



Financial Report

For the year ended
31 December 2021

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 2021

The Directors of Southern Cross Grammar present the following report for the year ended 31 December 2021.

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	2021 Board Meetings	
					Attended	Eligible to Attend
Leonie Abbott	Marketing	Education Trainer	06.02.2019	n/a	6	6
Andrew Borg *	Board Chair (to 29 April 2021) Infrastructure – Chair (to 29 April 2021)	Project Manager	13.04.2016	n/a	3	3
Sheona Carter	-	Education Consultant	03.01.2019	29.03.2021	1	1
John Chambers	Deputy Chair (to 29 April 2021) Finance & Governance Marketing Infrastructure	Customs Broker	23.04.2018	n/a	6	6
Frank Filippone	Marketing	Business Manager	13.04.2016	n/a	6	6
Nathan Fosnaugh	Acting Board Chair (from 29 April) Deputy Chair (to 29 April 2021) Finance & Governance – Chair	Banker	24.04.2018	n/a	6	6
Nick Pilovski	Deputy Chair (from 29 April 2021) Marketing – Chair Infrastructure	Business Development	02.05.2018	n/a	6	6
Rosa Piteri	-	Director / Executive	02.01.2019	15.02.2021	0	0
Scott Radburn	Finance & Governance Infrastructure – Chair (from 29 April 2021)	Risk and Assurance	23.04.2019	n/a	5	6

*On the 29 April 2021 Andrew Borg's appointment as the Centauri Building Superintendent (Project Manager) acting for the School was confirmed by the Board. As a result Andrew Borg was granted a leave of absence from the Board and Committees until the handover of the Centauri building which is scheduled to occur in 2022. Nathan Fosnaugh was appointed as acting Board Chair.

The Directors held office throughout the year unless otherwise noted.



Southern Cross Grammar Directors' Report For the Year Ended 31 December 2021

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 (SCG) is a vibrant, F-12 school focused on maximising the learning of every member in our school community. Founded in the 21st century, we have an ongoing commitment to providing modern, up-to-date facilities, teaching and learning practices. With a capacity to balance traditional approaches with contemporary ideas supported by latest research, we are committed to selecting the best methods to suit our students' needs.

PERFORMANCE MEASUREMENT

The Board of Management will ordinarily meet six 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: 17 (2020: 23)

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

7 April 2022

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 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 7 April 2022



Southern Cross Grammar
Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 31 December 2021

	Note	2021 \$	2020 \$
REVENUE			
Operating Revenue		16,048,994	14,320,306
Other Revenue		276,370	208,614
TOTAL REVENUE	3	16,325,364	14,528,920
EXPENSES			
Administration		336,918	244,004
Audit and Professional Services		109,188	240,876
Educational		945,459	665,593
Employee Benefits		9,757,819	9,484,356
Financing		177,673	192,181
Information, Communications and Technology		231,841	160,280
Insurance		133,825	78,867
Property		1,229,460	1,060,981
TOTAL EXPENSES		12,922,183	12,127,138
NET SURPLUS	4	3,403,181	2,401,782
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		3,403,181	2,401,782

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 2021

	Note	2021 \$	2020 \$
Cash and Cash Equivalents			
Cash and Cash Equivalents	13(a)	4,042,925	5,030,621
Trade and Other Receivables	5	169,022	57,705
Other Assets	6	332,926	141,494
TOTAL CURRENT ASSETS		4,544,873	5,229,820
NON CURRENT ASSETS			
Property, Plant and Equipment	7	23,162,970	12,975,084
TOTAL NON CURRENT ASSETS		23,162,970	12,975,084
TOTAL ASSETS		27,707,843	18,204,904
CURRENT LIABILITIES			
Trade and Other Payables	8	2,705,381	1,346,497
Borrowings	9	1,000,000	-
Provisions	10	626,000	601,000
TOTAL CURRENT LIABILITIES		4,331,381	1,947,497
NON CURRENT LIABILITIES			
Borrowings	9	6,726,874	3,100,000
Provisions	10	369,000	280,000
TOTAL NON CURRENT LIABILITIES		7,095,874	3,380,000
TOTAL LIABILITIES		11,427,255	5,327,497
NET ASSETS		16,280,588	12,877,407
MEMBERS FUNDS			
Accumulated Surplus		16,280,588	12,877,407
NET MEMBERS FUNDS		16,280,588	12,877,407

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 2021

	Note	2021 \$	2020 \$
Opening Equity Balance		12,877,407	10,475,625
Surplus for the Year		3,403,181	2,401,782
Other Comprehensive Income		-	-
CLOSING EQUITY BALANCE		16,280,588	12,877,407

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 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government and Customers		16,597,277	14,472,744
Interest Received		495	28,566
Payments to Suppliers and Employees		(12,375,844)	(11,254,125)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13(b)	4,221,928	3,247,185
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant and Equipment		(9,658,825)	(959,943)
NET CASH USED IN INVESTING ACTIVITIES		(9,658,825)	(959,943)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Received		4,626,874	-
Payments for Financing Activities		(177,673)	(2,017,181)
NET CASH USED IN FINANCING ACTIVITIES		4,449,201	(2,017,181)
Cash at the beginning of the Financial Year		5,030,621	4,760,560
Net Increase on cash held		(987,696)	270,061
CASH AT THE END OF THE FINANCIAL YEAR		4,042,925	5,030,621

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 2021

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

The school has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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.

