

**The Scout Association of Australia,
South Australian Branch Incorporated
and Controlled Entities**

ABN: 35 621 021 366

Consolidated Financial Report

For the year ended 31 March 2021

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
CONTROLLED ENTITIES
ABN: 35 621 021 366

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COMMITTEES' REPORT

The Committee members present their report together with the Financial Report of the Association, being The Scout Association of Australia, South Australian Branch Incorporated ("the Parent") and its controlled entities, for the year ended 31 March 2021 and the Auditor's Report thereon.

Committee members names

The names of the Committee members in office at any time during or since the end of the year are:

P Dickson APM	President
J Carter	Vice President
J Turbill	Chief Commissioner
J Wall	Adult Leader
J Bates	Adult Leader
A McCauley	Supporting Member - Resigned 31 July 2020
W Kirk	Supporting Member
J Smart	Young Adult
S Hill	Supporting Member
D Ryan	Chief Executive Officer - to 9th November 2020
S Hastwell	Acting Chief Executive Officer - Appointed 9th November 2020
L Blight	Co-opted Member - Appointed 19 October 2020
K Affleck	Young Adult - Appointed 31 July 2020

The Committee members have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The surplus of the Association for the year amounted to \$2,318,486 (2020: deficit \$3,569,739).

Review of operations

The Association continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the Association's state of affairs that occurred during the financial year, other than those referred elsewhere in this report.

Principal activities

The principal activity of the Association during the year was promotion of interest of members and the development of the Scouting movement in South Australia.

Coronavirus pandemic (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the services provided, customers, suppliers and geographic regions in which the Association operates.

The impact of the Coronavirus pandemic on the Association includes loss of revenue across recycling, retail, facilities management and events.

To address and mitigate the negative effects the Association received the federal government cashflow boost and JobKeeper stimulus, and undertook a number of cost saving initiatives.

Membership fee relief was also provided to members to assist them financially and to improve retention.

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COMMITTEES' REPORT

Coronavirus pandemic (COVID-19) - Cont

Other than as addressed in above, there does not currently appear to be either any other significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic. As the pandemic is ongoing it is not practical to estimate the potential future impacts on the Association.

After balance date events

Other than the matter mentioned above, no other matters or circumstances have arisen since the end of the calendar financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in the future financial year.

Likely developments

The Association expects to maintain the present status and level of operations.

Environmental regulation

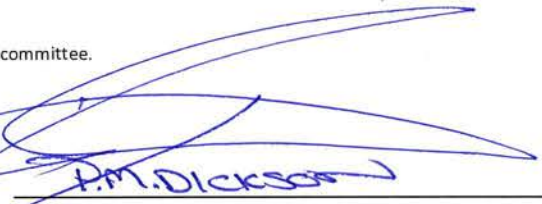
The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration in relation to the audit for the financial year is provided with this report.

Signed on behalf of the committee.

Committee member:



P.M. Dickson

Committee member:



James Carter

Dated this 16 day of August 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE MEMBERS OF THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH AND CONTROLLED ENTITY

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Members of The Scout Association of Australia, South Australian Branch.

As lead audit partner for the audit of the financial statements of The Scout Association of Australia, South Australian Branch for the year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide
South Australia

16th August 2021

Nexia Edwards Marshall

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**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 \$	2020 \$
Revenue			
Revenue from contracts with customers	2	29,950,918	31,736,675
Other revenue	2	7,503,470	2,314,633
		37,454,388	34,051,308
Less: expenses			
Materials and consumables used		(16,087,914)	(16,888,427)
Employee benefits		(10,772,378)	(11,197,786)
Repairs and maintenance		(487,497)	(527,392)
Depreciation		(1,219,248)	(1,295,236)
ROU asset amortisation		(1,039,285)	(891,069)
Fair value movement on financial assets held at fair value		-	(1,166,783)
Impairment of equity accounted investments		-	(39,797)
Lease expense	3	-	(32,529)
Impairment expenses - related party receivables		(226,766)	(100,000)
Advertising		(113,409)	(223,386)
Finance costs		(279,475)	(337,366)
Administration	3	(2,059,949)	(2,504,765)
Australian Jamboree		-	(202,003)
Responsibility to our survivors	3	(1,194,098)	(178,073)
Other expenses		(1,500,694)	(1,904,951)
		(34,980,713)	(37,489,563)
Share of net losses of joint venture accounted for using the equity method		(155,189)	(131,484)
Surplus/(Deficit) before income tax expense		2,318,486	(3,569,739)
Other comprehensive income			
Revaluation decrease of jointly controlled asset		-	(884,470)
Other comprehensive income for the year		-	(884,470)
Total comprehensive income/(loss)		2,318,486	(4,454,209)

The accompanying notes form part of these financial statements.

