



SOUTHERN CROSS

GRAMMAR

Financial Report

For the year ended 31 December 2017

Southern Cross Grammar
A Company Limited by Guarantee
A.C.N. 149 437 276

Registered Office and Principal Place of Business
2-20 Lancefield Drive
Caroline Springs Victoria 3023



Southern Cross Grammar Index

Directors' Report	3
Auditor's Independence Declaration.....	5
Statement of Profit or Loss and Other Comprehensive Income.....	6
Statement of Financial Position	7
Statement of Changes in Equity.....	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	19
Independent Auditor's Report.....	20



Southern Cross Grammar Directors' Report For the Year Ended 31 December 2017

The Directors of Southern Cross Grammar present the following report for the year ended 31 December 2017.

The names and particulars of the Directors at any time during the year are as follows:

Names	Committee Membership and Other Special Responsibilities	Occupations	Date Appointed	Date Resigned	2017 Board Meetings	
					Attended	Eligible to Attend
Andrew Borg	Chair – Infrastructure	Project Manager	13.04.2016	n/a	8	8
Karen Browne	Chair – Finance and Governance	CPA	16.10.2013	n/a	8	8
Brian Buxton	Deputy Chair (to 19 Apr) Finance and Governance	Corporate Consultant	29.03.2011	n/a	7	8
Glenn Fernandez	Deputy Chair (from 19 Apr) Marketing	Strategic Business Planning Consultant	07.11.2013	n/a	5	8
Frank Filippone	Chair – Marketing	Business Manager	13.04.2016	n/a	7	8
Troy Heenan	Chairman Finance and Governance Infrastructure	CPA	26.03.2013	n/a	8	8
Mark Jones	Education	IT Consultant	26.03.2013	n/a	5	8
Petra Moravek	Finance and Governance	Lawyer	09.09.2013	n/a	8	8
Alexie O'Brien	Marketing	Chartered Accountant	19.04.2017	n/a	5	5
Peter Sykes	Infrastructure	Marketing and Operations Executive	24.03.2015	n/a	7	8
Rob Vingerhoets	Deputy Chairman Chair – Education Building	Education Consultant	08.05.2012	n/a	4	8

The Directors held office throughout the year unless otherwise noted.



Southern Cross Grammar Directors' Report For the Year Ended 31 December 2017

PRINCIPAL ACTIVITY

The company was incorporated on 21 February 2011 and commenced operations on 18 July 2011. The entity's principal activity during the year was the operation of an independent co-educational school for students from Foundation to Year Eleven. In the coming years, the school will provide for students from Foundation to Year Twelve.

SHORT AND LONG TERM OBJECTIVES

Southern Cross Grammar is a co-educational, non-denominational school which ensures the highest quality of learning and facilities for children from when they are commencing their social experiences through to becoming active and involved citizens in our community.

The School has prepared a strategic plan incorporating the strategies required to deliver the Vision that;

"Southern Cross Grammar provides a dynamic innovative educational and learning environment with students as the central focus.

Through visionary leadership within our community we will deliver international standards of excellence ensuring that Southern Cross Grammar is the school of first choice."

PERFORMANCE MEASUREMENT

The Board of Management will ordinarily meet seven times per year and receives and reviews against the strategic plan, reports from the Principal and other members of the School's management relating to academic performance, financial results, school operations (including student welfare) and property matters.

MEMBERS' GUARANTEES

In the event of the School being wound up the liability of the members is limited to \$50 each.

Number of current members: 24 (2016: 30)

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under the Australian Charities and Not-for-profits Commission Act 2012 is attached on page 5.

RESOLUTION

Signed in accordance with a resolution of the Board of Directors made pursuant to subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors:



Troy Heenan

Director

28 March 2018

Melbourne



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF SOUTHERN CROSS GRAMMAR

As lead auditor of Southern Cross Grammar for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'James Mooney'. The signature is written in a cursive, flowing style.

