

**Scouts**  
NSW

**The Scout Association of Australia**

**New South Wales Branch**

**Financial Report**

**For the year ended  
31 March 2021**

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**  
 ABN 42 460 434 054

**STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 \$	Restated 2020 \$
		<u>                    </u>	<u>                    </u>
<b>Revenue from Contracts with Customers</b>	2	<b>6,531,522</b>	9,201,822
<b>Other income</b>	2	<b>8,249,830</b>	3,187,675
<b>Expenses</b>			
Administration expenses		<b>(9,393,659)</b>	(12,298,731)
Communication and development expenses		<b>(274,527)</b>	(420,015)
Camps and activity centres expenses		<b>(2,189,131)</b>	(3,016,063)
Scouting activities expenses		<b>(810,343)</b>	(2,111,631)
Leaders training expenses		<b>(181,511)</b>	(289,303)
Property expenses		<b>(711,602)</b>	(724,859)
Movement in make good provision		<b>2,950,474</b>	(1,902,879)
Commercial activities expenses		<b>(225,139)</b>	(259,445)
Other expenses	5	<b>(3,737,600)</b>	(2,116,746)
<b>Total expenses, excluding finance costs</b>		<b>(14,573,038)</b>	(23,139,672)
<b>Finance Costs</b>	6	<b>(41,919)</b>	(72,788)
<b>(Deficit)/Surplus for the period from Scouting Activities</b>		<b>166,395</b>	(10,822,963)
Income from Investments		1,349,068	1,657,411
Investment expenses		(29,969)	(38,139)
Net Profit/ (loss) on sale of financial assets		(487,412)	(523,735)
Net unrealised (losses)/gains on financial assets		6,754,735	(3,535,514)
<b>(Deficit)/Surplus for the period from Investments</b>		<b>7,586,422</b>	(2,439,977)
<b>(Deficit)/Surplus for the period</b>		<b>7,752,817</b>	(13,262,940)
<b>Other comprehensive income/(losses)</b>			
Net (devaluation)/revaluation of freehold land		<b>4,203,020</b>	(2,345,769)
Other comprehensive income for the period		<b>4,203,020</b>	(2,345,769)
<b>Total comprehensive surplus (deficit) for the year</b>		<b>11,955,837</b>	<b>(15,608,709)</b>

The accompanying notes form part of these financial statements

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**  
 ABN 42 460 434 054

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Notes	2021 \$	Restated 2020 \$
		<u>                    </u>	<u>                    </u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	<b>6,966,295</b>	5,753,544
Trade and other receivables	8	<b>390,739</b>	495,064
Inventories	9	<b>104,430</b>	110,325
Financial assets	10	<b>422,259</b>	396,208
Other current assets	11	<b>1,566,403</b>	1,991,616
Assets held for sale	12	<b>3,948,502</b>	-
<b>TOTAL CURRENT ASSETS</b>		<b><u>13,398,628</u></b>	<u>8,746,757</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	10	<b>27,639,908</b>	22,193,624
Property, plant and equipment	13	<b>136,541,654</b>	139,689,809
Right of use Asset	17	<b>4,363,248</b>	4,290,623
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>168,544,810</u></b>	<u>166,174,056</u>
<b>TOTAL ASSETS</b>		<b><u>181,943,438</u></b>	<u>174,920,813</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	<b>6,999,597</b>	8,839,570
Interest bearing liabilities	15	<b>971,849</b>	1,307,274
Provisions	16	<b>706,795</b>	804,343
Lease liability	18	<b>669,035</b>	610,588
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>9,347,276</u></b>	<u>11,561,775</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	16	<b>13,632,575</b>	16,553,216
Lease liability	18	<b>4,034,620</b>	3,831,373
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>17,667,195</u></b>	<u>20,384,589</u>
<b>TOTAL LIABILITIES</b>		<b><u>27,014,471</u></b>	<u>31,946,364</u>
<b>NET ASSETS</b>		<b><u>154,928,966</u></b>	<u>142,974,449</u>
<b>FUNDS</b>			
Accumulated surplus	19.1	<b>10,549,463</b>	5,783,927
Specific reserves	19.2	<b>4,479,405</b>	4,096,064
Asset revaluation reserve	19.3	<b>139,900,098</b>	133,094,458
<b>TOTAL FUNDS</b>		<b><u>154,928,966</u></b>	<u>142,974,449</u>

