



regeneration &
resilience

annual report **2019-20**

SEARMS • Aboriginal Community Housing Provider



Acknowledgment of Country

Recognising Country is essential as we honour and pay respect to the Aboriginal Elders who are the descendants of the Original Custodians; and to the traditions and culture of the People and Land.

SEARMS main office is on the land of the Walbunja Traditional Custodians in Batemans Bay. Dhurga is the first language of the Walbunja People (NSW far south coast between Wandandian and Wallaga Lake). Walawaani (means have a safe journey whether you are meeting or parting in the south-east coast Dhurga language).

SEARMS has also recently established a Ngunnawal Country (Canberra) satellite office.

WARNING
ABORIGINAL AND TORRES STRAIT ISLANDER READERS
ARE WARNED THAT THE CONTENT OF THIS REPORT
MAY CONTAIN IMAGES OF DECEASED PERSONS.

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Chairperson's Report

SEARMS is meeting its vision is to be a leader in delivering culturally appropriate housing management services. Over the next two years we will enhance this service by moving into the development of innovative Aboriginal Housing product.

The Aboriginal Housing sector is undergoing major reform and SEARMS has been a leader in progressing best practise models of management and putting forward ideas to our peers in regards to sector reform

We have been active, vocal and forthright in promoting the needs of Aboriginal Housing to the NSW Minister of Housing.

We have engaged with the NSWALC to make known our concerns about a new player in the sector, the NSW Aboriginal Housing Company, and for the LALC network and their community housing challenges now and into the future.

We are ready and willing to work in a constructive and collaborative ways to

ensure our Aboriginal People have culturally appropriate, quality housing services and supports. We are also pursuing ways we can add to the number of homes available and accessible to Aboriginal People through development and re- development opportunities.

All the efforts and extra hours of the CEO and the management team bore fruits in that SEARMS is now registered under the National Regulatory System for Community Housing Providers (NRSCH). This is a big step for us and the hard work will continue to maintain the registration. We have earned the respect of the AHO and we are working towards being established as a Growth Aboriginal Housing Provider.

I recognise and applaud the determination of our staff to support the communities and the people directly affected by the bushfires. It was a challenging time for all and our team did an outstanding job in reaching out and making sure that properties were found to rehouse Aboriginal families who lost their homes.

The bushfires significantly affected both our staff and the Aboriginal community resulting in traumatic and psychological levels of stress.

The impact on SEARMS operations has been significant, with almost 40% of normal operations being diverted to the bushfire response.

We were concerned that the overall bushfire support process was confusing and culturally unfriendly. We learned many lessons and are much better prepared for the future. We continue to engage in the post-bushfire forums to ensure future emergency responses are culturally inclusive and appropriate.

We reviewed and updated our Strategic Plan with our major goals for 2020-21 being;

- Deliver high quality service to our tenants, partner organisations and communities
- Provide leadership and innovation to the Aboriginal community housing sector
- Strengthen organisational viability through growth and diversification
- Continue transforming SEARMS into an efficient and resilient community business

The Covid19 pandemic brought tough times but due to the resilience and tenacity of our CEO and staff, we were able to continue with restricted services. Most of our tenants receive a Centrelink benefit and therefore were not seriously affected in their ability to pay their rents. We had to work hard to counter mis-information about rent payment and non-eviction measures regarding the private rental market. Keeping the important message for tenants to keep paying their rent and increasing tenant education on where rent payments go – such as rates,

insurances and repairs.

The experience of going thorough Covid 19 made us realise that we could operate differently. Due to Covid workplace restrictions, some senior staff were able to work remotely, attending the office only when necessary. The CEO and the Board identified an opportunity for SEARMS to establish a Canberra/Queanbeyan and Nowra presence.

We continue to pursue expansion and funding opportunities with ACT Housing, the National Indigenous Australians Agency, and the Aboriginal Housing Office while maintaining and strengthening existing local Aboriginal connections and relationships.



• Uncle Tom Slookee conducting a healing and regeneration ceremony for SEARMS staff March 2020





• Property lost in Mogo township



• Kings Highway, Clyde Mountain (October 2020)

CEO Year in Review

Our staff are the key to achieving our stated outcomes and their resilience was tested in the second half of this financial year. The planned activities for the 2019-20 year were already significant with activities to address the shifts in our operating revenue, improving our service delivery and the need to invest in our growth strategy.

A number of cascading events, starting with the New Year's Eve bushfires on the far south coast of NSW, followed by flooding events and then the Covid-19 pandemic, all occurred in the first 12 weeks of 2020 taking their toll on our workplace.

Our small SEARMS team came under increased workload pressure to assist with rehousing tenants and preparation of documentation for insurance claims – all while dealing with the trauma of first-hand experience of the catastrophic bushfire event. SEARMS is grateful for the short-term assistance provided by the AHO with a staff resource and scoping resource in the early weeks after the fires and the local Aboriginal Affairs office who convened a locally based forum for Aboriginal organisations to share information and provide support for our staff, tenants and communities.

Then it was into March with the early adoption of Covid-19 working restrictions – mindful of our at-risk staff and communities. These restrictions triggered an earlier than anticipated adoption of a cloud-based property management system to allow for remote working and supervision.