James Mooney
Partner

BDO East Coast Partnership

Melbourne, 28 March 2018



Southern Cross Grammar
Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 31 December 2017

	Note	2017 \$	2016 \$
REVENUE			
Operating Revenue		9,836,015	7,980,909
Other Revenue		151,030	146,623
TOTAL REVENUE	3	9,987,045	8,127,532
EXPENSES			
Administration		413,241	370,260
Audit and Professional Services		134,187	63,670
Educational		586,235	496,933
Employee Benefits		6,103,268	4,555,377
Financing		352,376	388,935
Information, Communications and Technology		147,023	106,557
Insurance		41,643	38,618
Property		651,219	589,962
TOTAL EXPENSES		8,429,192	6,610,312
NET SURPLUS	4	1,557,853	1,517,220
Other Comprehensive Income		0	0
TOTAL COMPREHENSIVE INCOME		1,557,853	1,517,220

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.



Southern Cross Grammar
Statement of Financial Position
As At 31 December 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	14(a)	1,455,644	2,684,981
Trade and Other Receivables	5	926,762	1,325,981
Other Assets	6	97,790	143,861
TOTAL CURRENT ASSETS		2,480,196	4,154,823
NON CURRENT ASSETS			
Property, Plant and Equipment	7	12,175,524	9,237,888
TOTAL NON CURRENT ASSETS		12,175,524	9,237,888
TOTAL ASSETS		14,655,720	13,392,711
CURRENT LIABILITIES			
Trade and Other Payables	8	2,113,625	2,041,424
Borrowings	9	1,000,000	500,000
Provisions	10	219,000	187,555
TOTAL CURRENT LIABILITIES		3,332,625	2,728,979
NON CURRENT LIABILITIES			
Borrowings	9	5,925,000	6,925,000
Provisions	10	280,000	178,490
TOTAL NON CURRENT LIABILITIES		6,205,000	7,103,490
TOTAL LIABILITIES		9,537,625	9,832,469
NET ASSETS		5,118,095	3,560,242
MEMBERS FUNDS			
Accumulated Surpluses		5,118,095	3,560,242
NET MEMBERS FUNDS		5,118,095	3,560,242

The above Statement of Financial Position is to be read in conjunction with the attached notes.



Southern Cross Grammar
Statement of Changes in Equity
For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Opening Equity Balance		3,560,242	2,043,022
Surplus for the Year		1,557,853	1,517,220
Other Comprehensive Income		0	0
CLOSING EQUITY BALANCE		5,118,095	3,560,242

The above Statement of Changes in Equity is to be read in conjunction with the attached notes.



Southern Cross Grammar
Statement of Cash Flows
For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government and Customers		9,921,214	8,117,363
Interest Received		51,651	37,332
Payments to Suppliers and Employees		(7,246,714)	(5,559,842)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14 (b)	2,726,151	2,594,853
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant and Equipment		(3,103,112)	(142,664)
NET CASH USED IN INVESTING ACTIVITIES		(3,103,112)	(142,664)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Financing Activities		(852,376)	(858,533)
NET CASH USED IN FINANCING ACTIVITIES		(852,376)	(858,533)
Cash at the beginning of the Financial Year		2,684,981	1,091,325
Net Increase / (Decrease) on cash held		(1,229,337)	1,593,656
CASH AT THE END OF THE FINANCIAL YEAR		1,455,644	2,684,981

The above Statement of Cash Flows are to be read in conjunction with the attached notes.



Southern Cross Grammar

Notes to the Financial Statements

For the Year Ended 31 December 2017

1. INTRODUCTION

Southern Cross Grammar ("the School") is a company limited by guarantee, registered and domiciled in Victoria, Australia. The operations and principal activities of Southern Cross Grammar comprise the provision of educational services. The financial statements are presented in Australian dollars. The registered office and principal place of business is 2-20 Lancefield Drive, Caroline Springs, Victoria 3023.

The financial report was authorised for issue by the Board of Directors of Southern Cross Grammar on the date shown on the Declaration by the Board of Directors attached to the financial statements.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. These financial statements do not comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

Compliance with Australian Accounting Standards - Reduced Disclosures Requirements

The financial statements of Southern Cross Grammar comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB). The school is considered to be a not-for-profit entity and has prepared the financial statements in accordance with the requirements regarding not-for-profit entities as contained in the Australian Accounting Standards.

