



ANNUAL REPORT

2020/2021



SOUTHERN CROSS
HOUSING

ABOUT US

WELCOME TO SCH



Southern Cross Housing (SCH) provides Social and Affordable Housing across 5 LGA's and covers all of the NSW South Coast and Snowy Regions of NSW, providing access to essential housing and homelessness services to those most in need.

SCH continues to adapt to the ever changing sector with its new programs and opportunities. We remain true to our vision and values, where “everyone has a home in a thriving community”. We are not about growth for growth sake, but target our projects and programs to address the ongoing need and demands of our communities.

- Projects such as our Commonwealth funded “Safe Places” developments, to build 2 multi dwelling complexes to provide emergency accommodation for women and their children escaping domestic violence.
- SCH is also a participant in the Together Home Program, through this program we provide accommodation and support for 20 rough sleepers, who had previously been homeless for extended periods of time, living in caves, tents and cars.
- This year SCH commenced a program for Assertive Outreach. Our Access and Demand Team now do regular outreach to Homeless Services, known sites where homeless people sleep and provide a responsive service working in conjunction with local councils and homelessness services when needed.
- Our Tenancy teams are now identifying complex tenancies quicker and are working hard to sustain those tenancies through engagement of both the client and support services. We have seen a marked improvement around property care across our portfolio, in particular within the estates. There is still a lot of work that needs to happen, but we remain committed to the challenge.
- Our Communities Assist team are currently working on an Opportunity Cohort project. This project aims to identify specific needs areas and to assist tenants to gain security, build capacity and access employment and education opportunities.



SCH is proud of having a reputation for rolling our sleeves up and getting the job done. We do not shy away from challenges, more so embrace them if it means we make a better difference to people's lives. We celebrate the past year and its achievements, but our focus is toward the future and building on the solid foundation and good reputation we have established over the past 38 years.

This year saw the end of the Social Housing Management Transfer AMS contract. This means we are no longer committed to having to use government appointed contractors and our assets team have hit the ground running with a 3 year major upgrade program to improve the quality of tenants homes and build trust and satisfaction with our tenants. If the early trend around vacancy management is any indication, our tenants and future tenants are set to reap the benefits of this hard work.



CEO MESSAGE



There is no doubt that the unprecedented event caused by the covid pandemic has impacted our personal lives and the business world forcing us all to adjust the way we live and work. The majority of the Southern Cross Housing Team had to work remotely as well as adapt our service delivery model to ensure our clients were well looked after and constant communication was maintained. The biggest challenge we faced was the pausing of our regular home visits which is often the only contact many lonely tenants have. Although our team maintained regular contact and continued courtesy calls to our clients, the difficulty in being able to assess whether, or to what level, a client would benefit from support assistance unfortunately has, and will continue to have a negative impact across the community. Fortunately, with the rolling out of the vaccine program, we hope to see some normality come back into our lives and our home visit program can now commence to be rolled out once again.

Another program which was significantly impacted was our planned maintenance program. Unfortunately, Covid restrictions only allowed us to deliver on what could be considered as urgent maintenance and therefore items such as new kitchens, bathroom renovations, or painting all had to be put on hold. We sincerely apologise for this inconvenience and thank you for your patience.

All things considered, Southern Cross Housing performed exceptionally well on all levels throughout the 2020 financial year. We successfully delivered on the majority of Business Plan actions and achieved a strong above budget financial result. With net assets valued at \$49.9 million and total comprehensive income of over \$8.8 million, this places Southern Cross Housing in a strong position to deliver on its ambitious development pipeline over the next five years. A result such as this could not be achieved without the vision and leadership of a cohesive Board, highly experienced and qualified Executive Team, a passionate and committed workforce, and the lovely people who live in the properties we manage. My sincere thank you goes to all these people as well as our partners and stakeholders who tirelessly collaborate with Southern Cross Housing to deliver the most important outcomes of more housing and better services to assist people to live more fulfilling lives.

Alex Pontello
CEO

WORDS FROM CHAIRMAN

The 2020/21 financial year was one of considerable success for Southern Cross Housing, as much as it was a very challenging year. COVID-19 greatly impacted business operations and it's a credit to all our staff for their resilience, commitment, and creativity in keeping everything running smoothly. At the same time, we delivered an excellent financial result, well ahead of budget, which improves our ability to further expand our portfolio. In that regard we strengthened our development pipeline and were successful in attracting some additional grant funding.

