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**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2015**

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## **EXECUTIVE COMMITTEE REPORT**

The Executive Committee of The Scout Association of Australia, South Australian Branch ('the Association') submits herewith its report for the year ended 31 March 2015.

## **EXECUTIVE COMMITTEE**

The names of the members of the Committee in office at the date of this report and throughout the year are as follows:-

G Coates	President	
P Dickson APM	Vice President	
H Long	Chief Commissioner	Appointed 16 February 2015
C Waples	Supporting Member	
B Whittenbury	Adult Leader	
G Warnes	Adult Leader	
G Wood	Young Adult	Appointed 17 July 2014
J Tsakiris	Young Adult	
J Turbill	Supporting Member	
D Ryan (non-voting member)	Chief Executive Officer	
<b>Resigned during the year:</b>		
R Unger		Resigned 17 July 2014
C Bates		Resigned 16 February 2015

## **PRINCIPAL ACTIVITIES**

The principal activities of the Association in the course of the year were the promotion of the interests of members and the development of the Scouting movement in South Australia.

## **SIGNIFICANT CHANGES**

There have been no significant changes in the operations of the Association during the year.

## **OPERATING RESULT**

The profit of the Association for the year ended 31 March 2015 was \$317,086 (2014: Loss of \$395,585).

## **BENEFITS RECEIVED BY COMMITTEE MEMBERS**

In accordance with section 35(5) of the Associations Incorporation Act, 1985, the Executive Committee of the Association, hereby states that during the year ended 31 March 2015:-

- (a) (1) no committee member; or  
(2) no firm of which the committee member is a member; or  
(3) no entity in which the committee member has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association except for the following:-

- The Chief Commissioner was paid an honorarium for reimbursement of expenses incurred in relation to carrying out his duties on behalf of the Association;
- The Chief Executive Officer is also the Public officer of the Association and was remunerated during the year in accordance with his contract of employment; and
- As set out in Note 19 of the financial report.

- (b) no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value except as noted in paragraph (a).



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**EXECUTIVE COMMITTEE REPORT**

**OFFICERS AND AUDITORS INDEMNIFICATION**

The Association has not, during or since the year, in respect of any person who is or has been an officer or auditor of the Association or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings; with the exception of the following matter.

During or since the year the Association paid a premium of \$4,015 to insure all officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in capacity of officer, other than conduct involving a wilful breach of duty.

Signed in accordance with a resolution of the Executive Committee.



**G COATES  
PRESIDENT**

**Dated this 15<sup>th</sup> day of June 2015.**



**P DICKSON APM  
VICE PRESIDENT**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH**

**Report on the Financial Report**

We have audited the accompanying financial report of The Scout Association of Australia, South Australian Branch ("the association") which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Executive Committee.

*Executive Committee's Responsibility for the Financial Report*

The Executive Committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Associations Incorporation Act 1985 and for such internal control as the Executive Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

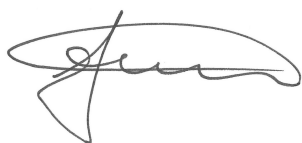
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

*Opinion*

In our opinion, the financial report of The Scout Association of Australia, South Australian Branch is in accordance with the Associations Incorporation Act 1985, including:

- i. giving a true and fair view of the association's financial position as at 31 March 2015 and of its performance for the period ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements.

**MOORE STEPHENS ASSURANCE ADELAIDE PTY LTD**



**JIM GOUSKOS  
DIRECTOR**

**Dated this 16<sup>th</sup> day of June 2015**



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**STATEMENT BY THE EXECUTIVE COMMITTEE**

In the opinion of the Executive Committee, the financial report as set out on pages 6 to 25:

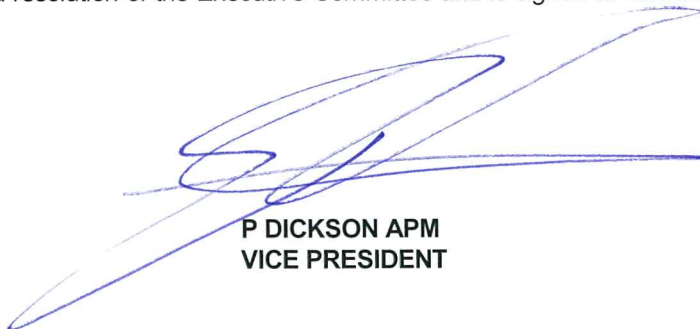
1. Presents fairly the financial position of The Scout Association of Australia, South Australian Branch as at 31 March 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that The Scout Association of Australia, South Australian Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by:



**G COATES  
PRESIDENT**

**Dated this 15<sup>th</sup> day of June 2015.**



**P DICKSON APM  
VICE PRESIDENT**



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	NOTES	2015 \$	2014 \$
Revenue from commercial fundraising activities	2	23,855,568	23,924,612
Changes in inventories		58,794	(27,669)
Materials and consumables used		(14,456,950)	(14,638,863)
Other income	2	3,803,779	2,706,517
Employee benefits expense		(7,511,088)	(7,564,622)
Depreciation expenses		(818,394)	(757,374)
Rental expense		(674,638)	(642,273)
Finance costs expense		(211,658)	(214,844)
Finance and administration expense	3	(1,824,105)	(1,517,217)
Repairs and maintenance expense		(561,121)	(462,274)
Other expenses from ordinary activities	3	(1,358,496)	(1,195,574)
Share of net profit / (loss) of joint venture entity (Arena)	10	20,007	(6,004)
<b>Profit / (loss) before income tax</b>	3	<b>321,698</b>	<b>(395,585)</b>
Income tax expense (Arena)		(4,612)	-
<b>Profit / (loss) for the year</b>		<b>317,086</b>	<b>(395,585)</b>
<b>Other comprehensive income after income tax</b>			
Net gain / (loss) on revaluation of financial assets		385,236	686,091
Revaluation gain on jointly controlled asset (Arena)		884,470	-
<b>Other comprehensive income for the year, net of tax</b>		<b>1,269,706</b>	<b>686,091</b>
<b>Total comprehensive income for the year</b>		<b>1,586,792</b>	<b>290,506</b>

The accompanying notes form part of these financial statements.



**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

Page 7

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015**

	NOTES	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,138,872	1,441,145
Trade and other receivables	5	1,238,957	1,138,605
Inventories	6	655,990	597,196
Other current assets	7	255,131	213,835
<b>TOTAL CURRENT ASSETS</b>		<b>4,288,950</b>	<b>3,390,781</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	-	43,820
Financial assets	8	9,170,378	9,029,890
Investments accounted for using the equity method	9, 10	9,441	(5,954)
Property, plant & equipment	11	26,879,660	26,203,734
Intangible assets	12	80,000	80,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>36,139,479</b>	<b>35,351,490</b>
<b>TOTAL ASSETS</b>		<b>40,428,429</b>	<b>38,742,271</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,196,579	863,721
Short term financial liabilities	14	315,676	684,962
Short term provisions	15	392,869	350,096
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,905,124</b>	<b>1,898,779</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	113,109	116,609
Financial liabilities	14	3,424,139	3,399,978
Long term provisions	15	675,750	603,390
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,212,998</b>	<b>4,119,977</b>
<b>TOTAL LIABILITIES</b>		<b>6,118,122</b>	<b>6,018,756</b>
<b>NET ASSETS</b>		<b>34,310,307</b>	<b>32,723,515</b>
<b>EQUITY</b>			
Reserves	16	34,310,307	32,723,515
<b>TOTAL EQUITY</b>		<b>34,310,307</b>	<b>32,723,515</b>

The accompanying notes form part of these financial statements.