The office was closed to the public, face-to-face meetings including property inspections ceased. Our operations did not resume completely until October, with the Bay experiencing two hotspot breakouts during/just after school holiday periods.

With further restrictions to not attend work if unwell combined with the ongoing trauma from

the bushfires took its toll. Staff turnover in our service delivery team was high – with three of a team of four moving on and an interim manager and consultants filling the gap until recruitment of a new Service Delivery Manager and Housing Officer team could be completed in late October.

The additional costs incurred necessitated an organisation restructure and sadly we farewelled our entry-level housing and administration assistants in mid-October.

The including of housing targets in the new National Agreement on Closing the Gap between the Coalition of Peaks and Government in July was a welcome outcome during this time.

This Agreement also reinforced the need for Governments to change their approach to working with Aboriginal and Torres Strait Islander communities and recognising that community-controlled organisations are best placed to determine development and delivery of services to their communities.

I would especially like to thank both current and past staff who have persevered throughout the trials of 2020. Their passion and dedication to ensuring SEARMS continues to improve in its service delivery and housing options has meant that in spite of the challenges, SEARMS achieved many of its stated 2019-20 objectives.

The continued strength and unity of our Board and Staff reflects the regeneration and resilience of the country we live and work in. It is with deep respect I acknowledge this connection to country as SEARMS continues its trajectory into our next phase of activities.

Kim Sinclair
Chief Executive Officer



About SEARMS

SEARMS was established in 2003 under the Regional Management Model of the Aboriginal Housing Office (AHO) as a co-operative between six Aboriginal housing providers:

- **Batemans Bay Local Aboriginal Land Council**
 - **Bodalla Local Aboriginal Land Council**
 - **Budawang Aboriginal Corporation**
 - **Cobowra Local Aboriginal Land Council**
 - **Mogo Local Aboriginal Land Council**
 - **Ulladulla Local Aboriginal Land Council**
- to improve efficiencies and services.**

In 2011 SEARMS transitioned into an Aboriginal Corporation under the Commonwealth Aboriginal and Torres Strait Islander (CATSI) Act, under which the Office of the Registrar of Indigenous Corporations (ORIC) is the governance regulator. SEARMS is also a registered charity under the Australian Charities and Not-for-profits Commission (ACNC) with Public Benevolent Institution (PBI) and Deductible Gift Recipient (DGR) status with the Australian Tax Office (ATO).

As an AHO registered provider, we provide services to other Aboriginal organisations and the AHO.

On 29 January 2020 SEARMS achieved registration as a Tier 3 Community Housing Provider (CHP) under the NRSCH adding the NSW Housing Registrar as another regulator.

Nationally at the time of registration in January, SEARMS is one of only 24 ACHPs registered under NRSCH, and one of only 10 such organisations in NSW.

Most ACHPs are modest in size, serving their local communities. According to research by consultancy Housing ActionNetwork, SEARMS is one of the four largest ACHPs in Australia and the largest registered NRSCH ACHP operating just in NSW.

In September 2019 the AHO called for expressions of interest to 'select and allocate resources to ACHPs with growth potential – by size, cohort, or service diversification, and are interested in working in partnership with the AHO.'

In March 2020 SEARMS was selected as one NSW's first ACHP Growth Providers.



What we do

SEARMS provides housing and tenancy management services to Aboriginal communities in south eastern NSW, across the Capital Region (seven Local Government Areas).

We do this as owners and managers of our own housing portfolio and on behalf of the AHO, and other Aboriginal organisations including Local Aboriginal Land Councils (LALCs).

Our current property management portfolio consists of over 240 properties in townships and communities from Nowra down the coast to the Victorian border, and across to Queanbeyan, Yass, Young and Goulburn.

Our services include:

- **Tenancy management – local, social and affordable tenancies**
- **Asset management**
- **Project management of significant capital works programmes/projects**
- **Housing policy recommendations – including rent setting and arrears management options for owner organisations**

A core component of our service delivery is our trauma informed approach and commitment to tenant sustainability.

Without direct funding our ability to provide support pathways assistance is limited with no brokerage funding at all for our high proportion of complex needs clients who are at risk of homelessness.

This remains an area of concern and we continue to seek appropriate funding/partnerships to improve our ability to deliver on tenant supports.

Where possible, we use and promote Aboriginal employment, in our procurement of contractors and services.

Education and consultation with our stakeholders – from tenants, client organisation boards and members through to local service providers – is key to us being able to meet our respective responsibilities and obligations to ensure culturally appropriate and sustainable housing outcomes.

We believe housing is the foundation for better socio, economic and health outcomes for Aboriginal families and communities and that services for Aboriginal people are best delivered by Aboriginal organisations.



our vision

To be a leader in the provision of culturally appropriate housing and housing services to our clients and communities.

our values...

Leadership

We pursue excellence to achieve results. We act with courage to act in the best interests of our organisation, our people and communities, and country.

Integrity

Our policies and processes are open and transparent. We take accountability in our role of custodian of our assets, people and community.

