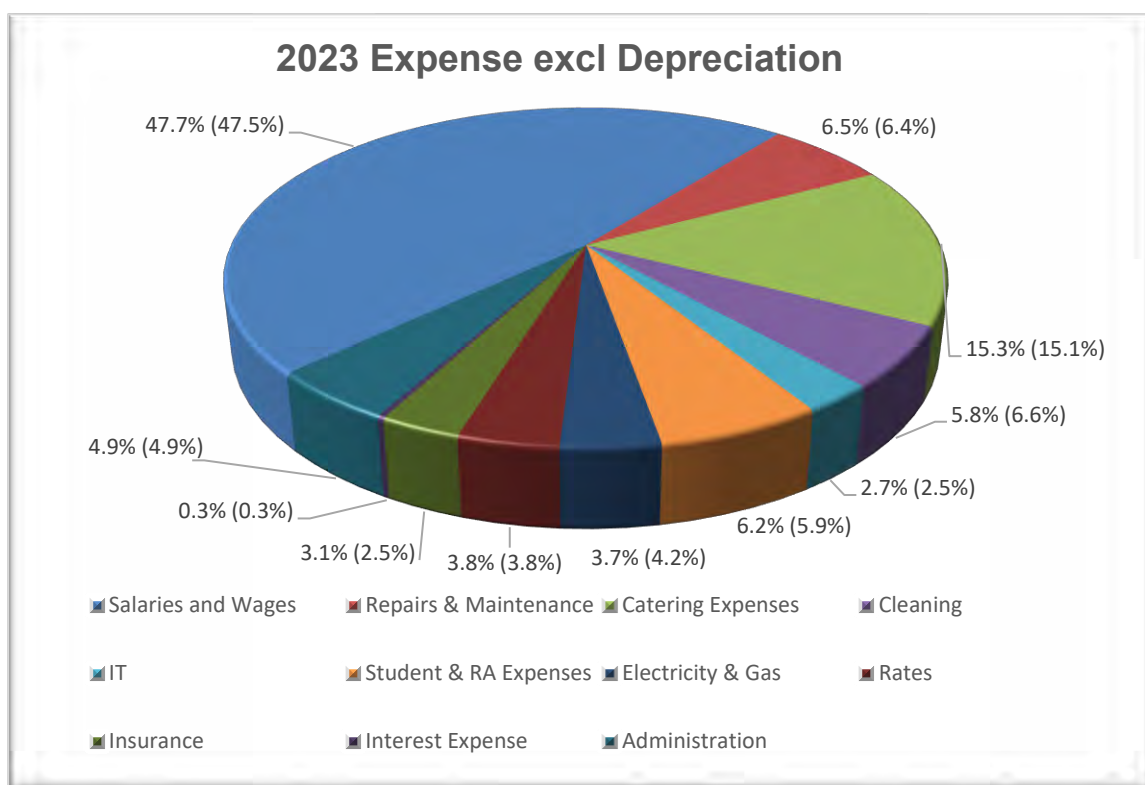
TREASURER'S REPORT

2023 was a year of consolidation with the College returning to surplus for the first time since Covid and an opportunity pay down borrowings incurred on the completion of the first major construction project in the last 10 years. College revenue was up by 11% on 2022 figures, based on strong enrolments at the College and Campus Lodge facility.

The College, along with similar businesses, has experienced significant cost increases over the year, with percentage increases as follows: staffing (5.4%), food (12.4%), maintenance (6%). The College brought forward 2 capex projects in 2023 being the upgrade of the fire evacuation system and the implementation of a solar panel system which saw operational savings of \$35,000. The new calculation of GST liability for Residential College student contracts has removed the complexity in the calculation ensuring future profitability and sustainability while ensuring that the College does not incur an unnecessary tax burden.



At year end, the College had reduced the equity loan to \$1.25 million a reduction of \$600,000 on the 2022 balance in conjunction with undertaking a moderate capex programme of \$630,000 during the year. This equity loan is on call at a 90-day notice so needs to be considered a current liability despite the College's intentions to repay the facility over a 3 – 5 year window.



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 surplus of \$250,936 for the year and reflects the strong enrolment numbers in the face of increased costs. Earnings before Interest, Depreciation and Amortisation (EBIDA) for 2023 was 19% compared with 10.75% in 2022.

The College remains in a sound financial position at year end with net assets of \$19,028,971; cash reserves of \$2,180,693 and financial investment assets of \$1,589,595. There is a need for focused attention on employee provisions, particularly accrued annual leave to ensure that employees are encouraged to take leave as both a work health and safety measure and also to limit College liability. The College current ratio 1.46 is at appropriate benchmark range, but the College would need to redeem the NAB term deposit and part of the investment portfolio if it were required to realise its current liabilities within a 90-day period.