**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**Page 8**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	General Reserve	Financial Asset Reserve	Revaluation Surplus	G J Ware Trust	Ken Maguire Trust	Woodhouse Fund	DD Harris Fund	James Russell Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 April 2013</b>	29,884,571	1,623,245	-	764,715	38,228	77,996	39,086	5,168	32,433,009
Profit / (loss) for the period	(395,585)	-	-	-	-	-	-	-	(395,585)
Other Comprehensive Income:									
- Net (loss) on revaluation of financial assets	-	686,091	-	-	-	-	-	-	686,091
Transfers to/from	28,927	-	-	1,525	-	(32,223)	1,771	-	-
<b>Balance at 1 April 2014</b>	<b>29,517,913</b>	<b>2,309,336</b>	<b>-</b>	<b>766,240</b>	<b>38,228</b>	<b>45,773</b>	<b>40,857</b>	<b>5,168</b>	<b>32,723,515</b>
Profit / (loss) for the period	317,086	-	-	-	-	-	-	-	317,086
Other Comprehensive Income:									
- Net gain on revaluation of financial assets	-	385,236	-	-	-	-	-	-	385,236
- Revaluation gain on jointly controlled asset	-	-	884,470	-	-	-	-	-	884,470
Transfers to/from	3,839	-	-	9,566	4,773	(21,515)	3,337	-	-
<b>Balance at 31 March 2015</b>	<b>29,838,838</b>	<b>2,694,572</b>	<b>884,470</b>	<b>775,806</b>	<b>43,001</b>	<b>24,258</b>	<b>44,194</b>	<b>5,168</b>	<b>34,310,307</b>

The accompanying notes form part of these financial statements.



**STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 MARCH 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		26,443,350	25,936,333
Interest received		37,196	35,562
Dividends received		674,678	537,690
Payments to suppliers and employees		(25,989,629)	(25,974,649)
Borrowing costs		(264,028)	(273,196)
Net cash provided by operating activities		<u>901,567</u>	<u>261,740</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of financial assets		(2,195,042)	(2,730,154)
Sale of financial assets		2,451,463	3,147,047
Acquisition of property, plant and equipment		(900,968)	(932,664)
Proceeds from sale of plant and equipment		66,500	1,500
Proceeds from sale of property		719,333	3,500
Net cash provided by / (used in) investing activities		<u>141,286</u>	<u>(510,771)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		3,689,447	1,408,800
Repayment of borrowings		(4,034,573)	(865,949)
Net cash (used in) / provided by financing activities		<u>(345,126)</u>	<u>542,851</u>
Net increase/(decrease) in cash held		697,727	293,820
Cash and cash equivalents at the beginning of the year		<u>1,441,145</u>	<u>1,147,325</u>
Cash and cash equivalents at the end of the year	4	<u><u>2,138,872</u></u>	<u><u>1,441,145</u></u>

The accompanying notes form part of these financial statements.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover The Scout Association of Australia, South Australian Branch ("the Association") as an individual entity. The Scout Association of Australia, South Australian Branch is an association incorporated in South Australia under the Associations Incorporation Act 1985.

**Basis of Preparation**

The Association applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act 1985. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities. Financial statement amounts are presented in Australian dollars as the Association's functional and reporting currency, rounded to the nearest dollar.

The financial statements were authorised for issue on 15 June 2015 by the Executive Committee.

**Accounting Policies**

**a) Income Tax**

The Scout Association of Australia, South Australian Branch is an exempt body pursuant to Section 50 of the Income Tax Assessment Act (1997) as amended. No provision for income tax liability is considered necessary.

**b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Property**

Freehold land and buildings are shown at their cost less subsequent depreciation for buildings.

**Jointly controlled asset**

Jointly controlled assets are shown at their fair value, based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

**Plant and equipment**

Plant & equipment are measured at their cost less depreciation and impairment losses.

