



Financial Report

For the year ended
31 December 2019

Southern Cross Grammar
A Company Limited by Guarantee
ACN 149 437 276

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



SOUTHERN CROSS
GRAMMAR



Southern Cross Grammar Index

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Southern Cross Grammar Directors' Report For the Year Ended 31 December 2019

The Directors of Southern Cross Grammar present the following report for the year ended 31 December 2019.

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	2019 Board Meetings	
					Attended	Eligible to Attend
Leonie Abbott	Education – Chair Marketing	Education Trainer	06.02.2019	n/a	7	8
Andrew Borg	Board Chair Infrastructure – Chair Education	Project Manager	13.04.2016	n/a	8	8
Sheona Carter	Education	Education Consultant	03.01.2019	n/a	7	8
John Chambers	Deputy Chair (from 23 Apr) Finance & Governance	Customs Broker	23.04.2018	n/a	7	8
Frank Filippone	Deputy Chair (to 23 Apr) Marketing	Business Manager	13.04.2016	n/a	7	8
Nathan Fosnaugh	Deputy Chair (from 23 Apr) Finance & Governance – Chair	Banker	24.04.2018	n/a	8	8
Rosa Piteri	Education Finance & Governance	Director / Executive	02.01.2019	n/a	7	8
Nick Pilovski	Marketing – Chair Infrastructure	Business Development	02.05.2018	n/a	7	8
Scott Radburn	Finance & Governance Infrastructure	Risk and Assurance	23.04.2019	n/a	5	5

The Directors held office throughout the year unless otherwise noted.



Southern Cross Grammar Directors' Report For the Year Ended 31 December 2019

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 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: 27 (2018: 26)

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:

Director

30 March 2020

Melbourne



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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 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Australian professional accounting bodies.

A handwritten signature in black ink, appearing to read 'J Mooney', written in a cursive style.

James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 30 March 2020



Southern Cross Grammar
Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 31 December 2019

	Note	2019 \$	2018 \$
REVENUE			
Operating Revenue		14,457,401	13,147,172
Other Revenue		267,211	92,494
TOTAL REVENUE	3	14,724,612	13,239,666
EXPENSES			
Administration		320,294	439,192
Audit and Professional Services		210,974	179,197
Educational		1,215,108	808,220
Employee Benefits		8,717,108	7,442,554
Financing		267,262	325,063
Information, Communications and Technology		168,314	155,752
Insurance		66,087	51,595
Property		1,084,295	983,083
TOTAL EXPENSES		12,049,442	10,384,656
NET SURPLUS	4	2,675,170	2,855,010
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		2,675,170	2,855,010

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 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	13(a)	4,760,560	2,939,451
Trade and Other Receivables	5	155,749	181,170
Other Assets	6	128,895	103,780
TOTAL CURRENT ASSETS		5,045,204	3,224,401
NON CURRENT ASSETS			
Property, Plant and Equipment	7	12,609,088	12,211,950
TOTAL NON CURRENT ASSETS		12,609,088	12,211,950
TOTAL ASSETS		17,654,292	15,436,351
CURRENT LIABILITIES			
Trade and Other Payables	8	1,561,667	958,246
Borrowings	9	1,825,000	1,000,000
Provisions	10	488,200	363,970
TOTAL CURRENT LIABILITIES		3,874,867	2,322,216
NON CURRENT LIABILITIES			
Borrowings	9	3,100,000	4,925,000
Provisions	10	203,800	216,030
TOTAL NON CURRENT LIABILITIES		3,303,800	5,141,030
TOTAL LIABILITIES		7,178,667	7,463,246
NET ASSETS		10,475,625	7,973,105
MEMBERS FUNDS			
Accumulated Surplus		10,475,625	7,973,105
NET MEMBERS FUNDS		10,475,625	7,973,105