Over the past year we have continued to strengthen our organisation in other ways; our management capability and capacity has grown as has that of the board; both to ensure we are equipped to tackle future challenges and growth opportunities. Our staff have excelled in delivering consistency & efficiency in their various roles. This exhibits itself in the quality of service and engagement with our tenants and allows us to accommodate further growth.

Despite the successes, the housing crisis got a lot worse. Sky-rocketing property values are seeing more and more people excluded from ownership and rental markets and is reflected in ever increasing demand for social and affordable housing. Our staff are fielding enquiries from desperate people every day, which is heart-breaking. Community Housing Providers can only chip away at this without further support, and if ever there was a time for governments to step up and do something visionary in this space, it is now. We are keen to work with governments at all levels, and indeed private sector partners, to explore opportunities to leverage our collective assets to increase housing supply to those in need.

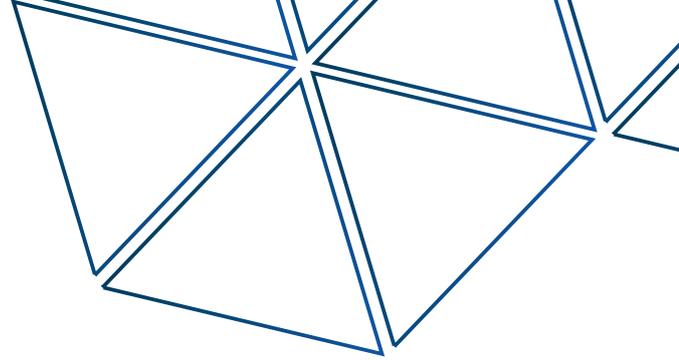
A personal beef of mine is that considerable resources, and emotional energy, are spent chasing tenant debt. It's distressing for staff and tenants alike. Each year we could build a new 3-bedroom house or 2 units if this wasn't the case. Across the industry the impact would be significant, and it wouldn't cost government a cent. Compulsory deductions through Centrelink is the obvious answer, giving us certainty of income and tenants the security of tenure and ability to better manage their finances. It's simply wasteful but requires political resolve to fix it.

Looking to the future, the Board has approved a new 3-year Strategic Plan that sees us diversify our business to improve low-cost housing availability and our impact in the communities we serve. We look forward to it with excitement and confidence.



Nick Thomas
Chairman

EXECUTIVE TEAM



As Southern Cross Housing continues to grow from strength to strength so too does the professionalism and calibre of the Executive Team. With over 85 years combined experience in social housing, each of the five members of the Executive Team are key to the strategic leadership of the organisation. This year we have witnessed Eric Coulter promoted to the role of Chief Operating Officer working closely alongside our Chief Finance Officer, Hannah MacRae and Executive Manager, Property Services, Gary Watkins. We have also welcomed Stephen King our Executive Manager, Construction & Development. With the support of the Executive Team, Chief Executive Officer Alex Pontello continues to steer the organisation ambitiously and profitably, whilst delivering life changing and positive outcomes for our clients.

Equally important are the Team of Managers and Seniors who support the Executive Team on a daily basis, but also manage all our staff to keep our organisation functioning efficiently

and effectively at an operational level. It's at this level which positively impacts the people we serve.

The past year has seen us face incredible challenges with the prolonging impact of Covid and having to adapt accordingly. The impact this has had on everyone in our community is yet to be measured, however the SCH team have continued to deliver a continuity of essential service. This directly reflects the professionalism and commitment of all SCH staff and management. We recognise the fatigue of delivering crucial services during this prolonged event has taken its toll, but we also want to recognise the incredible resilience we have witnessed among our staff.

The Executive Team look forward to the coming year, engaging and working alongside the whole SCH team to deliver the new and exciting projects and initiatives we have planned to bring sustainable change and quality to people's lives.



ALEX PONTELLO
Chief Executive
Officer



HANNAH MACRAE
Chief Financial
Officer



ERIC COULTER
Chief Operating
Officer



GARY WATKINS
Executive Manager,
Property Services



STEPHEN KING
Executive Manager,
Development &
Construction

BOARD OF DIRECTORS

The Southern Cross Housing Board comprises of ten 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 focused in delivering on our Strategic Plan, maintain best practice governance principles, ultimately delivering our commitment to social outcomes. The Board continues to overwhelmingly support the Executive Team and congratulate them on another successful year.