Innovation

We are continually learning and improving our practices. We learn from others and actively invest in developing skills and capabilities in our people.

Kinship

We work collectively with our people, communities and stakeholders to maximise collective strengths to achieve our goals.

Equity

Championing equal opportunities in status, rights and opportunities for our community both individually and collectively.

How we work

Culture is at the centre of all we do. We acknowledge the impact of colonisation on our communities resulting in the current disadvantage in health, education and employment outcomes of Aboriginal peoples.

We acknowledge that effective engagement to our stakeholders requires regular, sustainable face-to-face forums.

Listening and yarning, then acting and delivering builds respect and trust which in turn provides opportunities to partner and prosper.

We will continue to empower the use of language, culture and identity in our resources, policy and operations.

Recognising and understanding the diversity of stories and strong links of our tenants, owner organisations and community to country is the foundation of mutual respect and productive relationship.



• *United Lands* — G. Chatfield and B Smith, 2020

Governance and Structure

The strategic plan is reviewed regularly and updated on an annual basis and forms the basis for the annual business plan and activities undertaken by the organisation.

Progress on activities and goals in this plan are reviewed regularly at Board meetings to ensure SEARMS remains on target to achieve the desired outcomes.

Directors

Responsibility for governance is through a Skills-Based Board, with members appointed for a two-year term based on their expertise in five key areas:

- Financial acumen;
- Strategy and governance;
- Property development;
- Quality assurance in community housing; and,
- Commercial experience.

The Finance and Audit Committee

assist the Board in discharging its corporate governance responsibilities to exercisedue care, diligence and skill on:

- Applying accounting standards and policies;
- Maintaining the independence of the company's auditors;
- Financial management;
- Internal control systems;
- Risk management; and
- Compliance with applicable laws and regulations.

The Chief Executive Officer

is appointed by the Board and is delegated to operationalise and report back on the implementation of board strategy.

For more details on our Directors visit our website www.searms.com.au.



Tom Slockee, Chairman



Jim Allen



Roslyn Field



Cheryl Moreton



Anne Greenaway



Steve Shanahan



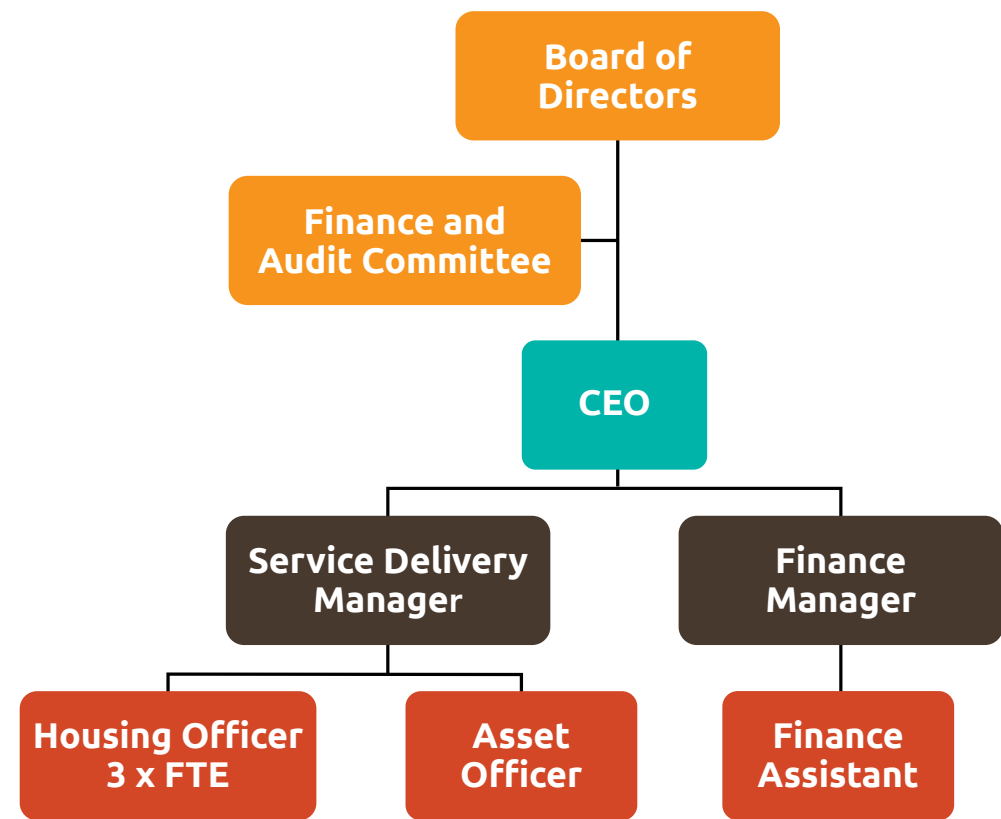
Brendan Moyle

Organisation Chart

Structure as at 1 October 2020

This structure is currently under review as the events of the past year have significantly increased workloads on the Management Team as well as impacting on general staff health and well-being.

The levels of each position reflect the expected capabilities and pay levels, in accordance with the Social, Community, Home Care and Disability Services Award 2010 (SCHADS). Structure does not include short-term or fixed term contract positions under one year.