The accompanying notes form part of these financial statements

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**  
 ABN 42 460 434 054

**STATEMENT OF CHANGES IN FUNDS  
 FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Accumulated Surplus \$	Specific Reserve \$	Asset Revaluation Reserve \$	Total Funds \$
<b>Balance at 1 April 2019</b>	19	<b>16,363,817</b>	<b>3,243,600</b>	<b>138,975,741</b>	<b>158,583,158</b>
Adjustment on change of accounting policy	1(u)	932,894	-	(932,894)	-
Surplus for the year/restated		(13,262,940)	-	-	(13,262,940)
		<b>(12,330,046)</b>	<b>-</b>	<b>(932,894)</b>	<b>(13,262,940)</b>
Other movements:					
Net devaluation/revaluation of freehold land and buildings		-	-	(2,345,769)	(2,345,769)
Transfer from accumulated surplus to specific reserve		(852,464)	852,464	-	-
		<b>(852,464)</b>	<b>852,464</b>	<b>(2,345,769)</b>	<b>(2,345,769)</b>
<b>Balance at 31 March 2020 - restated</b>	19	<b>3,181,307</b>	<b>4,096,064</b>	<b>135,697,078</b>	<b>142,974,449</b>
Total comprehensive surplus for the year		7,752,817	-	-	7,752,817
Surplus for the year		<b>7,752,817</b>	<b>-</b>	<b>-</b>	<b>7,752,817</b>
Other movements:					
Net devaluation/revaluation of freehold land and buildings		-	-	4,203,020	4,203,020
Transfer from accumulated surplus to specific reserve		(384,661)	383,341	-	(1,320)
		<b>(384,661)</b>	<b>383,341</b>	<b>4,203,020</b>	<b>4,201,700</b>
<b>Balance at 31 March 2021</b>	19	<b>10,549,463</b>	<b>4,479,405</b>	<b>139,900,098</b>	<b>154,928,966</b>

The accompanying notes form part of these financial statements

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**

ABN 42 460 434 054

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 MARCH 2021**

Notes	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	7,831,659	10,199,113
Payments to suppliers and employees	(18,133,079)	(17,662,378)
Affiliation fees	3,349,338	3,395,598
Dividends received	616,334	896,841
Interest received	3,070	25,176
Income distribution	306,884	383,902
Fundraising receipts	153,689	108,550
Government grants	2,752,843	821,195
Rental income	553,880	747,672
Interest and other finance cost paid	(21,654)	(71,704)
Net cash (outflow) from operating activities	<u>(2,587,036)</u>	<u>(1,156,035)</u>
<b>Cash flows from investing activities</b>		
Investment in property, plant and equipment	(493,030)	(547,275)
Proceeds from sale of property, plant, equipment	4,537,391	97,000
Proceeds from sale of investments	7,135,877	9,595,120
Purchase of investments	(6,712,560)	(10,938,192)
Net cash inflow/(outflow) from investing activities	<u>4,467,678</u>	<u>(1,793,347)</u>
<b>Cash flows from financing activities</b>		
Receipt of formation deposits and bank loans	299,348	183,000
Repayment of bank loans and formations deposits	(634,773)	(21,997)
Repayments of principal on lease liabilities	(332,466)	(361,686)
Net cash outflow from financing activities	<u>(667,891)</u>	<u>(200,683)</u>
Net increase/(decrease) in cash held	1,212,751	(3,150,065)
Cash at the beginning of the financial year	<u>5,753,544</u>	<u>8,903,609</u>
<b>Cash at the end of the financial year</b>	<u><u>6,966,295</u></u>	<u><u>5,753,544</u></u>