The Business Evaluation Committee provides a robust evaluation framework for additional insight and support to the SCH Executive Team by scrutinising, testing, and advising for proposed strategic and tactical business opportunities and investments for the purpose of achieving organisational strategic plan outcomes.

The Governance Evaluation Committee provides the board with information, evidence and recommendations regarding governance, regulatory compliance, risk management and financial viability to ensure the organisation meets all its obligations to fulfil its legal, ethical and functional responsibilities.



NICK THOMAS
Chairperson



JOHN MCDERMOTT
Deputy Chair



LEE HILLAM
Director



JOHN PENKAITIS
Director



ALEX PONTELLO
Director



JUNE STEVENS
Director



PETER BEER
Director



JOHN OLSEN
Director



MICK PRYKE
Director



ANNE KINGDON
Director

OUR STAFF

This year we have been able to deliver the option of further flexibility in our workplace by providing employees the option of working a 4 day, 35 hour week. While many organisations are struggling in the current climate, SCH is forging ahead and making the health, safety, and wellbeing of our people a priority.

The Southern Cross Housing Team are what makes this organisation so successful and admired. The passion, commitment, and work ethic comes across in all we do. Ethics and values are the core ingredients of our work life and customer service. During the last year we have demonstrated how resilient we actually are and more importantly we have demonstrated how much we support one another, making our health and well being a team responsibility.



157k

SPENT ON
TRAINING AND
DEVELOPMENT



47%

MANAGERS ARE
FEMALE



85+

YEARS COMBINED
SECTOR
EXPERIENCE IN
THE EXEC TEAM



TENANCY TEAM

Over the past year Tenancy have been extremely busy but have adapted to the “New Covid Normal” of working between home and the office. focusing on rents/non-rents & ex-tenant arrears whilst still providing fantastic services and support for all our tenants.

During these challenging times, it comes to no surprise that our tenancy teams have witnessed an increase in mental health struggles emerging. With a renewed focus on support facilitation and face to face home visits, we hope to once again provide the personal service that many of our isolated tenants enjoy. Quite often just seeing our friendly faces makes all the difference. We are currently focusing and preparing a plan for the Christmas period which usually sees a rise in tenancies at risk and mental health struggles, so that our tenants will have support regarding these issues.

GOOD NEWS STORY

One of our experienced Housing Officers, Crystal Howell, has been working with an elderly tenant, Peta. Crystal has worked with Peta for almost 2 years to assist and support with some hoarding and squalor issues, with limited support/resources. As a result My Aged Care have been engaged to provide a Level 4 Home Care Package for Peta, which provides her with assistance with lawn maintenance and cleaning services.

Peta visited the SCH office recently and was extremely emotional as she thanked her Housing Officer, Crystal for her help and for going above and beyond to support her.



A&D TEAM

A CHALLENGING YEAR

A&D have had some good days and some difficult days during the past year. Fortunately the team has continued to successfully provide a diverse range of services and support to vulnerable people within our communities. The programs A&D manage have seen an increase in demand during the year, Covid certainly having an impact on this demand. The team have focussed on working collaboratively with a wide range of support services and are continually building rapport and creating stronger partnerships. The team have received positive acknowledgement from these community groups on the support SCH provides to people and families in housing need.

Since October 2020 to June 2021, we have received on average 60 Housing applications per month, 98 Active Start Safely clients, transferred and average of 4.8 households and have had 338 new leases for the 20/21 financial year, being an average of 28 per month.

Our biggest achievements have been our Assertive Outreach Program and the Together Home Program. Tranche 1 and Tranche 2 has meant that SCH has supported 20 of the most vulnerable people within our community with stable housing, wrap around support and is achieving breaking the transient lifestyle that most of these people have endured for many years. This has seen an improvement with their mental and personal health, and they are no longer socially isolated.



THE A&D TEAM PROCESSED OVER **700** APPLICATIONS FOR HOUSING



ALLOCATED **338** PROPERTIES



PROVIDED NEARLY **3000** NIGHTS TA



SCH HOUSED MORE THAN **20** ROUGH (STREET) SLEEPERS THROUGH THE TOGETHER HOME PROGRAM.



OUR RENT REVIEW TEAM CONDUCTED **4233** RENT REVIEWS



SUPPORTED OVER **100** FAMILIES FLEEING
DOMESTIC VIOLENCE THROUGH OUR
START SAFELY PROGRAM.

