



ANNUAL REPORT

2018- 2019



Introduction

It has been a landmark year for Southern Cross Housing. October 22nd 2018 saw the management transfer of 960 properties, effectively doubling our size in the Shoalhaven. In order to ensure readiness, we had undertaken a significant capacity and capability building program across all our teams and as a result, the transition was seamless. This speaks volumes about the dedication and professionalism of our staff, who embraced the challenge of successfully delivering a project of this scale, while maintaining 'business as usual' and quality service delivery; always our first priority.

Our workforce grew some 45% during the year, and we are fortunate that a number of former FaCS employees chose to join us at the time of the transfer. At Southern Cross, we continue with our commitment to invest in further training, increasing sector knowledge and further raising our professional standards. Our objective of 'creating careers not just jobs' remains unchanged; we want to ensure that our staff are professionally developed to be the very best in their field, and where possible, are provided with opportunities to progress. Our staff are the real heroes at Southern Cross and particularly after such a momentous year I take this opportunity to recognise and thank them sincerely for all their efforts. They work tirelessly every day for the betterment of people's lives, while fulfilling the needs of Southern Cross to run a sustainable and productive business.

Financially we performed better than expected. Revenues grew from \$13.5 million to \$22.0 million resulting in an operational surplus of \$3.5 million. EBITDA margin was 17.19%, total equity grew by 20%. These are gratifying results; affording us the opportunity to further invest in our development pipeline and pursue other alternatives that answer the needs of the communities we serve.

Our thanks also goes to our board whose collective wisdom, guidance and professionalism does much to ensure the organisation vigorously pursues its mission while maintaining the highest standards of integrity and accountability. Finally, sincere thanks to our residents and community partners, for their continued support and commitment in making where they live a better place to live. As we believe here at Southern Cross, it's more than affordable housing; it's about community living.



Nick Thomas
Chairman



Alex Pontello
CEO



About us

We manage

2,127

properties

We are accredited as a

Tier 1

under the National Regulatory System
for Community Housing

We provide Social and Affordable
housing to over

5,500

people with low incomes and special
needs

Our turnover is

\$22M

84%

of our tenants are happy with
the services they receive from us



Our Board

The Southern Cross Housing Board comprises of nine members who bring a wealth of social, business and governance expertise to their role. The mixture of skills and experience offered by the directors ensures the organisation remains financially responsible, whilst delivering significant client outcomes. The board continues to exercise best practice governance principles with a well balanced approach to risk appetite.

In unison with the Executive Team, the Board continues to steer the strategic direction of the organisation and is responsible for delivering accountable corporate performance in accordance with the organisation's goals and objectives. Via two subcommittees the Board administers systems, processes and procedures to enable it to comply with its legal, regulatory and industry obligations safeguarding that organisation's assets and operations are not exposed to undue risks while still pursuing an ambitious growth strategy.

The Board is committed to having regional representation across our service delivery areas so that we can ensure the organisation remains community based and focused on local issues. Southern Cross Housing directors are dedicated to growing professional development to ensure the organisation continues to be at the forefront of sector and industry changes, challenges, and opportunities.



Our Executives

Southern Cross Housing is led by a dedicated team of executive managers that drive the company daily to deliver on our promise and vision for the organisation. Their combined expertise, commitment and passion propel the company forward in its determination to be the best at what we do.

With nearly 60 years of combined community housing knowledge, these executives lead by example with a 'will do' attitude and continue to raise the bar on professional standards. As a team, we respectfully hold each other to account and embrace the challenges of problem solving together.

Although working as one group, responsibilities are divided among 5 streams: Finance, HR, Operations, Corporate Services, and Property Services. The most important thing about this team is that they can be themselves. They share the same passion and goals which spreads across the whole organisation. They trust each other and are trustworthy. The cohesiveness of this team is obvious to all people who deal with Southern Cross Housing.



Our People

Team Retreats

Our teams enjoy an annual retreat. This out of office gathering allows our staff to work, play and strengthen team relationships. Mostly hosted in rural locations, providing an environment where teams can learn to really work together and get inspiration. They offer an opportunity for people to debrief and recharge, outside of everyday work distractions. Fun with colleagues is so important for developing a great work culture.



Our Graduates

As we say at SCH, it's more than just a job, it's a career. We continue to invest in our people and over the last 12 months, 10 Staff have studied and completed a Certificate IV in Social Housing. This program was delivered onsite by CHIA and students from all teams actively engaged. This education will further enhance skills and knowledge allowing staff to become more professional and raise the standard of our service delivery. Two of these students were commended for achieving outstanding results.