Functional responsibilities:

Business:

- Strategy
- Board secretariat support
- HR
- Recruitment
- Quality Management
- Grant applications
- New Business Development
- New Development Opportunities
- Project Management
- Policy setting

Service Delivery Manager:

- Access, intake and demand
- Tenancy Management
- Asset Management – R & M
- Contractor Panels & Compliance
- NCAT representation
- Support pathway network
- Tenant/community engagement

Finance Manager:

- Finance
- Payroll
- IT
- General Office
- Compliance/Reporting

What we said we would do 2019-2020...



client outcomes

Employee training
✓

Community Engagement
+

Cultural curation of resouces
✓



growing the sector

NRSCH Registration Org & Workforce Review
✓

Community Engagement
+

IT Systems Review
✓

Procurement Review
✗



housing solutions

Redevelopment - Development Strategy
✓

Trainee position
✓

IT Systems Review
✓

Professional development
✗



data and evidence

Key Position Statements
✓

Formalise strategic partnerships
+

13 Strategic activities:

- 9 completed
- 2 partially completed
- 2 deffered



What we plan to do 2020-2024

Our Vision and Values underpin our work to improve housing access and outcomes for Aboriginal and Torres Strait Islander peoples.

SEARMS achieved registration under the National Regulatory System for Community Housing (NRSCH) in early 2020, which was critical to our four-year strategy which looks to build on our new status as a ‘Growth Provider.’

We aim to be the Aboriginal social housing provider of choice in the areas in which we operate, and to accommodate a growing proportion of the 1,700 households in our area

currently living in social housing. SEARMS also believe Aboriginal people deserve more housing choices right across the housing continuum.

SEARMS need to grow in scale to achieve critical mass so we can remain viable. As a larger organisation we will be able to employ more specialist staff, and be better able to deliver quality service from hubs across the large geographic region we serve. Growth is not a goal in itself, rather it is a means to help us achieve our vision.

4 KEY STRATEGIC GOALS:

What?	Strategic Goal 1:	Strategic Goal 2:	Strategic Goal 3:	Strategic Goal 4:
	Deliver high quality service to our tenants, partner organisations and communities	Provide leadership and innovation to the Aboriginal community housing sector	Strengthen organisational viability through growth and diversification	Continue transforming SEARMS into an efficient and resilient community business
Why?	Aboriginal people need and deserve the best. We want to be the housing provider of choice for both tenants and Government.	During this period of change, Aboriginal voices must be heard. SEARMS’s elders and team need to share knowledge and inspire.	More of our business needs to be contemporary community housing, tailored to the needs of Aboriginal people.	High quality service can only be delivered by top quality staff, supported by excellent business systems working from fit-for-purpose offices.
How?	<ul style="list-style-type: none"> • Improve customer service for tenants • Work hard to sustain tenancies • Engage further with our communities 	<ul style="list-style-type: none"> • Communicate change needed in the sector • Influence agencies and government • Improve approaches to communication 	<ul style="list-style-type: none"> • Increase scale through transfers • Grow our activities in the ACT • Establish strategic partnerships 	<ul style="list-style-type: none"> • Strengthen our working culture • Build excellent staff feedback approaches • Review our office arrangements

Our annual plan 2020-2021

Our Annual Business Plan for 2020-21 sets out the activities to be pursued by the board, management and staff between 1 July 2020 and 30 June 2021.


For the 2020-21 financial year there are 4 Strategic Goals with 61 strategic activities:

1. High Quality Service
2. Leadership and Innovation
3. Growth and Diversification
4. Viability and Sustainability

- 
- Leadership
 - Partnerships
 - Research

- 
- AHO
 - Canberra opportunities
 - Geographic expansion
 - Service diversification
 - Property development

- 
- Client focused
 - Tenant sustainability
 - Healthy workplace culture

- 
- Human resources
 - New offices/outreach
 - IT solutions
 - Business resilience

SEARMS Aboriginal Corporation

ABN 98 718 757 162

Financial Statements

For the Year Ended 30 June 2020





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SEARMS Aboriginal Corporation
ABN 98 718 757 162

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SEARMS Aboriginal Corporation
ABN 98 718 757 162

Director's Declaration 30 June 2020

The Board of Directors present their report on the Corporation (SEARMS) for the year ended 30 June 2020.

(a) General information

Principal activities

The principal activity of the Corporation during the financial year was management of the provision of housing to members of the local Aboriginal community.

Operating Result

SEARMS Aboriginal Corporation's operating surplus for the year to 30 June 2020 was \$6,777 compared to a surplus of \$219,036 in the prior financial year.

Directors

The names of the Directors throughout the year and at the date of this report are:

Jim Allen	Director
Roslyn Field	Director
Anne Greenaway	Director
Cheryl Moreton	Director
Brendan Moyle	Director
Tom Slockee	Chairperson
Stephen Shanahan	Independent Director (appointed 30 November 2019)

During the financial year, 9 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Jim Allen	8	7	-	
Roslyn Field	8	7	-	
Anne Greenaway	8	8	6	6
Cheryl Moreton	8	6	6	2
Brendan Moyle	8	6	-	
Tom Slockee	8	8	6	5
Stephen Shanahan	5	2	3	3

Management Contracts

No contracts of significance to which the Corporation was a party and in which a member or Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. At no time during the year was the Corporation a party to any arrangements to enable the members or Directors of the Corporation to acquire benefits.