The accompanying notes form part of these financial statements

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**  
 ABN 42 460 434 054

**FUNDRAISING STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 \$	2020 \$
		<u>          </u>	<u>          </u>
<b>Income:</b>			
Other donations		74,989	29,850
Fundraising		78,700	78,700
Total fundraising income (a)	2	<u>153,689</u>	<u>108,550</u>
<b>Expenses:</b>			
Direct expenses paid and incurred		9,903	70,880
Total fundraising expenses (b)	5	<u>9,903</u>	<u>70,880</u>
Net fundraising income (c)		<u>143,786</u>	<u>37,670</u>
<b>Additional Information:</b>			
Direct cost of scouting activities and leader training (d)		10,610,299	20,763,481
Total expenditure (e)		14,614,957	23,250,599
Total income (f)		14,781,351	14,046,908
		<u>          </u>	<u>          </u>
		%	%
<b>Percentages:</b>			
i) Total cost of fundraising (b)/Gross income from fundraising (a)		6.4	65.3
ii) Net surplus from fundraising (c)/Gross income from fundraising (a)		93.6	34.7
iii) Total cost of services (d)/Total Expenditure (e)		72.6	89.3
iv) Total cost of services (d)/Total Income Received (f)		71.8	147.8

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

**1. Statement of Significant Accounting Policies**

The Scout Association of Australia, New South Wales Branch (“the Association”) is incorporated by NSW Act of Parliament (Act No. 26 of 1928 and amended in Act No. 145, 1968 and updated in Act No. 148, 1986) and is a Branch of The Scout Association of Australia (incorporated by Royal Charter).

**Basis of Preparation**

In the directors' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 and the Association's constitution. The directors have determined that the accounting policies adopted are appropriate for this purpose.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for not-for-profit oriented entities.

The financial report has been authorised for issue by the Board of Directors on 28th June 2021.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs, except for the measurement at fair value of selected non-current assets, financial asset and financial liabilities. The amounts presented on the financial statements have been recorded to the nearest Australian dollar.

**(a) Income Tax**

The Association is exempt from income tax under subdivision 50-B of the Income Tax Assessment Act 1997 and is a registered deductible gift recipient Type 1.

**(b) Inventories**

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

**(c) Impairment of Assets**

At each reporting date, the Association reviews the carrying values of its tangible 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 cost 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 in profit or loss.

**(d) Property, Plant and Equipment**

Freehold land and buildings are shown at fair value, based on periodic valuations undertaken by the Directors, at least every 3 years. Increases in the carrying amounts arising on revaluation of these assets is credited in other comprehensive income through to the asset revaluation reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to the statement of comprehensive income.

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

**1. Statement of Significant Accounting Policies**

**(d) Property, Plant and Equipment (Continued)**

Plant and equipment is measured on a cost basis, less depreciation, amortisation and any impairment losses.

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

Buildings	60 years (diminishing-balance)
Leasehold improvements	3-10 years (straight-line)
Plant and equipment	3-7 years (straight-line)
Plant and equipment under lease	2-5 years (straight-line)

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

Leasehold improvements and plant and equipment under lease are depreciated over the period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**(e) Assets 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 continuing use. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**(f) 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 together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year and other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

**(g) Cash**

For purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and cash management accounts readily convertible to cash within two working days.



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

**1. Statement of Significant Accounting Policies**

**(h) 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 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.

**Subscription Revenue**

Revenue from membership subscriptions is recognised proportionately over the period to which it relates.

**Grants, Bequests, and Donation Revenue**

Revenue is recognised immediately where a financial asset is received, such as by way of grant, bequest or donation, and the where intention is to principally enable the Association to further its objectives.

Where a financial asset is received, such as by way of grant, bequest or donation, and where the performance obligation is enforceable and is sufficiently defined, the amounts are brought to account as income over the period in which the Association satisfies its performance obligation. The unmet portions of the grant are held as a liability in the Statement of Financial Position until the performance obligation is satisfied.

**Sale of Goods**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

**Interest**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend and distribution revenues are recognised when the right to receive them has been established.

**Other Income**

Other Income is recognised when the right to receive the same has been established.

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

**1. Statement of Significant Accounting Policies**

**(i) Goods and Services Tax**

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

Receivables and payables in the Statement of Financial Position are shown inclusive of GST where applicable.