The carrying amount of plant & equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Property, Plant and Equipment (Continued)

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Association commencing from the time the asset is ready for use. The depreciation rates used for each class of depreciable assets are:

**Class of Fixed Asset**

Buildings	1.5 %
Jointly Controlled Assets	1.5%
Plant & Equipment	2.5 - 20 %
Furniture & Fittings	20 %
Motor Vehicles	12.5 - 20 %

The depreciation rate used for Jointly Controlled Assets excludes any land component.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to the general reserve.

c) **Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at their nominal value rather than the present value of the estimated future cash outflows to be made for those benefits as the difference in values is not material to the Association. Employee entitlements include related on-costs. Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

d) **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association are classified as finance leases including hire-purchases.

Finance leases are capitalised recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) **Inventories**

Inventories are valued at the lower of cost and net realisable value, not current replacement cost, as they are not considered inventories held for distribution. Cost represents external purchase price.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) **Property Account**

The proceeds on the sale of the assets and property of defunct scout groups is disclosed as a net gain on sale of property and Scout Halls, and transferred to the Property Account. The costs incurred by the Association in respect of defunct groups together with grants made in respect of membership development, are recognised as income and expenditure in the year of incurrence and such amounts are transferred from the Property Account to the General Reserve. Property activities of a capital nature, for example, purchases of land for new Scout Halls, is capitalised with the relevant amount transferred from the Property Account to the General Reserve.

g) **G J Ware Trust**

This trust arose out of a bequest from the Estate of the Late G J Ware. The Association is the Trustee and sole beneficiary of the trust created by the bequest. Movements in this reserve are in accordance with the terms of the Trust Deed.

h) **Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to customers. Dividend revenue is recognised when the right to receive dividends is established.

All revenue is stated net of the amount of goods and services tax (GST).

i) **Impairment of Assets**

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

j) **Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (ie trade date accounting is adopted)

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Financial Instruments (continued)

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) The amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) Less principal repayments;
- (iii) Plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) Less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. These are measured at fair value and any resulting unrealised gain or loss is recognised in reserves unless due to impairment.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Financial Instruments (continued)

**Impairment**

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

**Fair values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instrument.

k) Interests in Joint Ventures

The Association's share of the assets, liabilities, revenues and expenses of jointly controlled operations have been included in the appropriate line items of the financial statements. Details of the Association's interests are provided in Note 10.

The Association's interests in joint venture entities are recorded using the equity method of accounting in the consolidated financial statements, whereby the investment is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Association's share of net assets of the joint venture entity. In addition, the Association's share of the profit or loss of the joint venture entity is included in the Association's profit or loss.

When the Association contributes assets to the joint venture or if the Association purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Association's share of the joint venture shall be recognised. The Association recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

l) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

m) External Activities

The Association is involved in a wide range of activities, some of which are not directly controlled by, or accountable to, the Association ("external activities"). Accordingly, these financial statements exclude transactions relating to external activities.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

o) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three month or less, and bank overdrafts. Bank overdrafts are shown within cash and cash equivalents.

q) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other items of borrowing costs are recognised as expense in the period in which they are incurred.

r) **Intangibles**

**Goodwill**

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

s) **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability.

t) **Critical Accounting Estimates and Judgements**

The Association evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

*Key Estimates – Impairment*

The Association assesses impairment at each reporting date by evaluating conditions and events specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Goodwill is tested for impairment annually and Value-in use calculations performed in assessing the recoverable amounts incorporate a number of key estimates. As of the balance date, changes in such key assumptions are not expected to have a material impact on goodwill.