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any

Director's Declaration

30 June 2020

(a) General information

Indemnifying Officers or Auditor

person who is or has been an officer or auditor of the Corporation.

Significant changes in state of affairs

The have been no significant changes in the state of affairs of the Corporation during the period.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation, for the year ended 30 June 2020 that are not adequately disclosed in these financial statements.

Signed in accordance with a resolution of the Board at Batemans Bay. NSW:

Director: 

Director: 

Dated this 23rd day of October 2020

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
Income	2,137,558	4,487,640
Cost of sales	(1,341,885)	(3,468,935)
Gross profit	795,673	1,018,705
Accounting fees	(1,750)	(31,763)
Auditors remuneration	(12,050)	(13,010)
Bank charges	(455)	(559)
Bad debts	(17,398)	(149,836)
Community Outreach	(10,621)	(247)
Cleaning, Garden & Waste Removal	(7,542)	(7,344)
Computer expenses	-	(2,269)
Depreciation & Amortisation	(114,884)	(116,751)
Electricity	(6,736)	(3,733)
Insurance	(30,201)	(3,189)
NAIDOC	(455)	(93)
Interest Expense	(10,711)	-
Legal expenses	-	(1,425)
Meeting Expenses	(16,667)	(17,377)
Motor vehicle expenses	(47,501)	(39,803)
Training and Development	(7,745)	(6,743)
Postage, Printing and stationery	(17,942)	(4,099)
Rates	(2,548)	743
Rental	(1,601)	-
Repairs and maintenance	(3,827)	1,455
Subcontractors	(30,617)	(32,930)
Security Service	-	(604)
Staff Amenities & Recruitment	(1,955)	(12,037)
Staff uniforms	(1,332)	(665)
Sundry Expenses	(14,698)	-
Telephone & Internet	(15,051)	(15,612)
Travel	(17,010)	(4,594)
Subscriptions	(22,640)	(16,862)
Wages and Salaries	(374,959)	(320,322)
Profit from continuing operations	6,777	219,036
Other comprehensive income		
Total comprehensive income for the year	6,777	219,036

Statement of Financial Position 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,095,562	1,169,300
Trade and other receivables	4	360,467	277,931
Inventory		-	297
TOTAL CURRENT ASSETS		1,456,029	1,447,528
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,071,702	9,190,398
TOTAL NON-CURRENT ASSETS		15,071,702	9,190,398
TOTAL ASSETS		16,527,731	10,637,926
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	318,461	401,400
Funds in Trust	7	350,461	387,628
Provisions	9	30,668	15,650
Grants in Advance	8	54,545	27,491
TOTAL CURRENT LIABILITIES		754,135	832,169
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		754,135	832,169
NET ASSETS		15,773,596	9,805,757
EQUITY			
Reserves	10	5,961,062	-
Accumulated Funds		9,812,534	9,805,757
TOTAL EQUITY		15,773,596	9,805,757

The accompanying notes form part of these financial statements.

Statement of Changes in Equity For the Year Ended 30 June 2020

	Note	\$
1 July 2019		9,805,757
Operating Surplus/(Deficit)		6,777
Revaluation increment (decrement)		5,961,062
Balance at 30 June 2020		15,773,596
	Note	\$
1 July 2018		9,586,721
Operating Surplus/(Deficit)		219,036
Balance at 30 June 2019		9,805,757

The accompanying notes form part of these financial statements.

Statement of Cash Flows For the Year Ended 30 June 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers & members
Payments to suppliers, employees & members
Interest received
Interest paid
Net cash provided by/(used in) operating activities

Note	2020 \$	2019 \$
	2,091,806	4,751,371
	(2,121,554)	(4,196,875)
	1,847	2,192
	(10,711)	-
15	(38,612)	556,688

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property, plant and equipment
Net cash used by investing activities

	(35,126)	(45,504)
	(35,126)	(45,504)

CASH FLOWS FROM FINANCING ACTIVITIES:

Net increase/(decrease) in cash and cash equivalents held
Cash and cash equivalents at beginning of year
Cash and cash equivalents at end of financial year

	(73,738)	511,184
	1,169,300	658,116
3	1,095,562	1,169,300

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards board.

The financial report was authorised for issue by the Directors on 23 October 2020.

(b) Reporting Basis and Convention

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(c) Adoption of New and Revised Accounting Standards

In the current year, the entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2019. The adoption of these new standards and Interpretations has not resulted in any changes to the Entity's accounting policies that have affected the amounts reported for the current or prior years.

Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(d) Significant Accounting Judgements, Estimates And Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(e) Compliance with IFRS

As the Entity is a Not-For-Profit entity it is not required to comply with all International Financial Reporting Standards (IFRSs). The financial report is prepared in accordance with Australian Equivalents to International Financial Reporting Standards applicable to Not-For-Profit entities.