Number of Employees



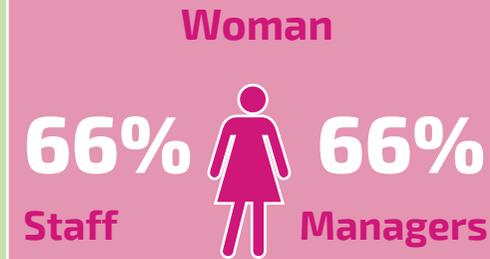
Training hours



Training Investment



Gender Breakdown



Average Age



Tenure



Tenancy Team



Lynda's Story

Lynda resides in a Southern Cross Housing unit complex since 2006. She came to SCH when she moved into her unit with her mother (Lynda was her Carer). Lynda began caring for the gardens (watering, weeding and maintaining) because her mother loved to sit and look at them. Lynda doesn't like fuss and is a very humble individual who not only takes care of a large garden located at the side of the complex, but also assists other residents however she can, with their gardens.

Lynda's kindness for her neighbours extends to supporting them with appointments, and as such Lynda is well thought of by all of her neighbours, including surrounding private owners as well. She stated that she didn't need the recognition, and to her "it is about giving back and everyone looking out for one another". Lynda sees that everyone has a part to play, to help one another out in any way they can", and enjoys giving back and helping out within the complex.

We are extremely proud to have clients like Lynda, who help our community through kindness, care and generosity of her time. Housing Officer Bronwyn met with Lynda to offer her sincere thanks for all she does for her little community.



Carly and Brendon's Story

In 2018 Carly & Brendon with their 2 year old son Jake, found themselves facing homelessness due to circumstances beyond their control in the private rental market.

An unaffordable Rental Market forced them to seek the only accommodation available in a motel unit which was not an ideal environment for a young family. The family were fortunate enough to be offered short-term accommodation until SCH could find them a permanent home.

Our Tenancy and Access & Demand Teams do a wonderful job managing clients, facilitating a range of Private Rental Assistance products and Temporary Accommodation solutions.



Access & Demand Team



PUMPs

Here we see our A & D Manager, Eric and team member Kim putting together some essential food and personal item packs.

Our Access and Demand Team see on average 8 homeless People/Families every day. Helping people with some basic food and personal items often makes an enormous difference. Although SCH supply the majority of these items, we are thankful to have local groups and individuals who provide Personal care/hygiene items for us to distribute.

Our staff call these PUMP's (Personal Urgent Meal Packs), thanks to Kim and the rest of the A & D Team for putting these together.

Unique Clients Assisted

235 

Nights in Supported Accommodation



401

Total TA Spend



\$412,072

Total TA Assurances



696

Total nights provided



2522



Paulette's Story

Paulette has had some struggling times with her disabilities and ongoing medical needs. She is legally blind and requires a trusty guide dog to assist her. This made it very difficult for Pauline to find affordable and appropriate accommodation. Paulette made contact with SCH requesting assistance to find somewhere to live. In July, Paulette was offered a suitable property with SCH and was very excited about finally having somewhere to call home. Paulette has now become an active member of her local community and developed a great support network. She cannot thank SCH enough.



Communities Assist Team

Community Living

Our new and revitalised Communities Assist team are committed more than ever to actively make the communities we live and work in more cohesive and engaged. This team is responsible for identifying the current and developing needs of SCH applicants and residents and ensuring appropriate tailored supports and programs are in place.

Managing a number of programs provided by SCH, this team continues to build and maintain stakeholder relationships with the aim of working in collaboration to identify barriers and improve outcomes for mutual clients and the community as a whole.

We have been actively involved collaborating with the Shoalhaven Community Alliance members developing strategies to address local challenges, particularly early intervention initiatives reducing homelessness. The team has also been busy running and attending events to build positive tenant engagement such as tenant BBQ's, community days and tenant forums.

Communities Assist have taken a leadership role in the People Leaving Custody Pilot, working in partnership with participating agencies to support people leaving custody to establish a stable home and strengthen their social, emotional and economic wellbeing. Communities Assist have provided support to 13 families with financial assistance by way of a scholarship to build their capacity and make positive changes for their futures. SCH are offering many scholarships targeting at least 30 per year.