**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	4	4,030,845	2,354,499
Trade and other receivables	5	1,376,088	1,246,990
Contract assets	6	211,099	146,182
Inventories	7	496,925	608,865
Financial assets	8	6,377,486	5,020,317
Other assets	9	300,791	322,903
Non-current assets classified as held for sale	10	1,435,079	-
Total current assets		<u>14,228,313</u>	<u>9,699,756</u>
Non-current assets			
Property, plant and equipment	11	25,333,738	27,675,824
ROU assets	12	2,130,852	1,939,762
Intangible assets	13	460,765	460,765
Total non-current assets		<u>27,925,355</u>	<u>30,076,351</u>
Total assets		<u>42,153,668</u>	<u>39,776,107</u>
Current liabilities			
Trade and other payables	14	1,443,453	1,065,000
Contract liabilities	15	569,075	446,974
Borrowings	16	5,641,553	6,147,184
Lease liabilities	17	705,528	964,769
Provisions	18	1,948,543	1,799,859
Total current liabilities		<u>10,308,153</u>	<u>10,423,786</u>
Non-current liabilities			
Trade and other payables	14	-	67,413
Borrowings	16	678,025	884,800
Lease liabilities	17	1,507,012	1,086,173
Provisions	18	148,351	120,294
Total non-current liabilities		<u>2,333,388</u>	<u>2,158,680</u>
Total liabilities		<u>12,641,541</u>	<u>12,582,466</u>
Net assets		<u>29,512,127</u>	<u>27,193,641</u>
Equity			
Reserves	19	904,532	883,187
Accumulated surplus	20	28,607,595	26,310,454
Total equity		<u>29,512,127</u>	<u>27,193,641</u>

The accompanying notes form part of these financial statements.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Reserves \$	Accumulated Surplus \$	Total Equity \$
Balance as at 1 April 2019		1,769,870	29,877,980	31,647,850
Deficit for the year		-	(3,569,739)	(3,569,739)
Revaluation decrease of jointly controlled asset		(884,470)	-	(884,470)
Total comprehensive (loss)		(884,470)	(3,569,739)	(4,454,209)
Transfers		(2,213)	2,213	-
Balance as at 31 March 2020		<u>883,187</u>	<u>26,310,454</u>	<u>27,193,641</u>
Balance as at 1 April 2020		883,187	26,310,454	27,193,641
Surplus for the year		-	2,318,486	2,318,486
Revaluation decrease of jointly controlled asset		-	-	-
Total comprehensive income for the year		-	2,318,486	2,318,486
Transfers		21,345	(21,345)	-
Balance as at 31 March 2021		<u>904,532</u>	<u>28,607,595</u>	<u>29,512,127</u>

The accompanying notes form part of these financial statements.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 \$	2020 \$
Cash flow from operating activities			
Receipts from customers		37,758,334	36,048,819
Payments to suppliers and employees		(35,008,165)	(36,222,988)
Dividends received		222,731	471,669
Interest received		34,411	71,356
Finance costs		(200,001)	(264,137)
Interest on lease liabilities		(79,474)	(73,229)
Net cash provided by operating activities		<u>2,727,837</u>	<u>31,490</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1,242,399	2,641,431
Proceeds from sale of investments		2,301,471	3,230,158
Payment for property, plant and equipment		(1,086,693)	(929,105)
Payment for investments		(1,727,485)	(3,326,203)
Net cash provided by investing activities		<u>729,692</u>	<u>1,616,281</u>
Cash flow from financing activities			
Proceeds from borrowings		774,297	889,296
Repayment of borrowings		(1,098,257)	(1,145,832)
Repayment of lease liabilities		(1,068,777)	(1,012,588)
Net cash used in financing activities		<u>(1,392,737)</u>	<u>(1,269,124)</u>
Reconciliation of cash			
Cash at the beginning of the financial year		1,966,053	1,587,406
Net increase in cash held		2,064,792	378,647
Cash at the end of financial year	23	<u>4,030,845</u>	<u>1,966,053</u>

The accompanying notes form part of these financial statements.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Associations Incorporations Act 1985 (SA)*, the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretation and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The Scout Association of Australia, South Australian Branch Incorporated is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the Committee as at the date of the Committee's report.

The following are the significant accounting policies adopted by the Association in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial statements, except for the cash flow information, 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 financial liabilities. The financial statements have been rounded to the nearest dollar.