(f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(g) Trade and Other Receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the entity will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(h) Property Plant & Equipment

Property, Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation charges have been calculated so as to write off the net cost of each asset over its estimated useful life. Additions are depreciated from the date of purchase in the year of acquisition. The estimated useful lives used are:

Motor Vehicles	8 Years
Plant & Equipment	3-10 Years
Office Equipment	3-13 Years
Buildings	40 Years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Corporation substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

Notes to the Financial Statements For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(j) Trade and Other Payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Corporation prior to the end of the financial year that are unpaid and arise when the Corporation becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Provisions and employee benefits

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the value of management's best estimate of the expenditure required to settle the present obligation. As all obligations are expected to be settled within 12 months the balances are not discounted.

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(l) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised by reference to the stage of completion of a contract or contracts in progress at balance date or at the time of completion of the contract and billing to the customer.

Interest revenue

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) Grants Received

Government Grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that all conditions will be complied with, and that the grants will be received. Grants are recognised in the income statement over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies

(n) Recognition & Treatment of sub lease Surpluses

This policy relates to the recognition of income and expenses for properties managed under AHO Sub Leases which are now recognised through Profit & Loss. SEARMS has reviewed its sublease contracts with the Aboriginal Housing Office which leases properties to SEARMS at a peppercorn rent of \$1 per annum. These contracts require SEARMS to perform certain tenancy services and maintain the property assets to certain standards. SEARMS may keep all rents in order to fulfil these requirements and meet all the expenses incurred in such duties, including covering its associated staffing and administration costs. These contracts also state that on expiry or termination of the lease, SEARMS is to return any surplus at the end of the sub-lease to the AHO. As these contracts are ongoing and are not expected to generate surpluses after allowing for repairs and maintenance the balance that may be repayable upon completion of the Sub-Lease will be disclosed as a contingent liability in the Annual Financial Statements for each year.

Based on an analysis performed by SEARMS all property portfolios are operating at a deficit once reasonable direct costs have been allocated to them. As such SEARMS is not recognising any contingent liability as it is not anticipated that any funds will be required to be returned at the completion of the sub-lease or management agreement period.

2 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Revenue		
- AHO Growth Subsidy	322,800	322,800
- Other Grants	36,965	2,349,597
- Rent Received - Commercial	18,989	18,764
- Management Fees	127,822	235,212
- Rent Received - Residential	1,474,156	1,455,848
- Other revenue	11,479	103,140
	1,992,211	4,485,361
Finance income		
- Interest Received	1,847	2,279
	1,847	2,279
Other Income		
- Job Keeper	81,000	-
- Cash Flow Boost	62,500	-
Total Other Income	2,137,558	4,487,640

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Cash and cash equivalents

	2020	2019
	\$	\$
Operating Account	203,966	186,380
General ING High Interest Account	124,778	123,925
CHIA IT Grant Funds	-	27,491
Rent Account	766,808	831,494
Cash on Hand	10	10
	1,095,562	1,169,300

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	1,095,562	1,169,300

4 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade Debtors	211,292	272,589
Prepaid Expenses	87,105	3,992
Sundry Receivables	41,308	1,350
Owners' Prepaid Insurance	20,762	-
Total current trade and other receivables	360,467	277,931

The carrying value of receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Property, plant and equipment

	2020 \$	2019 \$
Land & Buildings		
At cost	15,023,524	9,244,296
Accumulated depreciation	(28,043)	(112,761)
Total Land & Buildings	14,995,481	9,131,535
Plant and equipment		
At cost	56,996	56,996
Accumulated depreciation	(51,214)	(49,675)
Total plant and equipment	5,782	7,321
Office Equipment		
At cost	247,804	212,678
Accumulated Depreciation	(177,365)	(161,136)
Total Office Equipment	70,439	51,542
Total plant and equipment	76,221	58,863
Total property, plant and equipment	15,071,702	9,190,398

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year:

	Land & Buildings \$	Plant and Equipment \$	Office Equipment \$	Total \$
Year ended 30 June 2020				
Opening Balance	9,131,535	7,321	51,542	9,190,398
Additions	-	-	35,126	35,126
Depreciation	(97,116)	(1,539)	(16,229)	(114,884)
Revaluation	5,961,062	-	-	5,961,062
Balance at the end of the year	14,995,481	5,782	70,439	15,071,702
	Land & Buildings \$	Plant and Equipment \$	Office Equipment \$	Total \$
Year ended 30 June 2019				
Opening Balance	9,228,651	6,112	23,461	9,258,224
Additions	-	2,550	42,954	45,504
Depreciation	(97,116)	(1,341)	(14,873)	(113,330)
Balance at the end of the year	9,131,535	7,321	51,542	9,190,398

Notes to the Financial Statements For the Year Ended 30 June 2020

6 Trade and other payables

	2020	2019
	\$	\$
Trade Creditors	65,182	142,811
Visa Card	5,423	416
GST payable/(refundable)	(17,688)	(14,648)
Bega LALC Short St Rebuild Funds	165,413	165,413
PAYG Withholding	6,901	4,704
Sundry payables and accrued expenses	52,918	9,900
Superannuation	19,820	33,304
Unidentified Deposits	32,414	16,536
Rental Trust Creditors	8,181	20,744
ATO Integrated Client Account	(20,103)	22,220
	318,461	401,400