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 2019

	Note	2019 \$	2018 \$
Opening Equity Balance		7,973,105	5,118,095
Adjustment for change in accounting policy		(172,650)	-
OPENING EQUITY BALANCE (restated)		7,800,455	5,118,095
Surplus for the Year		2,675,170	2,855,010
Other Comprehensive Income		-	-
CLOSING EQUITY BALANCE		10,475,625	7,973,105

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 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government and Customers		14,959,494	13,115,291
Interest Received		55,885	35,355
Payments to Suppliers and Employees		(11,068,892)	(9,672,566)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13(b)	3,946,487	3,478,080
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant and Equipment		(858,116)	(669,210)
NET CASH USED IN INVESTING ACTIVITIES		(858,116)	(669,210)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Financing Activities		(1,267,262)	(1,325,063)
NET CASH USED IN FINANCING ACTIVITIES		(1,267,262)	(1,325,063)
Cash at the beginning of the Financial Year		2,939,451	1,455,644
Net Increase on cash held		1,821,109	1,483,807
CASH AT THE END OF THE FINANCIAL YEAR		4,760,560	2,939,451

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 2019

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 2019 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.

Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar, unless specifically stated otherwise.

AASB 16 Leases

The School has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

AASB 1058 Income of Not-for-Profit Entities

The School has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire



Southern Cross Grammar

Notes to the Financial Statements

For the Year Ended 31 December 2019

2. SUMMARY OF ACCOUNTING POLICIES (continued)

or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of those services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

AASB 15 Revenue from Contracts with Customers

The School has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

Opening retained profits at 1 January 2019 were adjusted downwards by \$172,650 following adoption of AASB 15 which requires enrolment fees to be recognised over the students' period at the school rather than on initial enrolment.

As at 1 January 2019	New	Previous	Difference
Fees Received in Advance (Current Liabilities)	322,571	149,921	172,650
Net Assets	7,800,455	7,973,105	(172,650)
Net Members Funds	7,800,455	7,973,105	(172,650)

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.

(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.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(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%	(2018: 4.0% to 5.0%)
▪ Office Equipment	20.0%	(2018: 20.0%)
▪ ICT Equipment	33.3%	(2018: 33.3%)
▪ Library Equipment	10.0%	(2018: 10.0%)
▪ Grounds Equipment	10.0%	(2018: 10.0%)
▪ Software	25.0%	(2018: 25.0%)
▪ Music Equipment	10.0%	(2018: 10.0%)

(g) 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.

(h) Receivables

Receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, allowance for expected credit losses. An estimate for expected credit losses is made based on lifetime collection of expected loss having grouped receivables on days overdue.

(i) Trade and Other Payables

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

(j) Borrowing Costs

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

(k) 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.

(l) Revenue

The School recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies

2. SUMMARY OF ACCOUNTING POLICIES (continued)

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.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligation stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(m) Income in Advance

In some instances the School receives tuition fees and enrolment 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.

(n) 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.

(o) 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.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent experience and historical collection rates.

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.

	2019 \$	2018 \$
3. REVENUES		
Fee Revenue	7,246,931	6,579,623
Government Grants		
- Recurring	7,202,380	6,553,641
- Other	8,090	13,908
TOTAL OPERATING REVENUE	14,457,401	13,147,172
OTHER REVENUE		
Interest Income	55,885	35,355
Other Income	211,326	57,139
TOTAL OTHER REVENUE	267,211	92,494
TOTAL REVENUE	14,724,612	13,239,666
4. ITEMS INCLUDED IN SURPLUS / (LOSS)		
EXPENSES AND GAINS / (LOSSES)		
Depreciation of Property, Plant and Equipment	618,498	557,923
Interest Expense and Charges	267,262	325,063
Auditor's Remuneration - Auditing Services	27,500	25,750
5. TRADE AND OTHER RECEIVABLES		
Trade and Other Receivables	421,270	455,391
Less Expected Credit Loss of Receivables	(265,521)	(274,221)
TOTAL TRADE AND OTHER RECEIVABLES	155,749	181,170
Opening Balance	(274,221)	-
Decrease / (Increase) in Provision Recognised	8,700	(274,221)
Closing Balances	(265,521)	(274,221)
6. OTHER ASSETS		
Prepayments	128,895	103,780
Total Other Assets	128,895	103,780