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%	(2020: 4.0% to 5.0%)
▪ Office Equipment	20.0%	(2020: 20.0%)
▪ ICT Equipment	33.3%	(2020: 33.3%)
▪ Library Equipment	10.0%	(2020: 10.0%)
▪ Grounds Equipment	10.0%	(2020: 10.0%)
▪ Software	25.0%	(2020: 25.0%)
▪ Music Equipment	10.0%	(2020: 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.

	2021 \$	2020 \$
3. REVENUES		
OPERATING REVENUE		
Fee Revenue	7,811,789	6,751,156
Government Grants		
- Recurring	8,235,878	7,468,631
- Cashflow Boost	-	100,000
- Other	1,327	519
TOTAL OPERATING REVENUE	16,048,994	14,320,306
OTHER REVENUE		
Interest Income	495	28,566
Other Items	275,875	180,048
TOTAL OTHER REVENUE	276,370	208,614
TOTAL REVENUE	16,325,364	14,528,920
4. ITEMS INCLUDED IN SURPLUS / (LOSS) EXPENSES AND GAINS / (LOSSES)		
Depreciation of Property, Plant and Equipment	760,853	672,673
Interest Expense and Charges	177,673	192,181
Auditor's Remuneration - Auditing Services	31,000	30,000
5. TRADE AND OTHER RECEIVABLES		
Trade and Other Receivables	429,022	307,705
Less Expected Credit Loss of Receivables	(260,000)	(250,000)
TOTAL TRADE AND OTHER RECEIVABLES	169,022	57,705
Opening Balance	(250,000)	(265,521)
(Increase) / Decrease in Provision Recognised	(10,000)	15,521
Closing Balances	(260,000)	(250,000)
6. OTHER ASSETS		
Prepayments	332,926	141,494
Total Other Assets	332,926	141,494

	2021 \$	2020 \$
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	7,381,377	7,313,449
Less Accumulated Depreciation	(1,841,747)	(1,475,316)
TOTAL BUILDINGS	5,539,630	5,838,133
EQUIPMENT		
At Cost	716,584	638,313
Less Accumulated Depreciation	(341,031)	(330,222)
TOTAL EQUIPMENT	375,553	308,091
ICT EQUIPMENT		
At Cost	518,683	557,368
Less Accumulated Depreciation	(285,162)	(344,965)
TOTAL ICT EQUIPMENT	233,521	212,403
LIBRARY		
At Cost	43,643	73,872
Less Accumulated Depreciation	(14,413)	(45,340)
TOTAL LIBRARY	29,230	28,532
GROUNDS EQUIPMENT		
At Cost	890,879	486,395
Less Accumulated Depreciation	(348,702)	(275,157)
TOTAL GROUNDS EQUIPMENT	542,177	211,238
SOFTWARE		
At Cost	25,160	71,351
Less Accumulated Depreciation	(24,691)	(65,074)
TOTAL SOFTWARE	469	6,277
MUSIC EQUIPMENT		
At Cost	57,995	20,548
Less Accumulated Depreciation	(11,961)	(6,400)
TOTAL MUSIC EQUIPMENT	46,034	14,148
WORK IN PROGRESS		
At Cost	11,246,356	1,206,262
TOTAL WORK IN PROGRESS	11,246,356	1,206,262
TOTAL PROPERTY, PLANT AND EQUIPMENT	23,162,970	12,975,084

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements during the year:

2021	Opening WDV	Additions	Disposals	Transfer	Depreciation	Closing WDV
Land	5,150,000	-	-	-	-	5,150,000
Buildings	5,838,133	79,332	-	-	(377,835)	5,539,630
Equipment	308,091	123,073	-	78,573	(134,184)	375,553
ICT Equipment	212,403	175,654	-	-	(154,536)	233,521
Library	28,532	6,581	-	-	(5,883)	29,230
Grounds Equipment	211,238	2,340	-	405,644	(77,045)	542,177
Software	6,277	-	-	-	(5,808)	469
Music Equipment	14,148	37,448	-	-	(5,562)	46,034
Work In Progress	1,206,262	10,524,311	-	(484,217)	-	11,246,356
TOTAL MOVEMENTS	12,975,084	10,948,739	-	-	(760,853)	23,162,970