Winter Kitchen Koori Cook-Off

SCH was one of many services who partook in the Winter Kitchen Koori Cook-Off event. The event encouraged community members to attend and learn about healthy, affordable eating options during winter months, while also celebrating NAIDOC week and providing an opportunity to engage with local service providers.

Josephine was one of the tenants who joined the SCH's Winter Kitchen Koori Cook-Off team, who was tasked with cooking a beautiful Black Fish Curry, a recipe out of the South Coast Koori cookbook. Josephine loves getting involved in community events to meet new people, make new friends and in this challenge, loved experimenting with different foods. SCH takes delight in being actively engaged with our communities and seeing our tenants enjoying themselves.

Shoalhaven Community Alliance

The recent Social Housing Management Transfer, increased our portfolio to over 2100. SCH is proud to have established The Shoalhaven Community Alliance, which is made up of 7 prominent local support services in the Shoalhaven. Each Alliance member specialises in supporting a particular cohort. This strengthens the collaboration and also allows SCH to pool resources and utilise specialist support.

The group is currently focusing on the current status of Transitional and Crisis Accommodation in the Shoalhaven and the collection of relevant data working toward some early intervention strategies.

The services that form the Alliance are committed to ending homelessness in the Shoalhaven and look forward to refining our plans towards an advocacy strategy to see much needed funding and housing supply in our community.



Before



After



Backyard Makeover

Christine is a tenant who resides in one of SCH's tenancies with her two sons. Christine was assisted by SCH with the removal of some unwanted goods by the Clean-up Crew. She reached out to SCH and expressed her sincere gratitude for restoring a sense of pride in the local community (particularly East Nowra) and providing such a generous but much needed clean up service. She stated that this is the first time she has had this kind of support in the 13 years she has lived in Social Housing.

She stated that the clean-up crew have been amazing and worked so hard to clean up the properties around East Nowra. She feels that the area is much nicer and safer driving or walking through the area. "This has given the tenants a real sense of motivation to clean out their own properties, which have not always been given the time and attention needed", Christine said. SCH has received regular feedback how the Clean-Up Crew's work has significantly lifted the look and feel of this community. SCH believe this has been a vital yet positive first step at addressing the multi layered complexities of this disadvantaged community in hoarding & squalor, anti-social behaviour and property care.

Finance & Corp. Services Teams



Compliance

14 New policies implemented

Tier 1 Registration maintained

NDIS Registration achieved

Information Technology

281 IT requests resolved

All Worksites migrated to NBN

99% Service availability

FY 18-19

Corp. Services Achievements

Work Health & Safety

WHS Audit program implemented

Bi-monthly WHS Newsletter

All New staff trained in WHS

Reporting

7 WHS incidents managed

All Contractual reports submitted on time

4 Insurance claims lodged

Maintenance Spending \$2.5m



Cash and equivalents Increased by \$4.5m



Asset Increased by \$3.1m



NRSCH Tier 1



Unqualified audit report by Kothes & Co.



Assets Team



DISMODS

Since SCH took over from SHMT, we have completed 39 DISMODS that had been outstanding with LAHC pre transfer. This totals to \$81,228.18 DISMODS.



Our Apprentice

The Asset Team has recently taken Tyler under their wing to teach him a few new skills after he completed his construction traineeship while building our most recent project at 11 Anderson Avenue.

Tyler is now continuing his qualification as our apprentice and has been instrumental in helping with some minor jobs such as, hanging pictures, patching and painting walls, installing security lock boxes etc.

We have also had Tyler out and about with our Lawns and Grounds crew to see what they do in regards to rubbish removal and yard maintenance.

He is enjoying his time with Southern Cross and learning many new skills. The future looks bright for this young man.



Responsive Maintenance

4814 2691
2019 2018

Planned Maintenance

246 

Cyclical Maintenance

1640 760
2019 2018

Technical Inspect/Property Audit

 794

4 Hour PO's for Make Safe

 335

Vacant Properties /VOIDS

216 123
2019 2018



Kathryn's Story

Kathryn previously lived with another occupant in Bomaderry before SCH relocated her to her own home in Nowra. Kathryn's previous home was unsuitable for her mobility difficulties and it became too difficult for Kathryn to maintain and look after her home. She needed something smaller and suitable for better accessibility.

Highlights for her new property include the accessible bathroom, flat surfaces, smaller area to clean and maintain and a much quieter location. Kathryn is very happy and grateful for her new home and can see herself enjoying her new surroundings for years to come.