New, revised or amending Accounting Standards and Interpretations adopted

All the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the annual reporting period beginning 1 January 2017 have been adopted by Southern Cross Grammar in accordance with accounting policies described above. The directors have given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material financial impact on the financial statements of Southern Cross Grammar.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(a) Overall Policy

The financial report has been prepared on an accruals basis using the historical cost method, and except where stated does not take into account current valuations of non-current assets.

(b) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised on the statement of financial position when the School becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the School.

A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(c) Impairment

At each reporting date the School reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The Directors are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

(d) Income Tax

The School is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997 as an educational institution.

(e) Property, Plant & Equipment

Property, plant & equipment have been recorded at cost and are depreciated as set out in (f) below.

(f) Depreciation

Depreciation is provided on all property, plant and equipment, other than land, so as to write off the assets over their useful lives using the straight line method.

The following depreciation rates are in use:

▪ Buildings	4.0% to 5.0%	(2016: 4.0% to 5.0%)
▪ Office Equipment	20.0%	(2016: 20.0%)
▪ ICT Equipment	33.3%	(2016: 33.3%)
▪ Library Equipment	10.0%	(2016: 10.0%)
▪ Grounds Equipment	10.0%	(2016: 10.0%)
▪ Software	25.0%	(2016: 25.0%)
▪ Music Equipment	10.0%	(2016: 10.0%)

(g) Inventory

Stock held for resale consists of computers bought by the school for sale to students at the commencement of the following school year. Stock held for resale is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(h) Employee Benefits

The following liabilities arising in respect of employee benefits are measured at their nominal amounts:

- wages and salaries and annual leave, regardless of whether they are expected to be settled within twelve months of balance date.
- other employee benefits which are expected to be settled within twelve months of balance date.

All other employee benefits, including long service leave, are measured at the present value of the estimated future cash outflows in respect of services provided up to balance date.

(i) Receivables

Trade accounts receivable and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, provisions for doubtful debts.

(j) Trade and Other Payables

Trade and other payables represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

(k) Borrowing Costs

Borrowing costs other than those related to qualifying assets are recognised as an expense in the period in which they are incurred.

(l) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains or losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

Fee Revenue and Government Grants

Fee revenue and government grants are recognised as they become due and receivable in accordance with the provision of services.

Interest

Interest is recognised as revenue on an accrual basis when entitlement is earned.

Donations

Donations are recognised as income at the net fair value of the underlying asset.

Donations of goods in kind are recognised as income at the net fair value of the underlying asset or service received.

(n) Income in Advance

In some instances the School receives tuition fees in advance of providing services. Such receipts are recorded as income in advance until the financial period in which the service is provided at which time they are recognised as revenue.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(o) Goods and Services Tax ('GST') and Other Similar Taxes

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

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

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

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

(p) Critical accounting Judgements, Estimates and Assumptions

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

Estimation of useful lives of assets

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

Provision for Impairment of Receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the ageing of receivables and knowledge of the individual debtors financial position.

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2017 \$	2016 \$
3. REVENUES		
OPERATING REVENUE		
Fee Revenue	5,115,627	4,337,850
Government Grants		
- Recurring	4,710,170	3,632,231
- Other	10,218	10,828
TOTAL OPERATING REVENUE	9,836,015	7,980,909
OTHER REVENUE		
Interest Income	51,651	37,332
Other Items	99,379	109,291
TOTAL OTHER REVENUE	151,030	146,623
TOTAL REVENUE	9,987,045	8,127,532
4. ITEMS INCLUDED IN SURPLUS / (LOSS)		
Depreciation of Property, Plant and Equipment	315,188	289,470
Interest Expense and Charges	352,376	388,935
Auditor's Remuneration - Auditing Services	25,000	22,000
5. TRADE AND OTHER RECEIVABLES		
Trade and Other Receivables	1,075,457	1,475,981
Less Provision for Impairment of Receivables	(148,695)	(150,000)
TOTAL TRADE AND OTHER RECEIVABLES	926,762	1,325,981
Opening Balance	(150,000)	(100,000)
Additional Provisions Recognised	(7,648)	(50,000)
Amounts Written Off	8,953	0
Closing Balances	(148,695)	(150,000)
6. OTHER ASSETS		
Prepayments	94,845	67,082
Stock Held for Resale	2,945	76,779
Total Other Assets	97,790	143,861