CORPORATE SERVICES

SCH's Corporate Services division successfully processed registration maintaining our Tier 1 Community Housing provider status, based on our successful submissions pertaining to our outcomes around Tenant & Housing Services, Housing Assets, Community Engagement, Governance, Probity, Management & Financial Viability.

Corporate Services have also successfully implemented a new IT infrastructure project, including the upgrading of our software to maintain security compliance, a second successful Work from Home project and migration of parts of our infrastructure to the cloud. Our helpdesk environment was also upgraded and assisted with over 300 tickets per month on average for enhancements, information requirements and troubleshooting requests from staff.

PROPERTY SERVICES TEAM

FY20-21 was a busy year for the property services team. We successfully managed to complete the last year of the maintenance engagement deed with Land and Housing Corporation on the SHMT portfolio. Our succession plan for the portfolio was accepted by Land and Housing Corporation and we were prepared for its implementation on the 1st of July, 2021.

Property services completed a planned works rollout in the Snowy Monaro LGA. Close to \$300,000 was spent on capital works in the portfolio. 2 asset staff members carried out maintenance inspections on the whole portfolio and had a 95% access rate. \$122,000 of responsive maintenance was also identified in the region. A 30% increase on the previous financial year.



11,686 INDIVIDUAL PURCHASE ORDERS RAISED.



COMPLETED 1515 QUALITY ASSURANCE AUDITS ON WORKS COMPLETED, ACHIEVING A TENANT SATISFACTION RATING OF 95% FOR SCH'S HANDLING OF THE MAINTENANCE REQUEST AND 93% RATING OF CONTRACTOR QUALITY.



SCH MANAGED 321 END OF TENANCIES WITH THE REPORTED AVERAGE TIMEFRAME OF 4.8 DAYS FOR THE YEAR.

CLEAN UP CREW

Southern Cross Housing has provided free rubbish removal and lawn mowing across the Shoalhaven for the last 2 years. Due to the success of the clean up crew, this year it was expanded to include another lawns and grounds team. This team will be focusing on fee for service works for our tenants and also allow us to pick up the lawns and grounds servicing for the Ulladulla area.



SCH COMPLETED WORK TO THE VALUE OF \$441K OVER THE YEAR UTILISING THE CLEAN-UP CREWS



241 TENANT CLEAN UPS COMPLETED



25 COMPLEX'S WERE MAINTAINED ON A FORTNIGHTLY BASIS.



52 DAYS SPENT BY THE CREW COMPLETING STREET SCAPES



CA TEAM

It's been busy time within the Communities Assist Team implementing and helping to co-ordinate several programs which included: Together Home Program, Homelessness Mental Health Brokerage Program and People Leaving Custody program that provided 8 people with permanent accommodation, in conjunction with the NSW Government we delivered a Rough Sleeper Count that resulted in doubling the numbers that we first anticipated.

The CA Team have continued to support the Nowra Tenant Advisory Committee, to start up an Aboriginal and Torres Strait Islander specific TAC in Nowra and develop a new TAC in Bega. We have also been working collaboratively working with SCH's IT Team to expand on development of a reporting and analysis tool. This enables us to efficiently access tenant data, to streamline engagement processes in order to ensure much needed support is easily accessible for our tenants. We have also been busy developing new Easy to read fact sheets about the services and activities SCH have to offer, these are available online and as a hard copy.

We have seen our Team grow during this year with 2 new staff members joining the Team, Daniel Pearson and Patrick Harris they both bring a wealth of experience within the industry and we are very excited to have them onboard.

SCHOLARSHIP PROGRAM

This year saw our Scholarship Program allocate over \$26,000 in funding to 44 recipients under its 2020/2021 Scholarship Program. Successful recipients included mature aged students studying at University, High School Students and Primary School students which are located across the Shoalhaven, Eurobodalla, Bega Valley and Snowy Monaro Local Government Areas.



KELLY

I am currently studying a Cert IV in Occupational Health Assistance and looking to complete by July 2022. I applied for a new laptop in SCH's scholarship program due to my previous laptop being very old, the new laptop I received is fantastic and enables me to complete my assessments easily with having access to new versions of applications.