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.

Richard Shannon
Treasurer

Cromwell College

Within

The University of Queensland

ABN 12 375 462 554

Financial Report

For the Year Ended 31 December 2023

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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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 2023 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 2023 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 2022*.

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.

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.


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

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

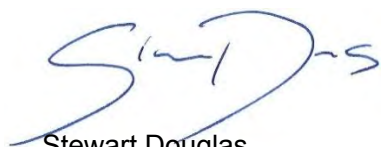
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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
29 April 2024

DECLARATION BY THE COLLEGE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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;



Judy Young
Chair of Council



Richard Shannon
Treasurer

Date: 24th April 2024

Cromwell College
Brisbane

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Revenue and income	2(a)	6,511,191	5,838,729
Employee expenses		(2,586,955)	(2,452,869)
Food and provisions expenses		(759,593)	(675,717)
Maintenance expenses		(347,422)	(327,708)
Finance expenses		(13,975)	(15,978)
Other expenses		(1,647,909)	(1,628,653)
Gains/(Loss) on Investments		81,965	(125,932)
Surplus from Ordinary Activities before depreciation		1,237,304	611,872
Depreciation and amortisation		(986,368)	(959,778)
Surplus/Deficit from Ordinary Activities after Related Income Tax		250,936	(347,906)
Other Comprehensive Income			
Revaluation of PPE		-	-
Disposal of revalued PPE		-	-
Total Comprehensive Income/Loss for the Year		250,936	(347,906)

The accompanying notes form part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
CURRENT ASSETS			
Cash Assets	3	2,180,693	2,558,630
Receivables	4	167,246	204,292
Inventories	5	10,874	15,204
Other	6	230,055	206,444
Financial Assets	9	1,589,595	1,460,125
TOTAL CURRENT ASSETS		4,178,463	4,444,695
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	14,839,050	15,184,511
Intangibles	8	11,458	4,409
TOTAL NON-CURRENT ASSETS		14,850,508	15,188,920
TOTAL ASSETS		19,028,971	19,633,614
CURRENT LIABILITIES			
Payables	10	382,158	306,703
Contract Liabilities	11	1,027,075	1,369,412
Employee Provisions	12	198,089	193,054
Borrowings	13	1,256,416	1,857,518
TOTAL CURRENT LIABILITIES		2,863,738	3,726,687
NON-CURRENT LIABILITIES			
Employee Provisions	12	103,019	95,650
TOTAL LIABILITIES		2,966,757	3,822,336
NET ASSETS		16,062,214	15,811,278
RESERVES AND ACCUMULATED FUNDS			
Accumulated Funds	14	16,062,214	15,811,278
TOTAL RESERVES AND ACCUMULATED FUNDS		16,062,214	15,811,278

The accompanying notes form part of the Financial Statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts from customers		6,079,271	6,376,233
Payments to suppliers and employees		(5,348,274)	(5,242,281)
Interest received		89,439	34,819
Interest paid		(13,975)	(15,978)
Net cash provided by operating activities	17	806,462	1,152,793
Cash Flows from Investing Activities			
Payments for Intangibles		(17,220)	(5,000)
Proceeds from/(Purchases of) investments		-	-
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(566,077)	(3,529,176)
Net cash provided by/(used in) investing activities		(583,297)	(3,534,176)
Cash Flows from Financing Activities			
Proceeds from borrowings		-	1,857,518
Repayment of borrowings		(601,102)	-
Net cash provided by/(used in) financing activities		(601,102)	1,857,518
Net Increase/(Decrease) in Cash Held		(377,937)	(523,865)
Cash at the Beginning of the Financial Year		2,558,630	3,082,495
Cash at the End of the Financial Year	3	2,180,693	2,558,630

The accompanying notes form part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Retained Earnings \$	Reserves \$	Total \$
As at 1 January 2022	12,491,726	3,667,458	16,159,184
Net Deficit	(347,906)	-	(347,906)
As at 31 December 2022	12,143,820	3,667,458	15,811,278
As at 1 January 2023	12,143,820	3,667,458	15,811,278
Net Deficit	250,936	-	250,936
As at 31 December 2023	12,394,756	3,667,458	16,062,214

The accompanying notes form part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 and the Corporations Act 2001.

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 2023 (CONTINUED)

Note	2023	2022
	\$	\$

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.