Clean-up Crew

In January 2019, Southern Cross Housing (SCH) was able to respond to a gap identified in the Shoalhaven Community after taking on over 960 properties in the NSW Government's Social Housing Management Transfer program. This community was identified as having significant pockets of disadvantage, further exacerbated by a community that required a much needed lift in its overall appearance. In response to this, SCH decided to create a brand new team – The 'Clean-up Crew'. This crew was set to help tenants to maintain a clean, well-presented home and their surrounding area. The teams includes 3 trainees, 1 Team Leader and SCH's very own tipper tuck.

For the past 6 months, tenants have had the opportunity to welcome the Crew into their homes and yards to assist them in removing rubbish, mowing lawns and generally making the areas they live a nicer place to reside. Many residents struggled to achieve this without additional support, so assisting the community to regain a sense of house pride, has been extremely rewarding with some amazing outcomes along the way.



Team Leader

Frank - 53 Years of Age

"Southern Cross Housing provides a great service to the community and I really wanted to be a part of that. Job satisfaction is something I have yearned for throughout my working life, and this job has definitely provided that. The feeling I get when I see the look on a Tenants face after we have transformed their yard is absolutely awesome. Southern Cross Housing is a great company to work for and the Clean-up Crew and the Asset Team are like my extended family."

Trainee

Ryan - 22 Years of Age

"I joined Southern Cross Housing because I knew the kind of work they did in the community and I was looking for a full-time, stable job. The crew I work with are like a second family to me and I've learned a lot from working with them this year. I hope to continue learning new skills and meeting new people in the community."



Trainee

Marlou - 18 Years of Age

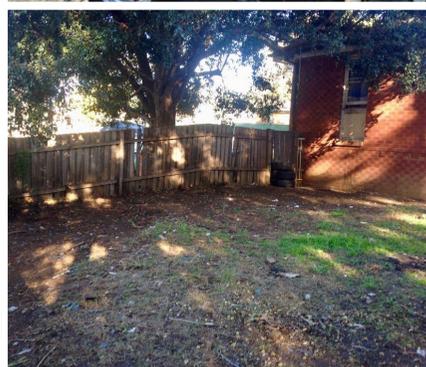
"I decided to join Southern Cross Housing so that I could build a better future for myself. I was very keen to try something new and something that would really challenge and help grow my skillset. During my time with SCH I have met so many new people and learnt so much about myself and the community I live in. I love the team I work with and can't wait to see what the future brings."



Trainee

Tim - 18 Years of Age

"I was lucky enough to be offered a job within Southern Cross Housing and I am so glad I took on the opportunity. I get to see so many different people who all have very different backgrounds. It's nice to see the difference we can make to someone's life by doing a simple thing like taking away unwanted items and maintaining their yard. I am loving my job and I look forward to a big future within SCH."



UK Study Tour

Directors and staff from Southern Cross Housing were fortunate to attend the recent Chartered Institute of Housing Conference in Manchester UK, the largest housing festival in Europe.

The conference was combined with a 2 week study tour which included visiting a number of Housing Associations like South Liverpool Homes, Northwards Housing and Your Housing Group.

The hospitality demonstrated by our UK colleagues was nothing short of amazing and the learnings we took away are invaluable. A big thank you to Dr Tony Gilmore who facilitated our trip and also a big thanks to the Lord Mayor of Liverpool who hosted us for lunch at the historic Town Hall.



Tony Gilmour
President - Housing Action Network

'The British study tour was a great way for managers and directors to compare notes with three housing providers facing similar opportunities and challenges as Southern Cross. We can learn much from what works well overseas, and even more from what works badly. Interestingly the Brits admired many initiatives Southern Cross has pioneered on the NSW South Coast'



Robin Lawler
CEO - Northwards Housing

Northwards Housing was delighted to welcome a delegate of SCH board & staff members. Whilst the UK context & our operational area (4 square miles) are very different, we were pleased to share our experience of regenerating existing homes and estates, tackling anti-social behaviour, providing energy and money advice and engaging with our tenants and other customers. SCH colleagues were particularly interested in Your Employment Service Manchester – our employment & training subsidiary which offers advice & support for people looking for work or seeking to progress their career. We hope the visit was worthwhile. Northwards enjoys showing colleagues from across the world what we do and how we can learn from the experience of others".