**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 \$	2014 \$
<b>2 REVENUE AND OTHER INCOME</b>		
<b>Sales Revenue</b>		
Revenue from commercial fundraising activities	23,855,568	23,924,612
<b>Other Income</b>		
Membership and registration fees	361,536	315,824
Course, camping and activity fees		
AV2015 (net of expenses)	103,535	-
Others	508,992	383,408
Rent, hire & letting charges	1,089,895	970,060
Investment Income		
Dividends received	674,678	537,690
Interest received	37,196	35,562
Net gain on disposal of financial assets	11,672	114,906
Net gain on disposal of property, plant & equipment	438,674	5,000
Insurance claims	233,719	7,582
Other	343,882	336,486
	<u>3,803,779</u>	<u>2,706,517</u>
<b>3 PROFIT FOR THE YEAR</b>		
Bad debts expense	195	-
Operating lease payments	693,773	668,699
<b>Finance and administration expense</b>		
Administration	87,081	85,028
Advertising and promotion	221,046	172,489
Computer and membership system expenses	174,743	77,137
Insurance Premiums	375,925	344,337
Printing, postage and stationery	216,158	204,967
Other	749,152	633,259
	<u>1,824,105</u>	<u>1,517,217</u>
<b>Other expenses from ordinary activities</b>		
Light, power, gas and heating	186,989	186,283
Rates and taxes	156,103	127,213
Activity expenses		
Others	661,580	542,620
Other	353,824	339,458
	<u>1,358,496</u>	<u>1,195,574</u>



**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 \$	2014 \$
<b>4 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	126,870	126,870
Cash at Bank - General	948,926	514,617
Cash at Bank - SA Jamboree Account	264,847	92,205
Cash at Bank - AV2015	102,142	3,065
Cash at Bank - Property	470,366	502,264
Cash at Bank - KR Maguire Fund	217,915	110,274
Cash at Bank - Self Insurance Fund	7,806	91,850
	<u>2,138,872</u>	<u>1,441,145</u>
Cash at bank earns interest at floating rates based on daily deposit rates.		
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>2,138,872</u>	<u>1,441,145</u>
<b>5 TRADE &amp; OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade receivables	1,055,566	943,043
Other receivables	183,391	195,562
	<u>1,238,957</u>	<u>1,138,605</u>
<b>Non Current</b>		
Loans - Scout Groups	-	-
Loans - Unlisted Companies	-	43,820
	<u>-</u>	<u>43,820</u>
<b>Financial assets classified as loans and receivables</b>		
- current	1,238,957	1,138,605
- non-current	-	43,820
	<u>1,238,957</u>	<u>1,182,425</u>
<b>6 INVENTORIES</b>		
Finished goods - at cost	<u>655,990</u>	<u>597,196</u>
<b>7 OTHER CURRENT ASSETS</b>		
Accrued Income	9,694	3,864
Prepayments		
AV2015	-	24,175
Others	245,437	185,796
	<u>255,131</u>	<u>213,835</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

	2015 \$	2014 \$
<b>8 FINANCIAL ASSETS</b>		
Available for sale financial assets - units	220,023	234,512
Available for sale financial assets - unlisted shares	85,993	86,174
Available for sale financial assets - listed shares	8,864,362	8,709,204
	<u>9,170,378</u>	<u>9,029,890</u>
Available for sale financial assets comprise:		
- G J Ware Trust	132,828	122,598
- Ken Maguire Trust	43,001	39,754
- Woodhouse Fund	-	31,303
- DD Harris Fund	44,194	40,857
	<u>220,023</u>	<u>234,512</u>
Unlisted investments - at cost	85,993	86,174
Listed investments - at fair value	8,864,362	8,709,204
Total available-for-sale financial assets	<u>9,170,378</u>	<u>9,029,890</u>
<b>9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Interests in joint venture entities	<u>9,441</u>	<u>(5,954)</u>
<b>10 JOINT VENTURE</b>		
<b>a. Jointly controlled entity</b>		
The Association has a 50% interest in the joint venture entity Arena Stadium Management Pty Ltd, incorporated in Australia, which is involved in managing and operating the jointly controlled asset, Adelaide Arena Stadium.		
The voting power held by the Association is 50%		
The interest in the joint venture entity is accounted for in the financial statements using the equity method of accounting.		
(i) Share of joint venture entity's results and financial position:		
Current assets	70,636	90,003
Non-current assets	118,332	41,684
Total assets	<u>188,968</u>	<u>131,687</u>
Current liabilities	157,520	137,641
Non-current liabilities	22,007	-
Total liabilities	<u>179,527</u>	<u>137,641</u>
Net assets	<u>9,441</u>	<u>(5,954)</u>
Revenue	471,597	290,722
Expenses	(451,590)	(296,726)
Profit before income tax	20,007	(6,004)
Income tax expense	(4,612)	-
Profit / (Loss) after income tax	<u>15,395</u>	<u>(6,004)</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 2015