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

Revenue

Student Fees	5,462,871	4,964,131
Rental Income	667,353	614,011
Conferences and Functions	198,507	146,586
	<u>6,328,731</u>	<u>5,724,728</u>

Investment Income

Investment Distributions	66,511	45,668
	<u>66,511</u>	<u>45,668</u>

Other Income

Net Donations Received/(Disbursed)	-	4,000
Interest Received	89,438	34,819
Profit (Loss) on Sale/Disposal of Assets	(122)	(19,910)
Sundry income	26,633	49,424
	<u>115,949</u>	<u>68,333</u>

Total Revenue and Other Income	<u>6,511,191</u>	<u>5,838,729</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Note	2023 \$	2022 \$
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 interest, dividends, 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.

Donations and bequests are recognised as income when received.

2(b) EXPENSES

The operating result includes the following

Remuneration of auditors

- audit services	17,719	17,000
- other services; assistance with adoption of new financial reporting framework	-	-

Bad and Doubtful Debts	-	5,427
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Depreciation of Property, Plant & Equipment	975,780	952,001
Amortisation of Intangibles	10,588	7,777
	986,368	959,778

3 CASH ASSETS

Cash at bank	2,180,093	2,558,030
Cash on hand	600	600
	2,180,693	2,558,630

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 2023

Note	2023 \$	2022 \$
4 RECEIVABLES		
Fees & Rent Receivable	89,064	164,207
Impairment of Receivables	-	(5,427)
ATO Receivable	68,774	37,190
Sundry Receivable	9,408	8,322
	167,246	204,292

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 and impaired at 31 December 2023 is nil (2022: \$5,427)

5 CURRENT INVENTORIES

Food & Beverage	10,874	15,204
	10,874	15,204

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	206,406	181,943
Accrued Income	23,649	24,500
	230,055	206,443

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 2023 (CONTINUED)

Note	2023 \$	2022 \$
7 PROPERTY, PLANT AND EQUIPMENT		
Furniture and equipment - at cost	5,354,188	5,211,044
Accumulated depreciation - furniture and equipment	(4,658,299)	(4,370,078)
	<u>695,889</u>	<u>840,966</u>
Motor vehicles - at cost	62,860	62,860
Accumulated depreciation - motor vehicles	(35,621)	(23,049)
	<u>27,239</u>	<u>39,811</u>
Land improvements - at cost	22,920,587	22,641,777
Accumulated depreciation - land improvements	(8,895,851)	(8,568,119)
	<u>14,024,736</u>	<u>14,073,658</u>
Capital Projects - Work in Progress	91,186	230,075
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>14,839,050</u></u>	<u><u>15,184,511</u></u>

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 2023 (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.

2023	Work in Progress	Equipment and Fittings	Land and improvements	Motor Vehicles	TOTAL
Balance at beginning of the year	230,075	840,967	14,073,658	39,811	15,184,511
Additions	520,080	78,501	32,277	-	630,858
Disposals at WDV	-	74	49	-	123
Transfers	- 658,969	107,756	551,213	-	-
Depreciation expense	-	331,261	632,363	12,572	976,196
Carrying amount at year end	<u>91,186</u>	<u>695,889</u>	<u>14,024,736</u>	<u>27,239</u>	<u>14,839,050</u>

2022					
Balance at beginning of the year	1,047,468	1,031,044	10,433,160	52,383	12,564,055
Additions	3,359,070	86,032	147,266	-	3,592,368
Disposals at WDV	-	2,330	17,580	-	19,910
Transfers	- 4,176,463	96,266	4,080,197	-	-
Depreciation expense	-	370,044	569,385	12,572	952,001
Carrying amount at year end	<u>230,075</u>	<u>840,967</u>	<u>14,073,658</u>	<u>39,811</u>	<u>15,184,511</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 2023 (CONTINUED)

Note	2023 \$	2022 \$
8 INTANGIBLES		
Software		
At cost	26,802	14,582
Accumulated amortisation	(15,344)	(10,173)
	<u>11,458</u>	<u>4,409</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	4,409	4,409
Additions	17,220	17,220
Amortisation	(10,171)	(10,171)
Closing Balance	<u>11,458</u>	<u>11,458</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 20.