Brian Cronin
CEO - Your Housing Group

'Your Housing Group were delighted to host Southern Cross Housing in July 2019 and have an opportunity to share insight on how we manage 28,000 high quality, affordable homes across England's North and Midlands. The SCH contingent visit included meeting our team at Grove Village, a leading mixed-tenure housing renewal scheme south of Manchester, as well as being introduced to Fix360 - our innovative repairs and maintenance enterprise based at Gilmour House, Partington'



Julie Marsh
Executive Director of Neighbourhood Management - South Liverpool Homes

Our team at South Liverpool Homes spent two memorable, informative and inspiring days with Southern Cross visitors. We provide 3,700 homes in some challenged areas of our great city, with some shared characteristics to where Southern Cross operate. Our mission is to make South Liverpool the place to be. To achieve this we help transform neighbourhoods through major investment, pioneering partnerships and placing the community at the heart of everything we do.



More Homes

On 13th September 2019, NSW Minister for Families, Communities and Disability Services Gareth Ward took time out from his hectic schedule to officially open Anderson House. Also in Attendance was Shoalhaven Council Mayor, Amanda Findley; Shoalhaven Elected Councillors; Shoalhaven Community Alliance members, SCH Board and staff. Minister Ward congratulated SCH on the initiative which created career opportunities whilst delivering a state of the art project. This project is a great example of how community housing providers like SCH can leverage their diverse skills and borrowing capacity by knocking down a former Land and Housing Corporation (LAHC) old flat fibro dwelling at the end of its useful life, and deliver 7 brand new courtyard studio apartments on a standard house block.

The studio apartments will provide much needed safe, affordable and secure housing for tenants in need. Each accommodation unit is fully self-contained with a private entry, bathroom, laundry, kitchenette, living and bedroom zones, as well as having direct access to private outdoor space. The design provides flexibility for the provision of communal spaces and provides two fully accessible units. The communal spaces may be used for everyday living, hosting independent living skill courses or a staffing area should on-site support be required. This allows residents to live independently and privately whilst still having the option to have onsite support.

The project commenced in April 2018 at an investment of approximately \$1.4 million. Our Project Coordinator, John Lenarduzzi has worked extremely hard to manage this development including the on-site supervision of 3 trainees who worked on the project from start to finish whilst completing a construction qualification.

The Shoalhaven area has one of the highest youth unemployment rates in New South Wales, therefore SCH identified this project as an opportunity to recruit 3 young trainees who were looking for work to join our team. The trainees have been mentored by each subcontractor enabling them to be exposed to every stage of construction from site clearing and foundations through to fix out and landscaping. Each trainee was provided with study time and computer access while being mentored by the SCH Asset team to complete their Certificate II in Construction.



Trainee

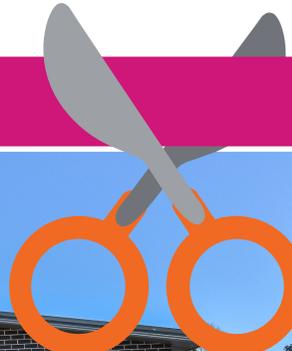
Tyler

18 Years of Age

"I work with Southern Cross Housing as part of a Cert II Construction Traineeship. I have enjoyed my time working with the team and building a project that will be such an important part of the Nowra community. My aim is to further my studies in the Construction field and then to potentially join SCH as a full time employee."



Anderson House



Financial Report 2019

Southern Cross Housing had another successful financial year with an operating **EBITDA margin of 17.19%** and a **62% increase in revenue** from the previous year.

FY 19 has been a year of significant growth for SCH, and although there was increased expenditure required for sufficient resourcing and readiness for the SHMT transfer in October 2018, our strategic and directed efforts in ensuring responsible economic management enabled SCH to maintain its strong financial position.

Significant **financial highlights** in FY 2019 include:

- Improvement of EBITDA margin of 3.1%
- Cash and equivalents increased by \$4.5m
- Total assets increased by \$3.1m
- SCH's Key Performance Indicators continued to remain well in excess of NRSCH Tier 1 benchmarks.

The outcomes reflect not only the business' performance, but also a strong alignment with our aim of financial sustainability whilst improving customer outcomes and experience. This has predominantly been achieved by business improvement changes relating to the streamlining of processes, operating efficiency improvements and the use of a robust internal control framework. It is critical for the success of our business to constantly work towards improving not only the efficiency of our team, but the maximisation of all resources.