(a) Basis of preparation of the financial report

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(y).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Association generated a surplus from ordinary activities of \$2,318,486 during the year ended 31 March 2021.

As described in Note 15(a) the Association's bank facilities are due for review at 8 November 2021. The Association is dependent on continuing support from its bankers to maintain its operations. Although the outcome of the review at 8 November 2021 cannot be predicted with certainty, the committee are confident that these facilities will be renewed due to the following circumstances:

- As at 31 March 2021 total assets exceeded total liabilities by \$29,512,127 (2020: \$27,193,641).
- During the year ended 31 March 2021 the Association maintained compliance with all its terms and conditions of bank borrowings.
- Current negotiations with the bankers do not indicate any negative outcome for the renewal of facilities.

The Association's budgets and forecasts for 2022 anticipate that the Association will have sufficient cash flows to operate within its borrowings limits for the next twelve months from the signing date of this financial statement for the year ended 31 March 2021, assuming that the bank continues to provide support beyond 8 November 2021.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the Association"), comprising the financial statements of the Parent entity and all of the entities the parent controls. The Association controls an entity where it has power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) Principles of consolidation (cont)

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Association and are derecognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Association are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position respectively.

(d) Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery for retail activities. In relation to recycling activities under the Container Deposit Scheme, this is generally at the time collection and sorting occurs as there is legal entitlement to receive income from the super collector under the Scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Revenue (cont)

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Membership subscription fees

Membership fees are recognised as revenue when no significant uncertainty as to its collectability exists.

Event income

Revenue from organising and hosting events is recognised in the period in which the events are held.

Dividend and other distributions

Dividend and other distribution revenue is recognised when the right to receive a dividend or other distribution has been established. Dividends and other distributions received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue is recognised on a straight-line basis over the rental term.

Insurance

Insurance revenue is recognised when the right to receive insurance revenue has been established.

Grants

Grant revenue is recognised in profit or loss when the Association satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the Association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Donations

Donations are recognised at the time the pledge is made.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) Income tax

As the Association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Contract assets

Contract assets are recognised when the Association has transferred goods or services to the customer but where the Association is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(k) 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 the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets are recognised by the Association are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Association irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVTOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVTOCI are classified as subsequently measured at amortised cost, FVTOCI or fair value through profit or loss (FVTPL) on the basis of both:

- (a) the Association's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Association for the acquisition of a business, and financial liabilities designated at FVTPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Association are subsequently measured at amortised cost.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised costs; and
- (b) receivables from contracts with customers, contract assets and lease receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Financial instruments (cont)

The Association applied the simplified approach to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. The Association determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses for the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12 month expected credit losses. '12 month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include the observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the Association has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Association. Recoveries, if any, are recognised in profit or loss.

(l) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(l) Non-current assets classified as held for sale (cont)

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(m) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

Leasehold improvements are depreciated over the unexpired period of the lease.

Jointly controlled assets are shown at fair value less, where applicable, any accumulated depreciation and impairment losses.

The depreciation rates used for each class of depreciable asset are shown below:

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings at valuation	1.5%	Straight line
Buildings at cost	1.5%	Straight line
Plant and equipment at cost	2.5%-20%	Straight line
Improvements at cost	2.5%	Straight line
Motor vehicles at cost	12.5%-20%	Straight line

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(n) ROU assets

A right-of-use (ROU) asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) ROU assets (cont)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(o) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about the relevant activities are required. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement.

Joint ventures

The Association's interest in joint ventures are accounted for using the equity method after initially being recognised at cost. Under the equity method, the Association's share of the profits or losses of the joint venture are recognised in the Association's profit or loss and the Association's share of the joint venture's other comprehensive income is recognised in the Association's other comprehensive income.

(p) Intangible assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in the case of a step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(q) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(q) Impairment of non-financial assets (cont)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Contract liabilities

Contract liabilities represent the Association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Association has transferred the goods or services to the customer.

(t) 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(u) Leases liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e. the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(v) Employee benefits

Short-term employee benefits

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

Long-term employee benefits

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before 12 months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in periods which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the Association does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(w) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

(x) Comparatives

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

An adjustment was processed to correct the classification of financial assets at fair value through profit or loss as it is held primarily for the purpose of trading. Another adjustment was processed to correct the classification of employee provisions as there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. The adjustment to the 2020 comparatives are detailed below:

A further adjustment was necessary to correct the classification of the repayment of lease liabilities in the prior year. This was previously included as an operating cash flow in the statement of cash flows rather than cash flows from financing activities.