TAMIKA

I have been studying for the past two years and because I didn't have a reliable laptop I was forced to study at work. At the time of applying for this scholarship I was completing a Cert IV in Education Support which I completed in March this year. Receiving this new laptop from SCH has helped me to undertake an Indigenous Trauma Recovery Course through the University of Wollongong which, I am soon to complete and it also means I no longer study at work I can now study from the comfort of my home. I am currently thinking of completing a Diploma in Child Care.



JACKSON

My son Jackson was a recipient of a laptop as part of SCH's scholarship program. He's is currently in Year 8 and struggles with his schoolwork. Receiving this laptop came just in time for our family because Jackson was required to do school from home due to COVID and I couldn't be around to help because I am an essential worker. I couldn't afford a laptop for him and if he didn't receive one, it would have been hard for Jackson to complete schoolwork. He is now completing his assessments and is able to do things like research and send emails. He is quite the wiz on the laptop and is even teaching me a few things! I am happy Southern Cross could assist us.



SCHOLARSHIP
AWARDS

44



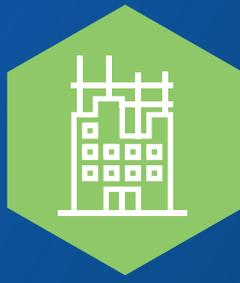
OUR PROJECTS

PREPARING AND PLANNING

The FY21 year was predominantly a year of preparing and planning our future development pipeline. This includes the purchase of an 8.7 Hectare B4 zones site in Bomaderry which will be developed into a master planned community comprising SCH's head office, retail space and some 200 affordable and social housing dwellings. A Development Application has been submitted with Shoalhaven City Council after a significant due diligence process. The vision for the site includes a preschool predominantly dedicated to assisting SCH employees, commercial shops dedicated for social enterprise training facilities such as hair & beauty, café, convenience store, furniture restoration, and a fruit & vegetable store supplied by onsite gardens. These businesses will not only provide training and employment opportunities, but will also provide low cost goods and services to our residents. Medical consulting rooms are also planned within the complex. It is expected civil works will commence mid-2023.



Concept of SCH's masterplanned community at Bomaderry



WE HAVE A PIPELINE OF 77 HOME UNITS OVER THE NEXT 2 YEARS



AS LICENCED BUILDERS, SCH DIRECTLY EMPLOY ALL OUR TRAINEES WHO WORK IN AND ASSIST ALL TRADES THROUGHOUT THE CONSTRUCTION PROCESS.

SCH was also successful in tendering for a \$4.8 million grant from the Community Housing Innovation Fund. This coupled with a \$2.2 million site gifted by Shoalhaven City Council in addition to capital invested from SCH will deliver a total of 39 social and affordable housing dwellings at Coomea Street, Bomaderry. This project is as a result of SCH working closely with Shoalhaven City Council over the last 3 years whilst they developed the Shoalhaven City Council Affordable Housing Strategy. The project will comprise of 25 social dwellings, 8 affordable dwellings, and 5 short term dwellings. The \$14 million development is expected to commence in mid to late 2023.

Other important projects due to commence shortly are two developments specifically built for housing women escaping domestic violence. SCH successfully obtained a \$2.4 million grant from the Commonwealth Government's Safe Places initiative. SCH will build two complexes located in Ulladulla and Cooma providing 12 dwellings of accommodation. These projects are appropriately designed to blend with surrounding development and well located to all amenities. These projects will be completed in December 2023 at a cost of \$4 million.

Designs are also finalised for a new 4 storey development in Ulladulla. The project will comprise of 26 units predominantly for the provision of affordable housing with a mix of bedroom categories including dual key flexibility. This will be a significant project in the heart of Ulladulla CBD which will also comprise our SCH office to service the local community. It is expected the \$9.0 million development will commence in 2024.



CFO MESSAGE



Southern Cross Housing (SCH) maintains a strong financial position and achieved an operating EBITDA margin of 13% and Net Assets of \$49.9 m in the 2021 Financial year, partly driven by underspends due to COVID-19 restrictions, further efficiency improvements, maximisation of all resources, our robust internal control framework, and our continued focus on responsible economic management.

