



# Financial Report For the year ended 31 December 2022

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



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## Southern Cross Grammar Directors' Report For the Year Ended 31 December 2022

The Directors of Southern Cross Grammar present the following report for the year ended 31 December 2022.

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	2022 Board Meetings	
					Attended	Eligible to Attend
Leonie Abbott	Marketing	Wellbeing Educator	06.02.2019	n/a	6	6
Andrew Borg *	Infrastructure	Project Manager	13.04.2016	05.05.2022	0	0
John Chambers	Finance & Governance Marketing Infrastructure	Customs Broker	23.04.2018	n/a	6	6
Frank Filippone	Marketing	Business Manager	13.04.2016	n/a	5	6
Nathan Fosnaugh	Board Chair Finance & Governance – Chair	Banker	24.04.2018	n/a	6	6
Nick Pilovski	Deputy Chair Marketing – Chair Infrastructure	Business Development	02.05.2018	n/a	6	6
Scott Radburn	Finance & Governance Infrastructure – Chair	Risk and Assurance	23.04.2019	n/a	6	6

Andrew Borg was granted a leave of absence from the Board and Committees on the 29 April 2021 to undertake the role of Centauri Building Superintendent (Project Manager) acting for the School. The handover of the Centauri building coincided with the end of Mr. Borg's tenure as a Board member.

The Directors held office throughout the year unless otherwise noted.



# Southern Cross Grammar Directors' Report For the Year Ended 31 December 2022

## **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: 14 (2021: 15)

## **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

12 April 2023

Melbourne

## 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 2022, 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.



**James Mooney**  
Director

**BDO Audit Pty Ltd**

Melbourne, 12 April 2023



Southern Cross Grammar  
Statement of Profit or Loss and Other Comprehensive Income  
For The Year Ended 31 December 2022

	Note	2022 \$	2021 \$
<b>REVENUE</b>			
Operating Revenue		18,098,641	16,048,994
Other Revenue		379,360	276,370
<b>TOTAL REVENUE</b>	3	<b>18,478,001</b>	<b>16,325,364</b>
<b>EXPENSES</b>			
Administration		421,359	336,918
Audit and Professional Services		138,275	109,188
Educational		1,630,797	945,459
Employee Benefits		11,537,555	9,757,819
Financing		441,632	177,673
Information, Communications and Technology		331,032	231,841
Insurance		231,498	133,825
Property		2,433,528	1,229,460
<b>TOTAL EXPENSES</b>		<b>17,165,676</b>	<b>12,922,183</b>
<b>NET SURPLUS</b>	4	<b>1,312,325</b>	<b>3,403,181</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,312,325</b>	<b>3,403,181</b>

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 2022

	Note	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	13(a)	3,198,942	4,042,925
Trade and Other Receivables	5	72,496	169,022
Other Assets	6	408,390	332,926
<b>TOTAL CURRENT ASSETS</b>		<b>3,679,828</b>	<b>4,544,873</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	7	27,346,649	23,162,970
<b>TOTAL NON CURRENT ASSETS</b>		<b>27,346,649</b>	<b>23,162,970</b>
<b>TOTAL ASSETS</b>		<b>31,026,477</b>	<b>27,707,843</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	1,325,455	2,705,381
Borrowings	9	1,063,644	1,000,000
Provisions	10	863,323	626,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,252,422</b>	<b>4,331,381</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	9	9,746,241	6,726,874
Provisions	10	434,901	369,000
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>10,181,142</b>	<b>7,095,874</b>
<b>TOTAL LIABILITIES</b>		<b>13,433,564</b>	<b>11,427,255</b>
<b>NET ASSETS</b>		<b>17,592,913</b>	<b>16,280,588</b>
<b>MEMBERS FUNDS</b>			
Accumulated Surplus		17,592,913	16,280,588
<b>NET MEMBERS FUNDS</b>		<b>17,592,913</b>	<b>16,280,588</b>