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

7 Funds in Trust

	2020	2019
	\$	\$
CURRENT		
Batemans Bay LALC	32,220	28,618
Bodalla LALC	23,016	9,030
Budawang AC	-	21,800
Mogo LALC	51,772	36,998
SEARMS	-	810
Wagonga LALC	4,734	5,046
Merrimans LALC	24,423	-
Ngambri LALC	-	19,892
Bodalla Aboriginal Housing Corporation	86,596	129,912
Gunangurah Aboriginal Corporation	90,372	43,084
AHO Funds in Trust ERA	2,472	-
Sub Lease Batemans Bay LALC	-	2,200
Sub Lease Ngunawal Housing Aboriginal Corporation	-	8,100
Sub Lease Ngambri LALC	-	7,000
Sub Lease Budawang AC	-	36,210
Boomerang Meeting Place	26,396	33,264
ERA	8,460	5,664
Total	350,461	387,628

Notes to the Financial Statements For the Year Ended 30 June 2020

8 Grants in Advance

	2020	2019
	\$	\$
CURRENT		
General	54,545	27,491

9 Employee Benefits

Current liabilities		
Annual Leave	30,668	15,650
	30,668	15,650

(a) Movements in Provision Balances

	2020
	\$
Opening Balance	15,650
Leave Accrued	58,779
Leave Taken	(43,761)
Closing Balance	30,668

10 Reserves

(a)

	2020	2019
	\$	\$
Asset Revaluation Reserve		
Opening Balance	-	-
Revaluation	5,961,062	-
Closing Balance	5,961,062	-

11 Financial Risk Management

(a) Introduction

The Corporation's financial instruments comprise receivables, payables and cash and cash equivalents. The main risks arising from the Corporation's financial instruments are liquidity risk, credit risk and market price risk. The Corporation does not use derivative instruments to manage risks associated with its financial instruments.

The Directors have overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the Corporation's financial instruments and to monitor the significance of these risks.

This note presents information about the Corporation's exposure to liquidity, credit and market price risk, and its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Financial Risk Management

(b) Financial Instruments Composition and Maturity Analysis

Liquidity risk is the risk that the Corporation will not be able to fund its obligations as they fall due. The Corporation manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available to meet normal operating expenses. The tables below reflect an undiscounted contractual maturity analysis for financial assets and liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Less Than 1 year		1 to 5 years	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash & Cash Equivalents	1,095,562	1,169,300	-	-
Trade Debtors	211,292	272,589	-	-
Sundry Receivables	41,308	1,350	-	-
Trade Creditors	(65,182)	(142,811)	-	-
Visa Card	(5,423)	(416)	-	-
GST Payable/(Refundable)	17,688	14,648	-	-
Sundry Payables	(52,918)	(9,900)	-	-
Funds in Trust	(350,461)	(387,628)	-	-
Rental Trust Creditors	(8,181)	(20,744)	-	-
ATO Integrated Client Account	(20,103)	22,220	-	-
Total	863,582	918,608	-	-

(c) Sensitivity analysis: Interest rate risk

(i) Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in the risk. The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.00% and -2.00% (2019: +2.00%/-2.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2020		2019	
	+2.00%	-2.00%	+2.00%	-2.00%
	\$	\$	\$	\$
Net Results	21,911	(21,911)	23,386	(23,386)
Equity	21,911	(21,911)	23,386	(23,386)

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Related Party Transactions

The Board received total remuneration from the Entity of \$19,755 during the year (2019: \$25,855). There were no transactions with related parties, other than those at normal commercial terms and conditions, and other benefits approved by members at the annual general meeting.

Key management personnel have been identified as members of the board for the year ended 30 June 2020 and also the Chief Executive Officer.

	2020	2019
	\$	\$
Short-term benefits	112,579	135,644

13 Remuneration of Auditors

	2020	2019
	\$	\$
Remuneration of the auditor for:		
- auditing the financial statements of SEARMS Aboriginal Corporation	12,050	13,010

14 Contingencies

In the opinion of the Board, the Corporation did not have any contingencies or commitments at 30 June 2020 other than those noted in Note 1(o) (30 June 2019:None).

15 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Operating Surplus	6,777	219,036
Non-cash flows in net surplus:		
- depreciation	114,884	122,950
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(82,239)	22,781
- increase/(decrease) in trade and other payables	(93,052)	181,296
- increase/(decrease) in provisions	15,018	10,625
Cash flow from operations	(38,612)	556,688

Notes to the Financial Statements
For the Year Ended 30 June 2020

16 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in future financial years.