Southern Cross Grammar
Notes to the Financial Statements
For the Year Ended 31 December 2019

	2019 \$	2018 \$
7. PROPERTY, PLANT AND EQUIPMENT		
LAND		
At Cost	5,150,000	5,150,000
TOTAL LAND	5,150,000	5,150,000
BUILDINGS		
At Cost	7,285,608	7,082,239
Less Accumulated Depreciation	(1,114,288)	(756,833)
TOTAL BUILDINGS	6,171,320	6,325,406
EQUIPMENT		
At Cost	518,196	422,327
Less Accumulated Depreciation	(226,015)	(179,825)
TOTAL EQUIPMENT	292,181	242,502
ICT EQUIPMENT		
At Cost	443,123	273,397
Less Accumulated Depreciation	(206,465)	(161,159)
TOTAL ICT EQUIPMENT	236,658	112,238
LIBRARY		
At Cost	73,872	58,381
Less Accumulated Depreciation	(37,953)	(30,877)
TOTAL LIBRARY	35,919	27,504
GROUNDS EQUIPMENT		
At Cost	486,395	500,594
Less Accumulated Depreciation	(226,518)	(184,034)
TOTAL GROUNDS EQUIPMENT	259,877	316,560
SOFTWARE		
At Cost	71,351	103,566
Less Accumulated Depreciation	(53,900)	(71,544)
TOTAL SOFTWARE	17,451	32,022
MUSIC EQUIPMENT		
At Cost	14,894	9,064
Less Accumulated Depreciation	(4,662)	(3,346)
TOTAL MUSIC EQUIPMENT	10,232	5,718
WORK IN PROGRESS		
At Cost	435,450	-
TOTAL WORK IN PROGRESS	435,450	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	12,609,088	12,211,950

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements during the year:

2019	Opening WDV	Additions	Disposals	Transfer	Depreciation	Closing WDV
Land	5,150,000	-	-	-	-	5,150,000
Buildings	6,325,406	204,871	-	-	(358,957)	6,171,320
Equipment	242,502	143,967	-	-	(94,288)	292,181
ICT Equipment	112,238	210,671	-	-	(86,251)	236,658
Library	27,504	15,491	-	-	(7,076)	35,919
Grounds Equipment	316,560	2,871	-	-	(59,554)	259,877
Software	32,022	-	(3,515)	-	(11,056)	17,451
Music Equipment	5,718	5,830	-	-	(1,316)	10,232
Work In Progress	-	435,450	-	-	-	435,450
TOTAL MOVEMENTS	12,211,950	1,019,151	(3,515)	-	(618,498)	12,609,088

2018	Opening WDV	Additions	Disposals	Transfer	Depreciation	Closing WDV
Land	5,150,000	-	-	-	-	5,150,000
Buildings	3,357,704	254,687	-	3,032,177	(319,162)	6,325,406
Equipment	129,524	187,789	-	-	(74,811)	242,502
ICT Equipment	82,354	95,257	-	-	(65,373)	112,238
Library	20,071	12,723	-	-	(5,290)	27,504
Grounds Equipment	355,178	10,624	-	-	(49,242)	316,560
Software	44,521	30,661	-	-	(43,160)	32,022
Music Equipment	3,995	2,608	-	-	(885)	5,718
Work In Progress	3,032,177	-	-	(3,032,177)	-	-
TOTAL MOVEMENTS	12,175,524	594,349	-	-	(557,923)	12,211,950

2019
\$

2018
\$

8. TRADE AND OTHER PAYABLES

Sundry Creditors and Accruals	1,146,400	808,325
Fees Received in Advance	415,267	149,921
TOTAL TRADE AND OTHER PAYABLES	1,561,667	958,246