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 2022

	Note	2022 \$	2021 \$
Opening Equity Balance		16,280,588	12,877,407
Surplus for the Year		1,312,325	3,403,181
Other Comprehensive Income		-	-
<b>CLOSING EQUITY BALANCE</b>		<b>17,592,913</b>	<b>16,280,588</b>

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 2022

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Government and Customers		18,420,318	16,597,277
Interest Received		31,145	495
Payments to Suppliers and Employees		(14,853,677)	(12,375,844)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	13(b)	<b>3,597,786</b>	<b>4,221,928</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Purchase of Property, Plant and Equipment		(7,083,148)	(9,658,825)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(7,083,148)</b>	<b>(9,658,825)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financing Received		4,120,136	4,626,874
Payments for Financing Activities		(1,478,757)	(177,673)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>2,641,379</b>	<b>4,449,201</b>
Cash at the beginning of the Financial Year		4,042,925	5,030,621
Net Increase on cash held		(843,983)	(987,696)
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	13(a)	<b>3,198,942</b>	<b>4,042,925</b>

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 2022

## 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 - Simplified Disclosures 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 – Simplified Disclosure Requirements**

The financial statements of Southern Cross Grammar comply with Australian Accounting Standards - Simplified Disclosures 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the school.

The following Accounting Standards and Interpretations are most relevant to the School:

#### **(a) Conceptual Framework for Financial Reporting (Conceptual Framework)**

The School has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the School's financial statements.

#### **(b) AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities**

The school has adopted AASB 1060 from 1 January 2020. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for remuneration of auditors and borrowings.

### **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.

## 2. SUMMARY OF ACCOUNTING POLICIES (continued)

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 20.0%	(2021: 4.0% to 20.0%)
▪ Office Equipment	20.0%	(2021: 20.0%)
▪ ICT Equipment	33.3%	(2021: 33.3%)
▪ Library Equipment	10.0%	(2021: 10.0%)
▪ Grounds Equipment	10.0%	(2021: 10.0%)
▪ Software	25.0%	(2021: 25.0%)
▪ Music Equipment	10.0%	(2021: 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.

## 2. SUMMARY OF ACCOUNTING POLICIES (continued)

### (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 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.

## 2. SUMMARY OF ACCOUNTING POLICIES (continued)

### (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.

#### *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.

	2022 \$	2021 \$
<b>3. REVENUES</b>		
<b>OPERATING REVENUE</b>		
Fee Revenue	9,369,336	7,811,789
Government Grants		
- Recurring	8,729,305	8,235,878
- Other	-	1,327
<b>TOTAL OPERATING REVENUE</b>	<b>18,098,641</b>	<b>16,048,994</b>
<b>OTHER REVENUE</b>		
Interest Income	31,145	495
Commission and Event Income	348,215	275,875
<b>TOTAL OTHER REVENUE</b>	<b>379,360</b>	<b>276,370</b>
<b>TOTAL REVENUE</b>	<b>18,478,001</b>	<b>16,325,364</b>
<b>4. ITEMS INCLUDED IN SURPLUS / (LOSS) EXPENSES AND GAINS / (LOSSES)</b>		
Depreciation of Property, Plant and Equipment	1,729,855	760,853
Interest Expense and Charges	441,632	177,673
Remuneration for Audit of the Financial Statements - BDO Audit Pty Ltd	38,000	31,000
<b>5. TRADE AND OTHER RECEIVABLES</b>		
Trade and Other Receivables	347,496	429,022
Less Expected Credit Loss of Receivables	(275,000)	(260,000)
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>72,496</b>	<b>169,022</b>
Opening Balance	(260,000)	(250,000)
(Increase) in Provision Recognised	(15,000)	(10,000)
<b>Closing Balances</b>	<b>(275,000)</b>	<b>(260,000)</b>
<b>6. OTHER ASSETS</b>		
Prepayments	408,390	332,926
<b>Total Other Assets</b>	<b>408,390</b>	<b>332,926</b>