Current - at market value

JB Were investment - managed fund	1,589,595	1,460,125
	<u>1,589,595</u>	<u>1,460,125</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 23 (c).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Note	2023 \$	2022 \$
10 CURRENT PAYABLES		
Trade Creditors	71,282	52,366
Capital Works Creditors	64,783	74,767
Accrued Expenses	176,609	112,349
Superannuation & PAYG Payable	51,984	54,440
Accrued Audit Fees	17,500	12,780
Trade & Sundry Creditors	<u>382,158</u>	<u>306,702</u>

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	628,436	941,251
Fees received in advance - Campus Lodge	384,675	341,521
Fees received in advance - Conference bookings	-	72,122
Other liabilities	13,964	14,518
	<u>1,027,075</u>	<u>1,369,412</u>

12 PROVISIONS

Current

Provision for long service leave	37,107	20,087
Provision for accrued annual leave	160,982	172,967
	<u>198,089</u>	<u>193,054</u>

Non-Current

Provision for long service leave	103,019	95,650
	<u>103,019</u>	<u>95,650</u>

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 2023 (CONTINUED)

Note	2023 \$	2022 \$
13 BORROWINGS		
<i>Current</i>		
Equity loan	1,256,416	1,857,518

Overview

The College has a \$2.5Million Equity Loan from NAB. At balance date \$1.25Million had been drawn with a further \$1.25M available to draw.

How we account for the numbers

Borrowings are carried at their principal amounts which represent present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due.

The loan is secured by the NAB Term Deposit and the JB Were investment portfolio referred to in Note 9.

14 ACCUMULATED FUNDS

Opening Balance	15,811,278	16,159,184
Net Deficit for year	250,936	(347,906)
Closing balance	16,062,214	15,811,278

15 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	67,443	154,643
One to five years	-	-

16 CONTINGENCIES

Land under control of Cromwell College at St Lucia (Parish of Indooroopilly) is sub-

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 –

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Note	2023 \$	2022 \$
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16 CONTINGENCIES (CONT)

- All buildings erected and works conducted on the land must be approved by the Senate of the
- 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 cant be remedied by the College, the Trust agreement becomes void allowing the Senate the right to claim all land and buildings

3 Rock Street (Lots 146-147)

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.

Financial Liabilities

The NAB Term Loan was repaid in full by the College in 2014 ahead of schedule. During 2022 the NAB Term Loan was closed and replaced by the \$2.5M NAB Equity Loan facility.

ATO Div 129 Liability

With the implementation of Charitable Benchmarks supplied by the Australian Taxation Office for 2023 the College will be tax free for approximately 95% of its accommodation, which will likely create a Div 129 debit adjustment for 2023 of \$5,000. It is anticipated that this will reduce the estimated liability of \$40,000 reported for the 2020 - 2022 calendar years adjustments.

Based on the revised contract length of 39 weeks being implemented in 2024, it is anticipated that the College will be tax free on at least 95% of its accommodation for 2024 until at least 2026

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

17 CASH FLOW INFORMATION

CASH FLOW FROM OPERATIONS		
Surplus/(Deficit) For the Year	250,936	(347,906)
<i>Non-cash flows in deficit</i>		
<i>Other</i>		
Depreciation	986,368	959,778
Net loss on sale of property, plant & equipment	123	19,910
Net investment income reinvested	(47,505)	(28,913)
Revaluation of investments	(81,964)	125,932
<i>Changes in Assets & Liabilities</i>		
(Increase)/decrease in receivables and prepayments	12,583	(158,799)
(Increase)/decrease in inventories	4,331	3,289
(Increase)/decrease in other assets	851	(22,846)
Increase/(decrease) in payables	(331,663)	566,410
Increase/(decrease) in provisions	12,402	35,938
NET CASH FLOW FROM OPERATING ACTIVITIES	806,462	1,152,793

18 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.

19 COLLEGE INFORMATION

Principal place of business and address for correspondence
Cromwell College
60 Walcott St
St Lucia
Tel: (07) 33771300

20 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 2023 (CONTINUED)

20 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.

The College secured an additional finance facility in 2022 to fund the increased capital works and is anticipated to repay the facility in full by 2025.

Interest Rate Risk

Interest revenue is incidental to operations and while partial drawdowns have been made on the finance facility, the College will repay the facility upon receipt of student fees and redraw as needed, 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 2023 were approx 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.

21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date 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 2023 (CONTINUED)

21 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.

22 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.

	2023 \$	2022 \$
a. Key Management Personnel		
Total paid to persons responsible for managing and directing the College:	701,797	588,825
b. Other Related Parties		
There are no transactions with related parties.		

How We Account for the Numbers

Key Management Personnel consists of the following benefits:

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)

23 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 (FVTPL)
- 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 2023 (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 COLLEGE COUNCIL OF CROMWELL COLLEGE

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023 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
24 April 2024