Southern Cross Grammar
Notes to the Financial Statements
For the Year Ended 31 December 2017

	2017 \$	2016 \$
7. PROPERTY, PLANT AND EQUIPMENT		
LAND		
At Cost	5,150,000	5,150,000
Less Accumulated Depreciation	0	0
TOTAL LAND	5,150,000	5,150,000
BUILDINGS		
At Cost	3,795,522	3,761,149
Less Accumulated Depreciation	(437,818)	(277,367)
TOTAL BUILDINGS	3,357,704	3,483,782
EQUIPMENT		
At Cost	237,720	180,970
Less Accumulated Depreciation	(108,196)	(65,758)
TOTAL EQUIPMENT	129,524	115,212
ICT EQUIPMENT		
At Cost	230,667	165,705
Less Accumulated Depreciation	(148,313)	(102,363)
TOTAL ICT EQUIPMENT	82,354	63,342
LIBRARY		
At Cost	45,658	44,219
Less Accumulated Depreciation	(25,587)	(21,081)
TOTAL LIBRARY	20,071	23,138
GROUNDS EQUIPMENT		
At Cost	489,970	468,967
Less Accumulated Depreciation	(134,792)	(86,424)
TOTAL GROUNDS EQUIPMENT	355,178	382,543
SOFTWARE		
At Cost	72,905	30,785
Less Accumulated Depreciation	(28,384)	(15,554)
TOTAL SOFTWARE	44,521	15,231
MUSIC EQUIPMENT		
At Cost	6,456	6,455
Less Accumulated Depreciation	(2,461)	(1,815)
TOTAL MUSIC EQUIPMENT	3,995	4,640
WORK IN PROGRESS		
At Cost	3,032,177	0
Less Accumulated Depreciation	0	0
TOTAL WORK IN PROGRESS	3,032,177	0
TOTAL PROPERTY, PLANT AND EQUIPMENT	12,175,524	9,237,888

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements during the year:

2017	Opening WDV	Additions	Disposals	Transfer	Depreciation	Closing WDV
Land	5,150,000	0	0	0	0	5,150,000
Buildings	3,483,782	34,373	0	0	(160,451)	3,357,704
Equipment	115,212	56,750	0	0	(42,438)	129,524
ICT Equipment	63,342	64,962	0	0	(45,950)	82,354
Library	23,138	1,439	0	0	(4,506)	20,071
Grounds Equipment	382,543	21,003	0	0	(48,368)	355,178
Software	15,231	42,120	0	0	(12,830)	44,521
Music Equipment	4,640	0	0	0	(645)	3,995
Work In Progress	0	3,032,177	0	0	0	3,032,177
TOTAL MOVEMENTS	9,237,888	3,252,824	0	0	(315,188)	12,175,524

2016	Opening WDV	Additions	Disposals	Transfer	Depreciation	Closing WDV
Land	5,150,000	0	0	0	0	5,150,000
Buildings	3,645,935	5,000	0	0	(167,153)	3,483,782
Equipment	99,019	48,205	0	0	(32,012)	115,212
ICT Equipment	36,231	58,834	0	0	(31,723)	63,342
Library	19,514	7,870	0	0	(4,246)	23,138
Grounds Equipment	407,031	21,740	0	0	(46,228)	382,543
Software	21,679	1,015	0	0	(7,463)	15,231
Music Equipment	5,285	0	0	0	(645)	4,640
Work In Progress	0	0	0	0	0	0
TOTAL MOVEMENTS	9,384,694	142,664	0	0	(289,470)	9,237,888

2017	2016
\$	\$

8. TRADE AND OTHER PAYABLES

Sundry Creditors and Accruals	1,129,092	643,492
Fees Received in Advance	984,533	1,397,932
TOTAL TRADE AND OTHER PAYABLES	2,113,625	2,041,424

9. BORROWINGS

Interest Bearing Loan (i)	1,000,000	500,000
TOTAL BORROWINGS - CURRENT	1,000,000	500,000
Interest Bearing Loan (i)	2,825,000	3,825,000
Interest Bearing Loan (ii)	3,100,000	3,100,000
TOTAL BORROWINGS - NON CURRENT	5,925,000	6,925,000

- (i) Interest is paid monthly at a fixed rate of 4.04% from April 2017. Prior to April 2017 interest was paid month at a variable rate which in 2017 was averaged at 3.18%. The annual rate for 2017 was 3.82% (2016: 3.41%)
Repayments are due quarterly with the loan term concluding August 2020.
- (ii) Interest is paid monthly at a fixed rate of 4.20%. (2016: 4.20%)
Repayment is due at the conclusion of the loan term being August 2020.