	2022 \$	2021 \$
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND</b>		
At Cost	5,150,000	5,150,000
<b>TOTAL LAND</b>	<b>5,150,000</b>	<b>5,150,000</b>
<b>BUILDINGS</b>		
At Cost	22,327,118	7,381,377
Less Accumulated Depreciation	(2,914,899)	(1,841,747)
<b>TOTAL BUILDINGS</b>	<b>19,412,219</b>	<b>5,539,630</b>
<b>EQUIPMENT</b>		
At Cost	1,735,052	716,584
Less Accumulated Depreciation	(612,046)	(341,031)
<b>TOTAL EQUIPMENT</b>	<b>1,123,006</b>	<b>375,553</b>
<b>ICT EQUIPMENT</b>		
At Cost	1,098,853	518,683
Less Accumulated Depreciation	(561,235)	(285,162)
<b>TOTAL ICT EQUIPMENT</b>	<b>537,618</b>	<b>233,521</b>
<b>LIBRARY</b>		
At Cost	44,921	43,643
Less Accumulated Depreciation	(18,884)	(14,413)
<b>TOTAL LIBRARY</b>	<b>26,037</b>	<b>29,230</b>
<b>GROUNDS EQUIPMENT</b>		
At Cost	985,922	890,879
Less Accumulated Depreciation	(441,150)	(348,702)
<b>TOTAL GROUNDS EQUIPMENT</b>	<b>544,772</b>	<b>542,177</b>
<b>SOFTWARE</b>		
At Cost	25,160	25,160
Less Accumulated Depreciation	(25,160)	(24,691)
<b>TOTAL SOFTWARE</b>	<b>-</b>	<b>469</b>
<b>MUSIC EQUIPMENT</b>		
At Cost	195,815	57,995
Less Accumulated Depreciation	(24,188)	(11,961)
<b>TOTAL MUSIC EQUIPMENT</b>	<b>171,627</b>	<b>46,034</b>
<b>WORK IN PROGRESS</b>		
At Cost	381,370	11,246,356
<b>TOTAL WORK IN PROGRESS</b>	<b>381,370</b>	<b>11,246,356</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>27,346,649</b>	<b>23,162,970</b>

## 7. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements during the year:

2022	Opening WDV	Additions	Disposals	Transfer	Depreciation	Closing WDV
Land	5,150,000	-	-	-	-	5,150,000
Buildings	5,539,630	720,990	-	14,224,751	(1,073,152)	19,412,219
Equipment	375,553	510,435	-	508,033	(271,015)	1,123,006
ICT Equipment	233,521	314,979	-	265,191	(276,073)	537,618
Library	29,230	1,278	-	-	(4,471)	26,037
Grounds Equipment	542,177	95,043	-	-	(92,448)	544,772
Software	469	-	-	-	(469)	-
Music Equipment	46,034	137,820	-	-	(12,227)	171,627
Work In Progress	11,246,356	4,132,989	-	(14,997,975)	-	381,370
<b>TOTAL MOVEMENTS</b>	<b>23,162,970</b>	<b>5,913,534</b>	<b>-</b>	<b>-</b>	<b>(1,729,855)</b>	<b>27,346,649</b>

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
<b>TOTAL MOVEMENTS</b>	<b>12,975,084</b>	<b>10,948,739</b>	<b>-</b>	<b>-</b>	<b>(760,853)</b>	<b>23,162,970</b>

	2022 \$	2021 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
Sundry Creditors and Accruals	775,181	2,032,043
Fees Received in Advance	550,274	673,338
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>1,325,455</b>	<b>2,705,381</b>
<b>9. BORROWINGS</b>		
Interest Bearing Loan (i)	1,000,000	1,000,000
Hire Purchase Facility (iii)	63,644	-
<b>TOTAL BORROWINGS - CURRENT</b>	<b>1,063,644</b>	<b>1,000,000</b>
Interest Bearing Loan (i)	6,556,078	3,626,874
Interest Bearing Loan (ii)	3,100,000	3,100,000
Hire Purchase Facility (iii)	90,163	-
<b>TOTAL BORROWINGS - NON CURRENT</b>	<b>9,746,241</b>	<b>6,726,874</b>