The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(j) Right-of-use assets**

A right-of-use 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.

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 Association 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 and loss as incurred.

**(k) Lease Liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, 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.

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

**1. Statement of Significant Accounting Policies**

**(k) Lease Liabilities (Continued)**

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 of 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.

**(l) 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.

**(m) Investments and other financial assets**

Investments and other financial assets, other than investments in associates, are initially measured at cost and subsequently at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Association intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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

**1. Statement of Significant Accounting Policies**

**(m) Investments and other financial assets (Continued)**

*Impairment of financial assets*

The Association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

**(n) Trade and Other Payables**

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Association during the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(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.

**(p) Reserves**

The Asset Revaluation Reserve records revaluations of non-current assets.

The Specific Reserve is an overarching reserve comprising of individually allocated reserves for specifically identified purposes.

The Designated Reserve is a reserve comprising unexpended grant and donation income from funders with unenforceable contracts so that these funds can be accessed in future financial years.

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

**1. Statement of Significant Accounting Policies**

**(q) Critical Accounting Estimates and Judgments**

The Association evaluates estimates and judgments incorporated into the financial report 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.

*(i) Impairment*

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

*(ii) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*(iii) Allowance for Expected Credit Loss*

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.

*(iv) Freehold Land*

The directors valuation of freehold land is based on the latest Valuer General's unimproved land values. This valuation is considered representative of the amount required to replace the service potential of these properties to the Association.

*(v) Freehold buildings*

The directors valuation of buildings on freehold land is based on the latest depreciated replacement cost of these assets. This valuation is considered representative of the amount required to replace the service potential of these assets to the Association.

*(vi) Lease Make Good Provision*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of comprehensive income by adjusting the provision.

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

**1. Statement of Significant Accounting Policies**

**(q) Critical Accounting Estimates and Judgments (Continued)**

*(vii) 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. 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 where technically obsolete or non-strategic assets that have been abandoned or sold, are written off or written down.

*(viii) 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.

*(ix) 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 funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

*(x) Coronavirus (COVID-19) pandemic*

The World Health Organisation declared Coronavirus (COVID-19) as a pandemic on the 11th March 2020. Judgement has been exercised in considering the impact of COVID-19 as part of year-end impairment assessments of the Association's assets, the determination of the carrying value of the Association's liabilities and the assessment of the Association's ability to continue as a going concern.

**(r) Comparatives**

Where required by Accounting Standards, comparative information has been re-classified to achieve consistency in disclosure with current financial year amounts and other disclosures.

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

**1. Statement of Significant Accounting Policies**

**(s) New or amended Accounting Standards and Interpretations adopted**

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

**(t) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2021.

The Association's assessment of the impact of these new or amended Accounting Standards and Interpretations has concluded that these standards are not expected to have a material impact on the entity.

**(u) Change in Accounting Policy - Financial Assets**

During the financial year, the Association reassessed the classification of investments held in managed funds. In previous financial years, the Association elected to designate, and subsequently measure, all investments held in managed funds at fair value through other comprehensive income (FVtOCI). After considering the underlying terms and conditions of units held in managed funds, the Association has determined that it would be more appropriate for units redeemable directly to the fund to be classified, and subsequently measured, at fair value through profit or loss (FVtPL). To avoid any confusion caused by inconsistent accounting treatment, the Association also reclassified direct equity investments held to be classified, and subsequently measured, at FVtPL.

As a result, changes in fair value of these investments are now recognised in profit or loss, instead of other comprehensive income.

Comparative information has been restated to align with the revised accounting policy, so that both current year and prior year information is presented on a consistent basis.

Applying the revised accounting policy to comparative information resulted in the restatement of prior year loss from \$9,203,691 to \$13,262,940, the restatement of prior year other comprehensive income from (\$6,405,018) to (\$2,345,769) and the transfer of cumulative change in fair value from reserves to retained earnings of \$932,894.

The revised accounting policy did not impact the reported amount of comprehensive income, the carrying amount of investments held by the Association or the total funds of the Association.