17 Corporation Details

The registered office and principal place of business of the Corporation is:

SEARMS Aboriginal Corporation
19 Old Princes Highway
Batemans Bay NSW 2536

Director's Declaration

In accordance with a resolution of the Directors of SEARMS Aboriginal Corporation, the Directors declare that in their opinion:

- the financial statements and notes of the Corporation are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, including:
 - giving a true and fair view of the corporation's financial position as at 30 June 2020 and of their performance for the year ended on that date; and
 - complying with Accounting Standards in Australia and the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2007*; and
- there are reasonable grounds to believe that the corporation will be able to pay its debts as and when they become due and payable.



Director



Director

Dated this 23rd day of October 2020

SEARMS Aboriginal Corporation

Independent Audit Report to the members of SEARMS Aboriginal Corporation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SEARMS Aboriginal Corporation (the Company), which comprises the statement of financial position as at 30 June 2020, 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 director's declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations (Aboriginal and Torres Strait Islanders) Act 2006*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations (Aboriginal and Torres Strait Islanders) Regulations 2007*.

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 *Corporations (Aboriginal and Torres Strait Islanders) Act 2006* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations (Aboriginal and Torres Strait Islanders) Act 2006* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

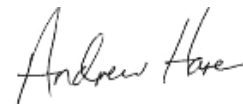
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 entity'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 Entity 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.

Hales Douglass

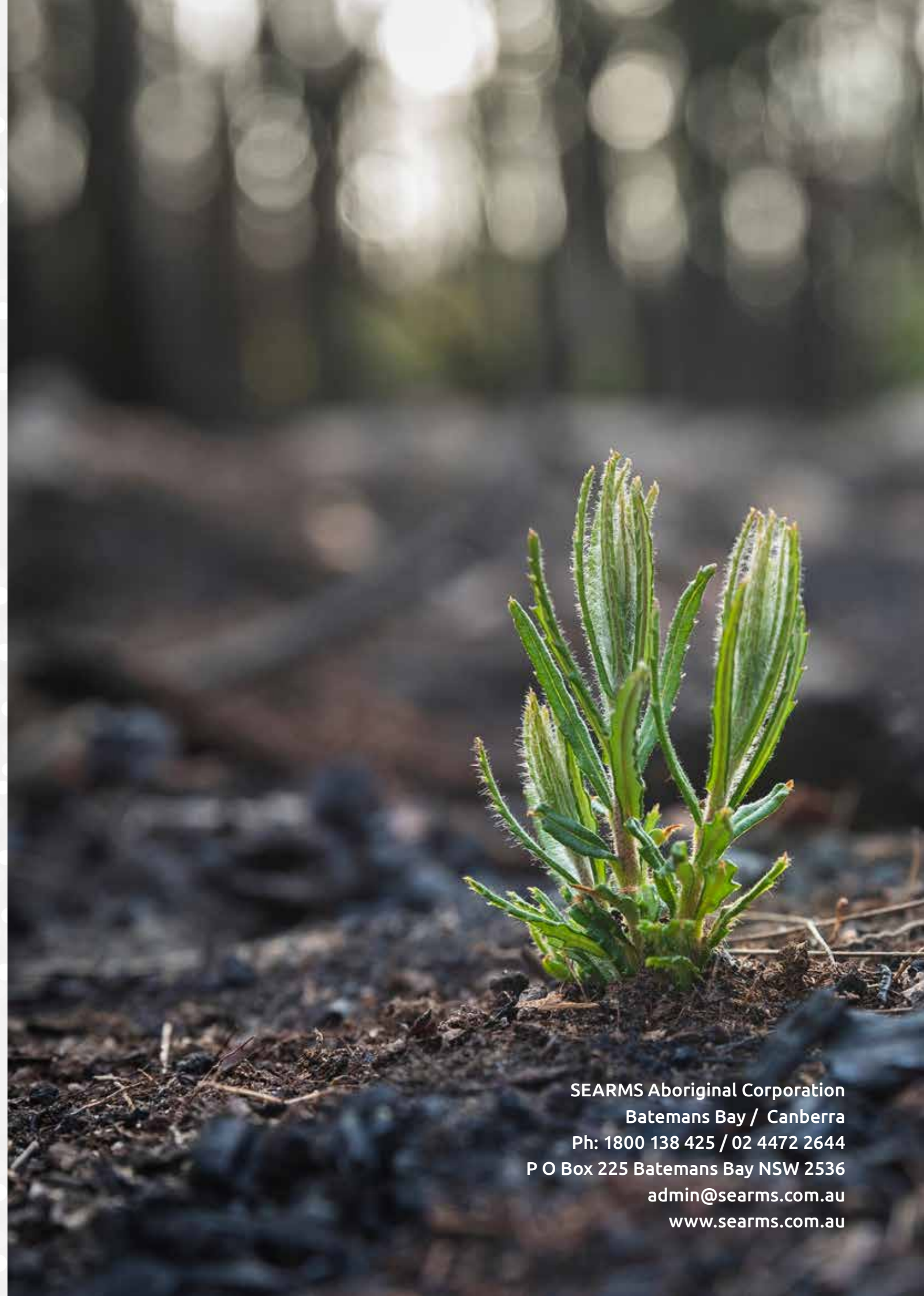


Andrew Hare
Partner

Ulladulla NSW 2539

Dated this 23rd day of October 2020

Notes



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