	Previously Stated	Adjustment	2020 Restated
Consolidated Statement of Financial Position			
Current assets			
Financial assets	-	5,020,317	5,020,317
Non-current assets			
Financial assets	5,020,317	(5,020,317)	-
Current liabilities			
Provisions	634,688	1,165,171	1,799,859
Non-current liabilities			
Provisions	1,285,465	(1,165,171)	120,294
Consolidated Statement of Cash flows			
Payments to suppliers and employees	(37,210,388)	987,400	(36,222,988)
Repayment of lease liabilities	(25,188)	(987,400)	(1,012,588)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(y) Key judgements, estimates and assumptions

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill

The Association tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Association's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Association reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(y) Key judgements, estimates and assumptions (cont)

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Association estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1(v), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Fair value measurement hierarchy

The Association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS		
<i>Revenue from contracts with customers</i>		
Sale of goods	27,490,892	28,590,042
Fees and charges	2,282,079	3,031,778
Grants	177,947	114,855
	29,950,918	31,736,675
 <i>Other revenue</i>		
Dividends	222,731	471,669
Interest	34,411	71,356
Donations	210,641	14,153
Insurance Premiums	213,384	136,149
Insurance recoveries	36,078	61,931
Australian Jamboree	-	73,313
Gain on sale of property, plant and equipment	467,947	1,336,265
Fair value movement on financial assets held at fair value	1,931,155	-
JobKeeper stimulus	4,140,450	45,600
Cashflow Boost stimulus	100,000	-
Other	146,673	104,197
	7,503,470	2,314,633
 <i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
Recycling activities	25,282,767	25,392,420
Retail activities	2,208,125	3,197,622
Course, camping and activity fees	1,491,310	1,758,276
Rent, hire and letting charges	657,976	911,251
Membership and registration fees	132,793	362,251
Grants	177,947	114,855
	29,950,918	31,736,675

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
NOTE 3: EXPENSES		
Surplus before income tax has been determined after:		
Leases		
- Variable lease payments	-	32,529
- Short-term lease payments	-	-
- Low-value lease payments	-	-
	-	32,529
Finance costs		
- Interest on borrowings	200,001	264,136
- Interest on lease liabilities	79,474	73,230
	279,475	337,366
Administration		
- Administration	11,535	44,236
- Telephone	105,108	116,942
- IT and membership systems	353,130	372,153
- Free Fun Home Delivered program	66,008	-
- Insurance premiums	504,690	425,882
- Printing, postage and stationery	74,793	136,743
- Claims	44,881	108,008
- Donations	376	971
- Motor vehicle expenses - repairs and maintenance	606,043	802,176
- Travel	54,550	119,647
- Other administration	238,835	378,007
	2,059,949	2,504,765
Responsibility to our survivors		
- Claims paid through the National Redress Scheme and directly to survivors	1,194,098	178,073
	1,194,098	178,073

The Association is a member of the National Redress Scheme and is committed to supporting survivors of historical child sexual abuse.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	164,970	168,287
Cash at bank	3,865,875	2,186,212
	4,030,845	2,354,499

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
NOTE 5: TRADE AND OTHER RECEIVABLES		
CURRENT		
Receivables from contracts with customers	1,092,962	750,232
Less: Provision for impairment	(296,034)	(100,000)
Other receivables	425,935	472,307
Amounts receivable from:		
– Arena Stadium Management Pty Ltd	210,711	124,451
Less: Provision for impairment	(57,486)	-
	1,376,088	1,246,990
NOTE 6: CONTRACT ASSETS		
CURRENT		
Contract assets	211,099	146,182
	211,099	146,182
NOTE 7: INVENTORIES		
CURRENT		
<i>At cost</i>		
Finished goods	496,925	608,865
	496,925	608,865
NOTE 8: FINANCIAL ASSETS		
CURRENT		
<i>Financial assets at fair value through profit or loss</i>		
Shares in listed corporations	5,548,980	4,407,408
Investment in unlisted entities	9,062	125,102
Pendal Managed Cash Fund	410,000	99,000
Ken Maguire Trust	55,850	53,334
G J Ware Trust	296,195	286,410
DD Harris	57,399	49,063
Total financial assets at fair value through profit or loss	6,377,486	5,020,317
All financial assets at fair value through profit or loss are held for trading.		
NOTE 9: OTHER ASSETS		
CURRENT		
Prepayments	300,791	322,903
	300,791	322,903