10 JOINT VENTURE (continued)

b. Jointly controlled asset

During March 2013, the Association established Scouts Stadium Incorporated (100% controlled by the Association) for the purposes of acquiring 50% interest in the Adelaide Arena Stadium. As at 31 March 2015, the 50% interest acquired by Scouts Stadium Incorporated has been reclassified from Buildings and disclosed as a separate class of assets referred to Jointly Controlled Asset - refer Note 11: Property, Plant & Equipment.

An independent valuation of the Adelaide Arena Stadium using the income approach basis (for multi-purpose facilities) was conducted by Maloney Field Services as at 31 March 2015. The valuation of land amounted to \$1.9M and valuation of the building structures and site improvements amounted to \$2M. The board of Stadium Inc. resolved to revalue its 50% interest of this asset in accordance with valuation resulting in an increment in value of \$884,470 for the year ended 31 March 2015.

11 PROPERTY, PLANT & EQUIPMENT

	2015 \$	2014 \$
<b>Freehold Land</b>		
At cost	14,307,101	14,582,101
	<u>14,307,101</u>	<u>14,582,101</u>
<b>Buildings</b>		
At cost	10,082,765	9,789,822
Less: Accumulated depreciation	(1,744,889)	(1,598,342)
	<u>8,337,876</u>	<u>8,191,480</u>
Total land & buildings	<u>22,644,977</u>	<u>22,773,581</u>
<b>Jointly Controlled Asset</b>		
At independent valuation 2015	1,950,000	-
At cost	-	1,009,490
Less: Accumulated depreciation	-	(3,981)
	<u>1,950,000</u>	<u>1,005,509</u>
<b>Plant &amp; Equipment</b>		
At cost	3,513,873	3,166,138
Less: Accumulated depreciation	(2,285,081)	(1,958,616)
	<u>1,228,792</u>	<u>1,207,522</u>
<b>Motor Vehicles</b>		
At cost	2,656,667	2,532,183
Less: Accumulated depreciation	(1,619,504)	(1,401,685)
	<u>1,037,163</u>	<u>1,130,498</u>
<b>Capital Works in Progress</b>		
At cost	18,728	86,624
Less: Accumulated depreciation	-	-
	<u>18,728</u>	<u>86,624</u>
<b>Total Property, Plant &amp; Equipment</b>	<u>26,879,660</u>	<u>26,203,734</u>

Land and buildings of \$6,583,301 are secured by mortgage with Commonwealth Bank. Motor vehicles of \$1,104,757 are secured for hire-purchase contracts.



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

**11 NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT (continued)**

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

	Land & Building	Jointly Controlled Asset	Plant & Equipment	Motor Vehicles	Capital Works in Progress	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 April 2014	22,773,581	1,005,509	1,207,522	1,130,498	86,624	26,203,734
Additions	89,067	940,510	242,268	327,294	291,690	1,890,829
Disposals	(318,554)	-	-	(77,955)	-	(396,509)
Transfer of capital works	253,876	-	105,710	-	(359,586)	-
Depreciation expense	(152,993)	3,981	(326,708)	(342,674)	-	(818,394)
Carrying amount at 31 March 2015	22,644,977	1,950,000	1,228,792	1,037,163	18,728	26,879,660

**12 INTANGIBLE ASSETS**

**Goodwill**

	2015 \$	2014 \$
At cost	80,000	80,000
Accumulated impairment losses	-	-
	<u>80,000</u>	<u>80,000</u>