9. BORROWINGS

Interest Bearing Loan (i)	1,825,000	1,000,000
TOTAL BORROWINGS - CURRENT	1,825,000	1,000,000

Interest Bearing Loan (i)	-	1,825,000
Interest Bearing Loan (ii)	3,100,000	3,100,000
TOTAL BORROWINGS - NON CURRENT	3,100,000	4,925,000

- (i) Interest is paid monthly at a fixed rate of 4.04%. (2018: 4.04%)
Repayments are due quarterly with the loan term concluding August 2020.
- (ii) Interest is paid monthly at a fixed rate of 3.89%. (2018: 4.20%)
Repayment is due at the conclusion of the loan term being August 2024.



Southern Cross Grammar
Notes to the Financial Statements
For the Year Ended 31 December 2019

	2019 \$	2018 \$
10. PROVISIONS		
Employee Entitlements - Current	488,200	363,970
Employee Entitlements - Non Current	203,800	216,030
TOTAL PROVISIONS	692,000	580,000

11. DIRECTORS EMOLUMENTS

The directors who held office during the year were:

Leonie Abbott (from 6 February 2019)
Andrew Borg
Sheona Carter (from 3 January 2019)
John Chambers
Frank Filippone
Nathan Fosnaugh
Nick Pilovski
Rosa Piteri (from 2 January 2019)
Scott Radburn (from 23 April 2019)

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, 6 directors (2018: 11) 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.

(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	1,470,116	1,222,275
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(c) Receivables from and Payables to Related Parties

There were no trade receivables from or trade payables to related parties at 31 December 2019 or 31 December 2018.

(d) Loans to/from related parties

There were no loans to or from related parties at 31 December 2019 or 31 December 2018.

	2019 \$	2018 \$
13. 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	4,760,560	2,939,451
(b) Reconciliation of Net Cash Provided By Operating Activities to Surplus After Tax		
Net Surplus	2,675,170	2,855,010
Depreciation of Non Current Assets	618,498	557,923
Interest Paid on Borrowings	267,262	325,063
Changes in Net Assets		
Decrease in Trade and Other Receivables	25,421	745,592
(Increase) in Other Assets	(25,115)	(5,990)
Increase / (Decrease) in Trade and Other Payables	273,251	(1,080,518)
Increase in Employee Benefits	112,000	81,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,946,487	3,478,080
(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 2019.		
14. CONTINGENT LIABILITIES		
The School had no contingent liabilities as at 31 December 2019 or 31 December 2018.		
15. COMMITMENTS FOR EXPENDITURE		
Capital expenditure contracted for at 31 December but not provided:		
Not Later than one year	398,150	-
TOTAL COMMITMENTS FOR EXPENDITURE	398,150	-
16. EVENTS AFTER THE REPORTING BALANCE DATE		
COVID-19 was declared a pandemic by the World Health Organisation in March 2020. The full impact of the virus on the economy in Australia, in particular the education sector, is not yet known due to the evolving nature of the virus and government restrictions. As such, the Board of Southern Cross Grammar is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year. However, as the School is in a strong financial position, has sufficient reserves and government funding likely to continue within the education sector, the School is expected to continue as a going concern for the 12 months following the signing of these accounts.		



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 2019 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 'N. Smith'.

Director

30 March 2020

Melbourne

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 2019, 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 School's financial position as at 31 December 2019 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 School 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 (including independence standards)* (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.

Emphasis of matter - subsequent event

We draw attention to note 16 of the financial report, which describes the non-adjusting subsequent event on the impact of COVID-19 outbreak on the entity. Our opinion is not modified with respect to this matter.

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 Southern Cross Grammars' annual 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 responsible entities for the Financial Report

The responsible entities 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 School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 School'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.

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 Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'James Mooney', written over a faint BDO logo.

James Mooney
Director

Melbourne, 30 March 2020