We always seek to allocate capital in a well-balanced manner to ensure financial sustainability whilst improving customer outcomes and experience. While we are pleased with the strong performance of SCH, we also acknowledge the importance of ensuring that going forward we sustain this trend. SCH continues to prioritise growth by investing in our communities. In FY21 we managed to have another successful year in obtaining capital grants and funding, validating our strategy and innovation, and demonstrating our ability to deliver. Our 'big wins' being:

- \$2.2 m in land transferred to SCH
- \$4.8 m from Community Housing Innovation Fund (CHIF) (Cash subsequently received in July)

I am pleased that our healthy capital position together with the increase of our balance sheet, mean SCH's strong leadership is well placed to deliver for its stakeholders.

Other significant financial highlights in FY 2021 include:

- \$1.1 m improvement of operating surplus
- \$6.1 m increase in cash and equivalents
- \$15.8m increase in total assets
- Amended quick ratio of 1.71 times
- Operating cash flow Adequacy of 1.35 times
- SCH's Key Performance Indicators continued to remain well in excess of NRSCH Tier 1 benchmarks.

SCH Auditors, Kothes & Co. have submitted an unqualified audit report for Southern Cross Housing's 2021 Financial Statements. Our team continues to strive towards financial and operational improvement, growth and opportunity. As Chief Financial Officer, I have every confidence in my team and the organisation as a whole to continue to meet its financial and organisational obligations.

Hannah MacRae
CFO

FINANCIAL REPORT

PROFIT & LOSS FOR THE YEAR ENDED 30 JUNE 2020

| | 2021 \$ | 2020 \$ |
|--|------------------|------------------|
| Revenue - trading | 27,377,039 | 26,663,034 |
| Finance income | 74,073 | 116,379 |
| Other income - Gain on disposal of fixed assets | 2,336 | 4,500 |
| Other income - Property transferred to the company | 2,200,000 | - |
| Employee benefits expense | (5,891,021) | (5,268,982) |
| Impairment loss on non financial assets | (318,497) | (459,835) |
| Depreciation - property, plant and equipment | (306,111) | (272,406) |
| Amortisation of right of use assets | (1,089,911) | (991,909) |
| Finance expenses | (60,312) | (160,685) |
| Administrative expenses | (954,096) | (737,266) |
| Corporate expenses | (172,314) | (71,964) |
| Office expenses | (167,197) | (196,631) |
| Tenancy and property management expenses | (15,243,883) | (14,260,267) |
| Operating Surplus | 5,450,106 | 4,363,968 |
| OTHER COMPREHENSIVE INCOME | | |
| Revaluation changes for property, plant and equipment | 3,432,314 | (136,150) |
| Net assets acquired from business combination | - | 3,879,287 |
| Other comprehensive income for the year, net of tax | 3,432,314 | 3,743,137 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 8,882,420 | 8,107,105 |



1.1m

IMPROVEMENT OF OPERATING
SURPLUS



6.1m

INCREASE IN CASH AND
EQUIVALENT



15.8m

INCREASE IN TOTAL
ASSETS

FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

| | 2021 \$ | 2020 \$ |
|--------------------------------------|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Equivalents | 18,417,266 | 12,303,716 |
| Trade and other receivables | 6,199,512 | 2,665,934 |
| Other assets | 506,288 | 524,706 |
| TOTAL CURRENT ASSETS | 25,123,066 | 15,494,356 |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | 38,554,221 | 32,668,316 |
| Right of use assets | 1,172,452 | 870,995 |
| TOTAL NON CURRENT ASSETS | 39,726,673 | 33,539,311 |
| TOTAL ASSETS | 64,849,739 | 49,033,667 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 2,924,273 | 2,348,519 |
| Lease liabilities | 1,000,222 | 688,374 |
| Provision for property maintenance | 3,039,049 | 2,174,299 |
| Employee benefits | 525,462 | 545,956 |
| Other liabilities | 3,261,791 | 2,117,280 |
| TOTAL CURRENT LIABILITIES | 10,750,797 | 7,874,428 |
| NON CURRENT LIABILITIES | | |
| Lease liabilities | 172,230 | 183,841 |
| Other liabilities | 4,068,894 | - |
| TOTAL NON CURRENT LIABILITIES | 4,241,124 | 183,841 |
| TOTAL LIABILITIES | 14,991,921 | 8,058,269 |
| NET ASSETS | 49,857,818 | 40,975,398 |
| EQUITY | | |
| Reserves | 4,031,630 | 599,316 |
| Retained Earnings | 45,826,188 | 40,376,082 |
| TOTAL EQUITY | 49,857,818 | 40,975,398 |