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
NOTE 10: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Land and buildings - jointly controlled asset	1,435,079	-
	1,435,079	-
The land and buildings - jointly controlled asset was under contract at reporting date and subsequently settled on 18 May 2021.		
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Land		
At cost	12,480,171	13,077,271
Land and buildings - jointly controlled asset - reclassified as Held for sale in 2021		
At valuation	-	1,450,000
	-	1,450,000
Total land and buildings	12,480,171	14,527,271
Buildings		
At cost	10,552,423	10,602,310
Accumulated depreciation	(3,081,153)	(2,845,841)
	7,471,270	7,756,469
Total land and buildings	19,951,441	22,283,740
Plant and equipment		
Plant and equipment at cost	7,075,866	7,165,212
Accumulated depreciation	(4,318,295)	(4,187,567)
	2,757,571	2,977,645
Improvements at cost	716,009	716,009
Accumulated depreciation	(303,521)	(281,793)
	412,488	434,216

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 \$	2020 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT)			
Motor vehicles at cost		4,470,265	4,234,057
Accumulated depreciation		(3,003,288)	(2,636,142)
		1,466,977	1,597,915
Capital work in progress		745,261	382,308
		5,382,297	5,392,084
Total plant and equipment		25,333,738	27,675,824

(a) Valuations

The Association obtains independent valuations for its jointly controlled asset at least every five years.

(b) Reconciliations

Reconciliation of the carrying amounts of property plant and equipment at the beginning and end of the current financial year:

Freehold land

Opening carrying amount		13,077,271	14,079,784
Additions		-	4,799
Disposals		(597,100)	(1,007,312)
Closing carrying amount		12,480,171	13,077,271

Land and buildings - jointly controlled asset

Opening carrying amount		1,450,000	2,389,767
Additions		-	-
Net revaluation decrements	19(a)	-	(924,267)
Depreciation expense		(14,921)	(15,500)
Transfer to assets held for sale		(1,435,079)	-
Closing carrying amount		-	1,450,000

Buildings

Opening carrying amount		7,756,469	8,195,818
Additions		-	-
Disposals		(74,564)	(155,261)
Depreciation expense		(260,635)	(284,088)
Transfer of capital work in progress		50,000	-
Closing carrying amount		7,471,270	7,756,469

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NOTES TO THE FINANCIAL STATEMENTS
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	2021	2020
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT)		
(b) Reconciliations (cont)		
<i>Plant and equipment</i>		
Opening carrying amount	2,977,645	2,774,928
Additions	200,938	327,450
Disposals	(2,238)	(48,189)
Depreciation expense	(496,344)	(538,159)
Transfer of capital work in progress	77,570	461,615
Closing carrying amount	2,757,571	2,977,645
<i>Improvements</i>		
Opening carrying amount	434,216	441,522
Additions	-	13,960
Disposals	-	-
Depreciation expense	(21,728)	(21,266)
Transfer of capital work in progress	-	-
Closing carrying amount	412,488	434,216
<i>Motor vehicles</i>		
Opening carrying amount	1,597,915	1,856,167
Additions	308,044	288,419
Disposals	(15,362)	(42,081)
Depreciation expense	(423,620)	(436,283)
Transfer of capital work in progress	-	(68,307)
Closing carrying amount	1,466,977	1,597,915
<i>Capital work in progress</i>		
Opening carrying amount	382,308	549,446
Additions	495,864	294,477
Disposals	-	-
Depreciation expense	-	-
Transfer of capital work in progress	(132,911)	(461,615)
Closing carrying amount	745,261	382,308

(c) Property, plant and equipment pledged as security

Land and buildings with a book value of \$8,014,208 (bank valuation of \$11,500,000) are secured by mortgage with Commonwealth Bank (Note 16(a)).

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 12: ROU ASSETS	2021 \$	2020 \$
Land and buildings	6,421,045	5,843,476
Accumulated amortisation	<u>(4,415,650)</u>	<u>(4,138,005)</u>
	2,005,395	1,705,471
Motor vehicles	-	119,732
Accumulated amortisation	<u>-</u>	<u>(51,425)</u>
	-	68,307
Office equipment	202,599	202,599
Accumulated amortisation	<u>(77,142)</u>	<u>(36,615)</u>
	125,457	165,984
Total carrying amount of ROU assets	<u><u>2,130,852</u></u>	<u><u>1,939,762</u></u>

Reconciliations

Reconciliation of the carrying amounts of ROU assets at the beginning and end of the current financial year:

<i>Right of use buildings</i>		
Opening carrying amount	1,705,471	-
Additions	1,319,169	2,559,924
Modifications	(20,489)	
Amortisation	<u>(998,757)</u>	<u>(854,453)</u>
Closing carrying amount	<u><u>2,005,394</u></u>	<u><u>1,705,471</u></u>
<i>Leased motor vehicles</i>		
Opening carrying amount	68,307	-
Additions	-	92,253
Modifications	(66,311)	
Amortisation	<u>(1,996)</u>	<u>(23,946)</u>
Closing carrying amount	<u><u>-</u></u>	<u><u>68,307</u></u>
<i>Right of use office equipment</i>		
Opening carrying amount	165,984	-
Additions	-	202,599
Amortisation	<u>(40,527)</u>	<u>(36,615)</u>
Closing carrying amount	<u><u>125,457</u></u>	<u><u>165,984</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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	2021	2020
	\$	\$
NOTE 13: INTANGIBLE ASSETS		
Goodwill at cost	460,765	460,765
(a) Reconciliations		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
<i>Goodwill at cost</i>		
Opening balance	460,765	460,765
Closing balance	460,765	460,765
NOTE 14: TRADE AND OTHER PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	688,800	518,928
Sundry payables and accruals	754,653	546,072
	<u>1,443,453</u>	<u>1,065,000</u>
NON-CURRENT		
<i>Unsecured liabilities</i>		
Pt Pirie Group surplus funds	-	67,413
	<u>-</u>	<u>67,413</u>
NOTE 15: CONTRACT LIABILITIES		
CURRENT		
Contract liabilities	569,075	446,974
	<u>569,075</u>	<u>446,974</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
CONTROLLED ENTITIES
ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
NOTE 16: BORROWINGS		
CURRENT		
<i>Unsecured liabilities</i>		
Insurance finance funding	202,135	313,605
<i>Secured liabilities</i>		
Bank overdraft	-	388,446
Market rate loan	4,535,803	4,720,803
CBA better business loan	450,000	450,000
Commercial equipment loan	453,615	274,330
	5,439,418	5,833,579
	5,641,553	6,147,184
NON-CURRENT		
<i>Secured liabilities</i>		
Commercial equipment loan	678,025	884,800
	678,025	884,800

(a) Assets pledged as security

Hire purchase liabilities and commercial equipment loan liabilities are secured by the assets purchased.

Market rate loan obtained from the Commonwealth Bank has an approved limit of \$4,770,000 at an interest rate of 0.31% per annum and other fee of 2.15% with a combined total rate of 2.46% per annum, maturing on 8 November 2021 at which date the outstanding balance is fully repayable. The loan balance at 31 March 2021 was \$4,535,803. This facility is subject to annual review. The Association intends to negotiate with the bank to extend the term of this facility beyond their current maturity date.

Better Business loan obtained from Commonwealth Bank has an approved limit of \$450,000 at an interest rate of 3.19% per annum, maturing on 1 November 2021 at which date the outstanding balance is fully repayable. The loan balance at 31 March 2021 was \$450,000. This facility is subject to annual review. The Association intends to negotiate with the bank to extend the term of this facility beyond their current maturity date.

As disclosed in Note 11(c), certain land and buildings of the Association are secured by mortgage with Commonwealth Bank.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
NOTE 17: LEASE LIABILITIES		
CURRENT		
Land and buildings	664,659	904,499
Office equipment	40,869	39,632
Motor vehicles	-	20,638
	705,528	964,769
NON CURRENT		
Land and buildings	1,418,765	901,439
Office equipment	88,247	128,628
Motor vehicles	-	56,106
	1,507,012	1,086,173
Total carrying amount of lease liabilities	2,212,540	2,050,942
NOTE 18: PROVISIONS		
CURRENT		
Employee benefits	1,948,543	1,799,859
NON-CURRENT		
Employee benefits	148,351	120,294
Total carrying amount of provisions	2,096,894	1,920,153

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
CONTROLLED ENTITIES
ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	\$	\$
NOTE 19: RESERVES		
Asset revaluation reserve	-	-
James Russell Fund	5,244	5,244
DD Harris Fund	57,399	49,063
G J Ware Trust	786,039	775,546
Ken Maguire Trust	55,850	53,334
	904,532	883,187

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Movement in reserve

Opening balance	-	884,470
Revaluation decrease of jointly controlled asset	-	(884,470)
Closing balance	-	-

(b) James Russell Fund

The James Russell Fund represents funds received that are to be used to assist disabled members attending the Jamboree event.

Movement in reserve

Opening balance	5,244	5,244
Closing balance	5,244	5,244

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2021 2020
\$ \$

NOTE 19: RESERVES (CONT)

(c) DD Harris Fund

The DD Harris Fund represents funds received that are to be used to fund the development of Leaders.