**13 TRADE & OTHER PAYABLES**

**CURRENT**

Unsecured

Trade payables	470,323	323,480
Sundry payables and accruals	317,692	310,815
Amounts received in advance	372,009	180,611
Net Goods and Services Tax Payable/(Receivable)	36,555	48,815
	<u>1,196,579</u>	<u>863,721</u>

**NON-CURRENT**

Unsecured

Airport Group Surplus Funds	45,696	45,696
Pt Pirie Group Surplus Funds	67,413	70,913
	<u>113,109</u>	<u>116,609</u>

**Financial liabilities at amortised cost classified as trade and other payables**

- current	1,196,579	863,721
- non-current	113,109	116,609
	<u>1,309,688</u>	<u>980,330</u>

Less amounts received in advance	(372,009)	(180,611)
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Financial liabilities as trade and other payables	<u>937,679</u>	<u>799,719</u>
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NOTES TO AND FORMING PART OF THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 2015

	2015 \$	2014 \$
<b>14 FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
<u>Secured</u>		
Insurance finance funding	79,431	109,927
Hire Purchase liabilities	236,245	341,703
Market rate loan	-	233,332
	<u>315,676</u>	<u>684,962</u>
<b>NON CURRENT</b>		
<u>Secured</u>		
Hire Purchase liabilities	498,728	403,663
Market rate loan	2,925,411	2,996,315
	<u>3,424,139</u>	<u>3,399,978</u>
 Total Borrowings	 <u>3,739,815</u>	 <u>4,084,940</u>
 Hire purchase liabilities are secured by the assets leased. Market rate loan is secured by a mortgage over certain freehold land and buildings.		
<b>15 PROVISIONS</b>		
<u>Provision for Employee Entitlements</u>		
Balance at beginning of year	953,486	1,047,259
- Additional provisions	115,133	(93,773)
Balance at end of year	<u>1,068,619</u>	<u>953,486</u>
<b>Analysis of Total Provisions</b>		
Current	392,869	350,096
Non current	675,750	603,390
	<u>1,068,619</u>	<u>953,486</u>
Refer to Note 1(c) for accounting policy.		



NOTES TO AND FORMING PART OF THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 2015

	2015 \$	2014 \$
<b>16 RESERVES</b>		
a) General Reserve The general reserve is used to record amounts set aside to fund the future expansion of the organisation.	29,838,838	29,517,913
b) Revaluation Surplus The revaluation surplus records revaluations of non-current assets.	884,470	-
c) G J Ware Trust The G J Ware Trust represents funds received that are to be used to fund the future expansion of the organisation through capital acquisitions.	775,806	766,240
d) Ken Maguire Trust The Ken Maguire Trust represents funds received that are to be used to fund future expansion and training initiatives.	43,001	38,228
e) Woodhouse Fund The Woodhouse Fund represents funds received or allocated that are to be used to fund the development of Woodhouse operations	24,258	45,773
f) DD Harris Fund The DD Harris Fund represents funds received that are to be used to fund the development of Leaders.	44,194	40,857
g) Financial Asset Reserve The investment valuation reserve represents movement in fair value of investments available for sale	2,694,572	2,309,336
h) James Russell Jamboree Fund The James Russell Jamboree Fund represents funds received that are to be used to assist disabled members attend Jamboree events.	5,168	5,168
	<u>34,310,307</u>	<u>32,723,515</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 2015