2020	Opening WDV	Additions	Disposals	Transfer	Depreciation	Closing WDV
Land	5,150,000	-	-	-	-	5,150,000
Buildings	6,171,320	27,841	-	-	(361,028)	5,838,133
Equipment	292,181	120,117	-	-	(104,207)	308,091
ICT Equipment	236,658	114,245	-	-	(138,500)	212,403
Library	35,919	-	-	-	(7,387)	28,532
Grounds Equipment	259,877	-	-	-	(48,639)	211,238
Software	17,451	-	-	-	(11,174)	6,277
Music Equipment	10,232	5,654	-	-	(1,738)	14,148
Work In Progress	435,450	770,812	-	-	-	1,206,262
TOTAL MOVEMENTS	12,609,088	1,038,669	-	-	(672,673)	12,975,084

	2021 \$	2020 \$
8. TRADE AND OTHER PAYABLES		
Sundry Creditors and Accruals	2,032,043	1,056,884
Fees Received in Advance	673,338	289,613
TOTAL TRADE AND OTHER PAYABLES	2,705,381	1,346,497
9. BORROWINGS		
Interest Bearing Loan (i)	1,000,000	-
TOTAL BORROWINGS - CURRENT	1,000,000	-
Interest Bearing Loan (i)	3,626,874	-
Interest Bearing Loan (ii)	3,100,000	3,100,000
TOTAL BORROWINGS - NON CURRENT	6,726,874	3,100,000

(i) Interest is be charged at the BBSY rate (average of 0.06% in 2021) plus a margin rate of 1.55% pa. The loan commenced in August 2021 with a total facility of \$9,000,000. Repayments will commence in January 2022 at the rate of \$83,333.33 every calendar month



Southern Cross Grammar
Notes to the Financial Statements
For the Year Ended 31 December 2021

- (ii) Interest is paid monthly at a fixed rate of 3.67%. (2020: 3.67%)
Repayment is due at the conclusion of the loan term being August 2024.

	2021 \$	2020 \$
10. PROVISIONS		
Employee Entitlements - Current	626,000	601,000
Employee Entitlements - Non Current	369,000	280,000
TOTAL PROVISIONS	995,000	881,000

11. DIRECTORS EMOLUMENTS

The directors who held office during the year were:

Leonie Abbott
Andrew Borg (to 29 April 2021 when granted a leave of absence from the Board)
Sheona Carter (to 29 March 2021)
John Chambers
Frank Filippone
Nathan Fosnaugh
Nick Pilovski
Rosa Piteri (to 15 February 2021)
Scott Radburn

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 (2020: 6) 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.

In lieu of professional fees payable by the School for his role as the Centauri Building Superintendent (Project Manager) for the School, Andrew Borg has been provided tuition fee relief to the value of \$9,416 in 2021.

(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	1,061,994	1,800,334
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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 2021 or 31 December 2020.

(d) Loans to/from related parties

There were no loans to or from related parties at 31 December 2021 or 31 December 2020.

2021	2020
\$	\$

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 KEY MANAGEMENT PERSONNEL COMPENSATION	1,061,994	1,800,334
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(b) Reconciliation of Net Cash Provided By Operating Activities to Surplus After Tax

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO SURPLUS AFTER TAX

Net Surplus	3,403,181	2,401,782
Depreciation of Non Current Assets	760,853	672,673
Interest Paid on Borrowings	177,673	192,181
Changes in Net Assets		
(Increase) / Decrease in Trade and Other Receivables	(111,317)	98,044
(Increase) in Other Assets	(191,432)	(12,599)
Increase / (Decrease) in Trade and Other Payables	68,970	(293,896)
Increase in Employee Benefits	114,000	189,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,221,928	3,247,185

(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 2021.

14. CONTINGENT LIABILITIES

The School had no contingent liabilities as at 31 December 2021 or 31 December 2020.

15. COMMITMENTS FOR EXPENDITURE

Capital expenditure contracted for at 31 December but not provided:

Not Later than one year	3,811,461	11,796,480
More than one year but less than two years		424,776
TOTAL COMMITMENTS FOR EXPENDITURE	3,811,461	12,221,256

16. EVENTS AFTER THE REPORTING BALANCE DATE

No event or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the School's state of affairs in future 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 2021 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 be a stylized name.

Director

7 April 2022

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 2021, 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 directors' 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 2021 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.

Other information

Those charged with governance 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 Grammar's 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 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 directors 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, directors 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 directors either intends to liquidate the school or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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'. Above the signature is a stylized, handwritten 'BDO' logo.

James Mooney
Director

Melbourne, 7 April 2022