Southern Cross Grammar
Notes to the Financial Statements
For the Year Ended 31 December 2017

	2017	2016
	\$	\$

10. PROVISIONS

Employee Entitlements - Current	219,000	187,555
Employee Entitlements - Non Current	280,000	178,490
TOTAL PROVISIONS	499,000	366,045

11. DIRECTORS EMOLUMENTS

The directors who held office during the year were:

Andrew Borg
Karen Browne
Brian Buxton
Glenn Fernandez
Frank Filippone
Troy Heenan
Mark Jones
Petra Moravek
Alexie O'Brien (Joined 19 April 2017)
Peter Sykes
Rob Vingerhoets

No directors fees or other emoluments are paid or payable to directors.

12. RELATED PARTY DISCLOSURES

(a) Transactions with Directors and Director-Related Entities

During the year, eight directors (2016: 7) had students attending Southern Cross Grammar. Fees were paid in accordance with standard scale rates on terms and conditions no more favourable than those available on similar transactions to other parents.

The School made payment for consulting services of \$18,480 (2016: \$21,450) from "Rob Vingerhoets Educational Consultancy" of which Rob Vingerhoets is a director. The purchases were made under normal terms and conditions.

The School made payment for consulting services of \$6,018.18 (2016: \$0) from Glenn Fernandez. The purchases were made under normal terms and conditions.

(b) Key Management Personnel Compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the School.

TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	1,186,162	656,105
--	------------------	----------------

In 2017 the School's Executive staff increased from three to six with the continued expansion of student enrolments and staffing.

(c) Receivables from and Payables to Related Parties

There were no trade receivables from or trade payables to related parties at 31 December 2017 or 31 December 2016.

(d) Loans to/from related parties

There were no loans to or from related parties at 31 December 2017 or 31 December 2016.

2017	2016
\$	\$

14. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

TOTAL CASH AND CASH EQUIVALENTS	1,455,644	2,684,981
--	------------------	------------------

(b) Reconciliation of Net Cash Provided By Operating Activities to Surplus After Tax

Net Surplus / (Deficit)	1,557,853	1,517,220
Depreciation of Non Current Assets	315,188	289,470
Interest Paid on Borrowings	352,376	388,935
Changes in Net Assets		
(Increase) / Decrease in Trade and Other Receivables	399,219	(175,795)
(Increase) / Decrease in Other Assets	46,071	(87,376)
Increase / (Decrease) in Trade and Other Payables	(77,511)	469,521
Increase / (Decrease) in Employee Benefits	132,955	192,878
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,726,151	2,594,853

(c) Non Cash Investing and Financing Activities

There were no non-cash investing or financing activities.

(d) Finance Facilities

The school has access to a bank overdraft facility of \$250,000 which was undrawn as of 31 December 2017.

15. CONTINGENT LIABILITIES

The School had no contingent liabilities as at 31 December 2017 or 31 December 2016.

16. EVENTS AFTER THE REPORTING BALANCE DATE

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the School's operations, the results of those operations, or the School's state of affairs in future financial years.



Southern Cross Grammar Directors' Declaration

The directors of Southern Cross Grammar declare that in the directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
 - b. give a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the entity will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the ACNC Regulation 2013 on behalf of the directors by:

A handwritten signature in black ink, appearing to read 'Troy Heenan', written over a faint circular stamp.

Troy Heenan

Director

28 March 2018

Melbourne



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Southern Cross Grammar

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Southern Cross Grammar (the School) which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Southern Cross Grammar, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Schools' Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the School are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Schools' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the School or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Schools' 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

A small, stylized version of the BDO logo, with the letters 'BDO' in a bold, blue, sans-serif font.

A handwritten signature in black ink that reads 'James Mooney'. The signature is written in a cursive style with a large, looped 'y' at the end.

James Mooney
Partner

Melbourne, 28 March 2018