Movement in reserve

Opening balance	49,063	49,660
Transfers	8,336	(597)
Closing balance	57,399	49,063

(d) G J Ware Trust

The G J Ware Trust represents funds received that are to be used to fund future expansion of the organisation through capital acquisitions.

Movement in reserve

Opening balance	775,546	780,822
Transfers	10,493	(5,276)
Closing balance	786,039	775,546

(e) Ken Maguire Trust

The Ken Maguire Trust represents funds received that are to be used to fund future expansion and training initiatives.

Movement in reserve

Opening balance	53,334	49,674
Transfers	2,516	3,660
Closing balance	55,850	53,334

NOTE 20: ACCUMULATED SURPLUS

Accumulated surplus at beginning of the year	26,310,454	30,003,864
Prior period adjustments	-	(125,884)
Net income/(loss)	2,318,486	(3,569,739)
Transfers (to) / from reserves	(21,345)	2,213
	28,607,595	26,310,454

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2021
\$ 2020
\$

NOTE 21: INTERESTS IN JOINT ARRANGEMENTS

(a) Associates and Joint Ventures

Joint arrangement	Nature of relationship	Ownership interest		Measurement basis
		2021	2020	
		%	%	
Arena Stadium Management Pty Ltd	Joint venture	50	50	Equity accounted

Country of incorporation: Australia

Arena Stadium Management Pty Ltd is involved in managing and operating the jointly controlled asset, known as Titanium Security Arena.

(b) Summarised financial information for joint ventures

	2021 \$	2020 \$
Current assets	21,897	174,234
Non-current assets	683,217	911,397
Current liabilities	(1,236,392)	(1,306,531)
Non-current liabilities	-	-
Net assets	<u>(531,278)</u>	<u>(220,900)</u>
Revenue	613,664	932,611
Interest income	-	4
Expenses	(822,311)	(1,279,936)
Interest expense	(21,518)	(15,170)
Income tax expense	(80,214)	99,522
Loss from continuing operations	<u>(310,379)</u>	<u>(262,969)</u>
Total comprehensive loss	<u>(310,379)</u>	<u>(262,969)</u>
Reconciliation to carrying amount of interest in joint ventures:		
Opening net assets	(220,900)	42,069
Adjust: Current year loss	(310,379)	(262,969)
Add: Other comprehensive income	-	-
Closing net assets	<u>(531,279)</u>	<u>(220,900)</u>

Following the settlement of the Arena subsequent to balance date, all external liabilities of the company were settled and the Associations share of the excess proceeds returned. These proceeds were sufficient to cover the carrying value of the Associations interest in the Arena Land and Buildings. All other receivables owing to the Association at 31 March 2021 were appropriately provided for.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
CONTROLLED ENTITIES
ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 22: INTEREST IN SUBSIDIARIES

The details of the Association's subsidiary are as follows:

Subsidiary	Country of incorporation
Scouts Stadium Incorporated	Australia

NOTE 23: CASH FLOW INFORMATION

Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:

	Note	2021 \$	2020 \$
Cash on hand	4	164,970	168,287
Cash at bank	4	3,865,875	2,186,212
Bank overdraft	16	-	(388,446)
		<u>4,030,845</u>	<u>1,966,053</u>

**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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ABN: 35 621 021 366**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	\$	\$
NOTE 24: RELATED PARTY TRANSACTIONS		
Transactions with key management personnel of the entity or its parent and their personally related entities		
Ms J Turbill (Chief Commissioner) - Honorarium for reimbursement of expenses	50,000	-
Ms J Turbill (Ex - Vice President) - Intuito Pty Ltd for advertising/ marketing services provided to the Association	-	19,552
Mr H Long (Ex-Chief Commissioner) -Provision of Motor Vehicle and Honorarium for reimbursement of expenses	-	47,791
Mr G Coates AM (Finance Committee member) - Mindvision Interactive Pty Ltd for IT Services provided to the Association	129,649	197,839
Mr G Coates AM (Finance Committee member) for IT Services provided to the Association	10,392	10,313
Mr J Smart (Young Adult) - Smart Event Management for Audio & Visual Services provided to the Association	3,550	-
Ms S Hill (Supporting Member) - Foster Hill for Public Relations Advice provided to the Association	9,559	4,719

NOTE 25: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the Association		
- Short-term employee benefits	461,567	510,472
	461,567	510,472

The names of Committee members who have held office during the year are:

Name	Appointment / resignation details
P Dickson APM	President
J Carter	Vice President
J Turbill	Chief Commissioner
J Wall	Adult Leader
J Bates	Adult Leader
A McCauley	Supporting Member - resigned 31 July 2020
W Kirk	Supporting Member
J Smart	Young Adult
S Hill	Supporting Member
D Ryan	Chief Executive Officer - to 9th November 2020
S Hastwell	Acting Chief Executive Officer - Appointed 9th November 2020
L Blight	Co-opted Member - Appointed 19 October 2020
K Affleck	Young Adult - Appointed 31 July 2020

NOTE 26: 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 (2020: \$10,000 for total claims made). The Association has not provided guarantees during the year.