SCH has once again received an unqualified audit report from our auditors, Kothes & Co. and as the Executive Finance Manager, I have every confidence in my team and the organisation as a whole to continue to meet its financial and organisational obligations, whilst striving for continued improvement, growth and opportunity.



Hannah MacRae
Executive Manager, Finance



PROFIT & LOSS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Revenue	22,022,530	13,570,185
Other income	1,846	5,500
Administration expenses	-602,382	-494,611
Corporate expenses	-153,727	-123,668
Finance costs	-201,194	-230,607
Bad debts expense	-164,565	-97,503
Depreciation and amortisation	-248,932	-124,579
Office expenses	-242,924	-144,594
Tenancy and property management expenses	-12,257,396	-6,885,116
Employee and board member expenses	-4,608,228	-3,391,026
GreenTree software implementation costs	-	-311,216
SHMT tender costs expensed	-	-126,592
Operational surplus for the year	3,545,028	1,646,173
Gain on revaluation	-457,320	1,192,786
Extraordinary income	-	2,142,994
NET PROFIT / (LOSS)	3,087,708	4,981,953

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operating activities	14,286,750	13,937,106
Payments to suppliers and employees	-8,403,269	-12,164,935
Interest received	241,334	55,745
Interest paid	-201,194	-230,607
Net cash provided by operating activities	5,923,621	1,597,309
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	39,091	5,500
Payments for property, plant and equipment	-1,826,909	-436,539
Net cash used by investing activities	-1,787,818	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from repayment of loan	1,344,124	-
Repayment from borrowings	-1,000,000	-
Net cash used by financing activities	344,124	0
Net increase/(decrease) in cash and cash equivalents	4,479,927	1,160,770
Cash and cash equivalents at beginning of year	4,866,731	3,705,961
Cash and cash equivalents at end of financial year	9,346,658	4,866,731

Financial Report 2019 (Cont.)

BALANCE SHEET AS AT 30 JUNE 2019 2019 \$ 2018 \$

ASSETS

CURRENT ASSETS

Cash and equivalents	9,346,658	4,866,731
Trade and other receivables	2,490,345	1,508,841
Total current assets	11,837,003	6,375,572

NON CURRENT ASSETS

Financial assets	-	1,344,124
Property, plant and equipment	28,584,750	27,501,338
Total non current assets	28,584,750	28,845,462

Total assets	40,421,753	35,221,034
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LIABILITIES

CURRENT LIABILITIES

Trade and other payables	3,204,913	1,503,857
Short-term provisions	1,209,430	-
Employee benefits	639,117	436,592
Total current liabilities	5,053,460	1,940,449

NON CURRENT LIABILITIES

Borrowings	2,500,000	3,500,000
Total non current liabilities	2,500,000	3,500,000

Total liabilities	7,553,460	5,440,449
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NET ASSETS	32,868,293	29,780,585
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EQUITY

Reserves	735,466	1,192,786
Retained earnings	32,132,827	28,587,799
TOTAL EQUITY	32,868,293	29,780,585

Directors' Declaration

Southern Cross Community Housing Ltd

ABN: 50 307 328 813

Directors' Declaration

The directors of the Company declare that:

- The financial statements and notes, as set out on pages 5 to 23, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - comply with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
 - give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company.
- In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
Nicholas THOMAS

Director 
Veronica HUSTED

Dated 25 September 2019

Auditors Independence Declaration



Auditors Independence Declaration to the Directors of Southern Cross Community Housing Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KOTHES
Chartered Accountants



Simon Byrne
Partner
Registered Company Auditor # 153624

Nowra
25 September 2019



CHARTERED ACCOUNTANTS
with special note to clients

Liability limited by a scheme approved under Professional Standards Legislation

DIRECTORS
Simon Byrne
Fiona Dunham
Peter Mann
Gary Pearce
Kevin Philistin
Gary Skelton

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EDEN
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Kothes Chartered Accountants
ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited, a network of independent accounting firms

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Independent Audit Report



Independent Audit Report to the members of Southern Cross Community Housing Ltd (Continued)

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 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KOTHES
Chartered Accountants



Simon Byrne
Partner
Registered Company Auditor # 153624

Nowra
25 September 2019

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CALL US ON

1300 757 885

FOR MORE INFO

SCCH.ORG.AU

OUR LOCATIONS

NOWRA

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ULLADULLA

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PH: (02) 4455 4543

BOMADERRY

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EAST NOWRA

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COOMA

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