Southern Cross Grammar  
Notes to the Financial Statements  
For the Year Ended 31 December 2022

- (i) Interest is charged at the BBSY rate (average of 1.36% in 2022, 2021: 0.06%) plus a margin rate of 1.55% pa. The loan commenced in August 2021 with a total facility of \$9,000,000. Repayments commenced in January 2022 at the rate of \$83,333.33 every calendar month.
- (ii) Interest is paid monthly at a fixed rate of 3.67%. (2021: 3.67%)  
Repayment is due at the conclusion of the loan term being August 2024.
- (iii) Total Hire Purchase Facility was \$190,932.48. Repayments of \$5,303.68 per month commenced June 2022.

	2022 \$	2021 \$
<b>Total Facilities</b>		
Bank Loans	11,100,000	12,100,000
Bank Overdraft	250,000	250,000
<b>TOTAL FACILITIES</b>	<b>11,350,000</b>	<b>12,350,000</b>
Bank Loans	10,656,078	7,726,874
Bank Overdraft	-	-
<b>USED AT REPORTING DATE</b>	<b>10,656,078</b>	<b>7,726,874</b>
Bank Loans	443,922	4,373,126
Bank Overdraft	250,000	250,000
<b>UNUSED AT REPORTING DATE</b>	<b>693,922</b>	<b>4,623,126</b>

## 10. PROVISIONS

Employee Entitlements - Current	863,323	626,000
Employee Entitlements - Non Current	434,901	369,000
<b>TOTAL PROVISIONS</b>	<b>1,298,224</b>	<b>995,000</b>

## 11. DIRECTORS EMOLUMENTS

The directors who held office during the year were:

Leonie Abbott  
Andrew Borg (to 5 May 2022)  
John Chambers  
Frank Filippone  
Nathan Fosnaugh  
Nick Pilovski  
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, 5 directors (2021: 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 \$7,065 (2021: \$9,416).



Southern Cross Grammar  
Notes to the Financial Statements  
For the Year Ended 31 December 2022

	2022 \$	2021 \$
<b>(b) Key Management Personnel Compensation</b>		
Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the School.		
<b>TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>1,013,012</b>	<b>1,061,994</b>

**(c) Receivables from and Payables to Related Parties**  
There were no trade receivables from or trade payables to related parties at 31 December 2022 or 31 December 2021.

**(d) Loans to/from related parties**  
There were no loans to or from related parties at 31 December 2022 or 31 December 2021.

### 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:

<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,198,942</b>	<b>4,042,925</b>
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**(b) Reconciliation of Net Cash Provided By Operating Activities to Surplus After Tax**

<b>RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO SURPLUS AFTER TAX</b>		
Net Surplus	1,312,325	3,403,181
Depreciation of Non Current Assets	1,729,855	760,853
Interest Paid on Borrowings	441,632	177,673
Changes in Net Assets		
Decrease / (Increase) in Trade and Other Receivables	96,526	(111,317)
(Increase) in Other Assets	(75,464)	(191,432)
(Decrease) / Increase in Trade and Other Payables	(210,312)	68,970
Increase in Employee Benefits	303,224	114,000
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,597,786</b>	<b>4,221,928</b>

**(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 2022.

### 14. CONTINGENT LIABILITIES

The School had no contingent liabilities as at 31 December 2022 or 31 December 2021.

### 15. COMMITMENTS FOR EXPENDITURE

Capital expenditure contracted for at 31 December but not provided:

Within one year	-	3,811,461
<b>TOTAL COMMITMENTS FOR EXPENDITURE</b>	<b>-</b>	<b>3,811,461</b>

### 16. EVENTS AFTER THE REPORTING BALANCE DATE

No event or circumstance has arisen since 31 December 2022 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 – Simplified Disclosures 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 2022 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 'N. J. ...'.

Director

12 April 2023

## 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 2022, 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 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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

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 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 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 - Simplified Disclosures 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.

The directors of the school 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](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, 12 April 2023