There are ongoing litigation matters relating to potential claims arising from the National Redress Scheme for survivors of historical child sexual abuse. The outcome of future claims is not known and any potential losses cannot be reliability measured. All costs associated with these matters are expensed within the period in which they are incurred.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
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ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 27: FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

The following tables detail the Association's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The following table provides the fair value classification of those assets and liabilities held by the Association that are measured either on a recurring or non-recurring basis at fair value.

	Level	2021 \$	2020 \$
Financial assets			
<i>Financial assets at fair value through profit or loss</i>			
Shares in listed corporations	1	5,548,980	4,407,408
Investment in unlisted entity	2	9,062	125,102
Pendal Managed Cash Fund	1	410,000	99,000
Ken Maguire Trust	1	55,850	53,334
G J Ware Trust	1	296,195	286,410
DD Harris	1	57,399	49,063
Total financial assets		6,377,486	5,020,317
Non-financial assets			
<i>Revalued property, plant and equipment</i>			
Land and buildings - jointly controlled asset	2	1,435,079	1,450,000
Total non-financial assets		1,435,079	1,450,000

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
CONTROLLED ENTITIES
ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NOTE 28: CORONAVIRUS PANDEMIC (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the services provided, customers, suppliers and geographic regions in which the Association operates.

The impact of the Coronavirus pandemic on the Association includes loss of revenue across recycling, retail, facilities management and events.

To address and mitigate the negative effects the Association received the federal government cashflow boost and JobKeeper stimulus, and undertook a number of cost saving initiatives.

Membership fee relief was also provided to members to assist them financially and to improve retention.

Other than as addressed in above, there does not currently appear to be either any other significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic. As the pandemic is ongoing it is not practical to estimate the potential future impacts on the company.

NOTE 29: EVENTS SUBSEQUENT TO REPORTING DATE

Other than the matter mentioned above, no other matters or circumstances have arisen since the end of the calendar financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial year.

	2021	2020
	\$	\$
NOTE 30: PARENT ENTITY INFORMATION		
Set out below is the supplementary information about the parent entity.		
<i>Statement of profit or loss and other comprehensive income</i>		
Total comprehensive income	2,493,644	(4,298,851)
<i>Statement of financial position</i>		
Total current assets	12,793,234	9,547,486
Total non-current assets	27,925,355	28,626,351
Total assets	40,718,589	38,173,837
Total current liabilities	9,307,247	9,430,847
Total non-current assets	2,333,388	2,158,680
Total liabilities	11,640,635	11,589,527
Equity		
Reserves	904,532	883,187
Accumulated surplus	28,173,421	25,701,123
Total equity	29,077,953	26,584,310

NOTE 31: ASSOCIATION DETAILS

The registered office of the Association is:
211 Glen Osmond Road
Frewville SA 5063
Australia

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND
CONTROLLED ENTITIES
ABN: 35 621 021 366

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee of the registered Association declare that, in the Committee's opinion:

- 1 the financial statements and notes, as set out on pages 5 to 39, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position of the registered Association as at 31 March 2021 and of its performance for the year ended on that date.
- 2 there are reasonable grounds to believe that the registered Association will be able to pay its debts as and when they become due and payable.

This declaration is made in signed in accordance with regulation 60-15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Committee Member:


P. M. DICKSON

Committee Member:


James Carter

Dated this 16 day of August 2021

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

Opinion

We have audited the financial report of The Scout Association of Australia, South Australian Branch and its controlled entity, "the Group", which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Committee.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; including:

- (i) giving a true and fair view of the Group's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group, in accordance with 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.

Other information

The Committee is responsible for the other information. The other information comprises of the information in the Committee's report for the year ended 31 March 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Nexia Edwards Marshall

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH AND
CONTROLLED ENTITY(CONT)**

Committee Members' responsibility for the financial report

The Committee members are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee members 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 Committee members are responsible for assessing the entity'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 Committee members either intend to liquidate the entity, or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole, is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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, the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Committee members' 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.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH AND
CONTROLLED ENTITY (CONT)**

Auditor's responsibility for the audit of the financial report (Cont)

- 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 the Committee members 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.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide
South Australia

 August 2021

Nexia Edwards Marshall

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