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 \$ | 2020 \$ |
|---|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net cash provided by/(used in) operating activities | 7,762,047 | 6,813,079 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net cash provided by/(used in) investing activities | (557,366) | (1,097,622) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net cash provided by/(used in) financing activities | (1,091,131) | (3,490,689) |
| CASH FLOWS FROM OTHER ACTIVITIES | | |
| Cash and cash equivalents at end of financial year | - | 732,290 |
| Net increase/(decrease) in cash and cash equivalents held | 6,113,550 | 2,957,058 |
| Cash and cash equivalents at beginning of year | 12,303,716 | 9,346,658 |
| Cash and cash equivalents at end of financial year | 18,417,266 | 12,303,716 |



**2.33
times**

WORKING CAPITAL RATIO



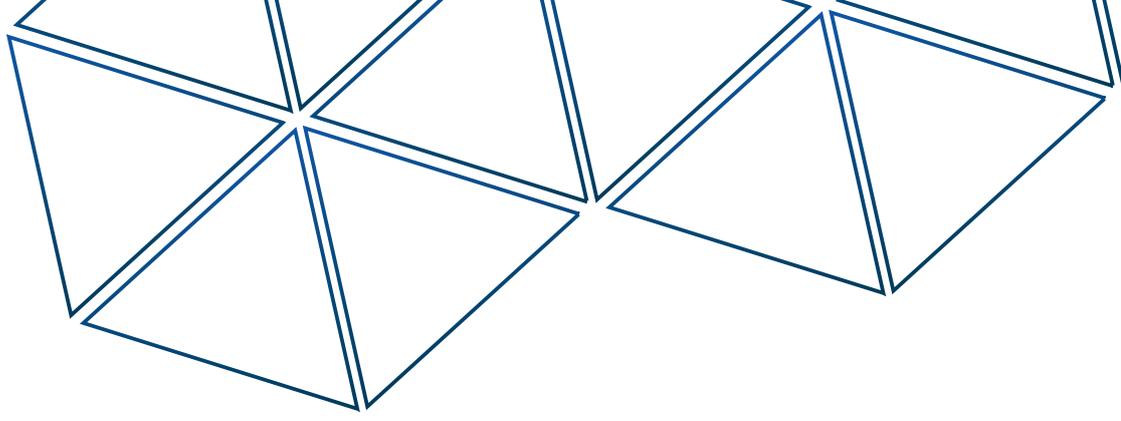
**1.71
times**

AMENDED QUICK RATIO



**1.35
times**

OPERATING CASH FLOW ADEQUACY



DIRECTORS' DECLARATION

AUDITORS INDEPENDENCE DECLARATION

Southern Cross Community Housing Ltd
 ABN: 50 307 328 813

Directors' Declaration

The directors declare in their opinion that:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director: 
 Nicholas THOMAS

Dated 30 September 2021

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Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Southern Cross Community Housing Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

KOTHES
 Chartered Accountants



Simon Byrne
 Partner
 Registered Company Auditor # 153624
 30 September 2021

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 CHARTERED ACCOUNTANTS
 AUSTRALIA - NEW ZEALAND
 Liability limited by a scheme
 approved under Professional
 Standards Legislation

DIRBY/TOPS
 Simon Byrne
 Fiona Dunham
 Gary Pearce
 Kevin Philistin
 Gary Skelton

BEGA
 MERIMBULA
 EDEN
 BOMBALA
 BERMACUI
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 JINDABYNE

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 Kothes Chartered Accountants
 ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited



AUDITORS INDEPENDENCE DECLARATION (CONT.)



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Southern Cross Community Housing Ltd, which comprises the statement of financial position as at 30 June 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 statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Southern Cross Community Housing Ltd has been prepared 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 Company's financial position as at 30 June 2021 and of its financial performance for the year 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 Company 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.

Responsibilities of Directors for the Financial Report

The directors of the Company 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, the directors are responsible for assessing the Company'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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.



LIBIARTY LIMITED BY A SCHEM
APPROVED UNDER PROFESSIONAL
STANDARDS LEGISLATION

DIRECTORS
Simon Byrne
Fiona Dunham
Gary Pearce
Kevin Phillistin
Gary Skelton

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ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited

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AUDITORS INDEPENDENCE DECLARATION (CONT.)



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 company's 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
30 September 2021

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SOUTHERN CROSS
HOUSING