	2015 \$	2014 \$
<b>17 CAPITAL AND LEASING COMMITMENTS</b>		
<b>a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
- Not later than 12 months	704,067	599,517
- Between 12 months and 5 years	2,031,154	716,982
	<u>2,735,221</u>	<u>1,316,499</u>
The property and equipment lease commitments are non-cancellable operating leases which expire in the range of less than 1 year and 6 years with rent payable monthly.		
<b>b) Finance Lease &amp; Hire Purchase Commitments</b>		
Aggregate expenditure contracted for at balance date in respect of motor vehicle finance lease and hire purchase contracts capitalised in the accounts.		
Payable - minimum lease payments		
- Not later than 12 months	275,939	369,204
- Between 12 months and 5 years	544,798	451,958
Minimum lease payments	820,737	821,162
Deduct: future finance charges	(85,765)	(75,796)
	<u>734,972</u>	<u>745,366</u>
The motor vehicle and plant and equipment leases are non-cancellable finance leases which expire in the range of less than 1 year and 5 years, with rent payable monthly.		
<b>c) Future Capital Commitments</b>		
There are no capital commitments at balance sheet date.		

**18 CONTINGENT LIABILITIES**

The Association has a contingent liability in respect of self-insurance of certain risks. The Association has elected to self-insure up to \$10,000 per single claim (2014: \$10,000 for total claims made). The Association has not provided any guarantees during the year.



**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**19 RELATED PARTY TRANSACTIONS**

Other than the following, no Committee member or other related party received a benefit or entered into a transaction with the Association during the course of the year:

<b>Name</b>	<b>Position</b>	<b>Related Party</b>	<b>Nature of Transaction and Terms and Conditions</b>
Mr C Bates	Chief Commissioner	Self	Honorarium for reimbursement of expenses 2015:\$48,484 (2014: \$59,025)
Mr G Coates	President	Mindvision Interactive Pty Ltd	IT Services 2015: \$109,967 (2014: \$145,801)
Mr G Coates	President	Self	IT Services 2015: \$9,455 (2014: \$9,091)
Ms J Turbill	Supporting Member	Intuito Pty Ltd	Advertising/Marketing Services 2015: \$39,060 (2014: \$21,250)
Mr C Waples	Supporting Member	Bartons Chartered Accountants	Financial Services 2015: \$Nil (2014: \$1,520)

In all circumstances the transactions were on terms no more favourable to the related party than for services provided to other arm's length parties.

**20 KEY MANAGEMENT PERSONNEL COMPENSATION**

**Executive Committee**

G Coates	President
P Dickson	Vice President
H Long	Chief Commissioner
D Ryan	Chief Executive Officer
C Waples	
B Whittenbury	
G Warnes	
G Wood	
J Turbill	
J Tsakiris	

No Executive Committee members are included in the table below, except Chief Executive Officer.

**Other Key Management Personnel**

The totals of remuneration paid to key management personnel (KMP) of the Association during the year are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Key management personnel compensation	<u>375,538</u>	<u>368,783</u>



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

21 FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2015 \$	2014 \$
<b>Financial Assets</b>		
Cash and cash equivalents	2,138,872	1,441,145
Loans and receivables	1,238,957	1,182,425
Available-for-sale financial assets: equity investments	9,170,378	9,029,890
<b>Total Financial Assets</b>	<u>12,548,207</u>	<u>11,653,460</u>
<b>Financial Liabilities</b>		
Trade and other payables	937,679	799,719
Finance lease and hire purchase liabilities	734,972	745,366
Commercial bill	2,925,411	3,229,647
<b>Total Financial Liabilities</b>	<u>4,598,062</u>	<u>4,774,732</u>

**Net Fair Values**

For listed available-for-sale financial assets have been based on closing quoted bid prices at the end of the reporting period.

22 ASSOCIATION DETAILS

The registered office of the Association is:

Scout Association of Australia, South Australian Branch  
211 Glen Osmond Road  
Frewville, SA, 5063

The principal places of business of the organisation are:

Scout Association of Australia, South Australian Branch  
211 Glen Osmond Road  
Frewville, SA, 5063

Scout Outdoor Shop  
192 Rundle Street  
Adelaide, SA, 5000

Scouts Recycling Centre  
670 Port Wakefield Road  
Greenfields, SA, 5107

Woodhouse Activity Centre,  
37 Spring Gully Road,  
Piccadilly SA 5151