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 \$	2020 \$
<b>2. Revenue from Contracts with Customers</b>			
Fees - Scouts			
Affiliation		3,464,290	3,341,170
Scouting activities and special events		94,929	1,237,444
Activity centres and camps		484,216	971,699
Training		79,076	174,769
Fees - Non Scouts		525,493	1,518,357
Revenue from sale of goods		30,868	204,431
Revenue from commercial activities		260,941	280,802
Rental of properties		825,652	781,958
Asset management fees		766,057	691,192
<b>Total Revenue from Contracts with Customers</b>		<b>6,531,522</b>	<b>9,201,822</b>
<b>Other revenue</b>			
Fundraising income		153,689	108,550
Grant income	3	3,299,459	1,133,813
Donations and Bequests		1,160,361	1,184,393
Profit on sale of fixed assets		1,212,895	97,000
Government Subsidy		1,902,150	-
Sundry income		521,276	663,919
<b>Total other revenue</b>		<b>8,249,830</b>	<b>3,187,675</b>
<b>3. Grant Income</b>			
NSW Sports & Recreation - Community Building Partnership		727,725	929,928
Economic Stimulus		1,000,000	-
Other Grants		1,924,874	336,227
<b>Total received and receivable this year</b>		<b>3,652,599</b>	<b>1,266,155</b>
Unspent at beginning of financial year		690,012	557,670
Unspent at end of financial year	14	(1,043,152)	(690,012)
<b>Grant income</b>		<b>3,299,459</b>	<b>1,133,813</b>
<b>4. Income from Investments</b>			
Interest on cash deposits		21,654	24,996
Dividends received		756,825	896,841
Other investment income		570,589	735,574
		<b>1,349,068</b>	<b>1,657,411</b>
<b>5. Other Expenses</b>			
Asset management expenses		747,193	511,989
Property development/maintenance expenses		62,044	34,492
Fundraising expenses		9,903	70,880
Provision for bad and doubtful debts		7,310	117,633
Expenses from government grants		2,798,624	1,330,676
Net other expenses in specific funds		112,526	51,076
		<b>3,737,600</b>	<b>2,116,746</b>



**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**

ABN 42 460 434 054

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

	Notes	2021 \$	2020 \$
<b>6. Finance Costs</b>			
Interest on formation deposits and specific funds		25,718	64,242
Interest paid on financing of insurance premium		16,201	8,546
		<u>41,919</u>	<u>72,788</u>
<b>7. Cash and Cash Equivalents</b>			
Cash management account		1,071,935	523,623
Cash at banks		5,890,640	5,219,554
Petty cash on hand		3,720	10,367
		<u>6,966,295</u>	<u>5,753,544</u>
<b>8. Trade and Other Receivables</b>			
<b>Current</b>			
Affiliation fees and asset management fees		610,707	681,167
Less: Allowance for Expected Credit Loss		(219,968)	(186,103)
		<u>390,739</u>	<u>495,064</u>
<b>9. Inventories</b>			
Finished goods		<u>104,430</u>	<u>110,325</u>
<b>10. Financial Assets</b>			
<b>Current</b>			
<b>Financial Assets at Amortised Cost</b>			
Term deposits		385,352	380,917
Loans to formations - unsecured and non-interest bearing		36,907	15,291
		<u>422,259</u>	<u>396,208</u>
<b>Non-current</b>			
<b>Financial Assets at fair value through Profit or Loss</b>			
Managed funds		10,308,320	9,984,354
Shares in listed investments		17,218,339	12,133,039
		<u>27,526,659</u>	<u>22,117,393</u>
<b>Financial Assets at Amortised Cost</b>			
Loans to formations - unsecured and non-interest bearing		226,498	150,320
Less: Allowance for Expected Credit Loss		(113,249)	(74,089)
		<u>113,249</u>	<u>76,231</u>
		<u>27,639,908</u>	<u>22,193,624</u>
<b>11. Other Current Assets</b>			
Interest receivable on term deposits		1,435	7,052
Due from Australian Taxation Office		205,287	1,177,235
Sundry debtors		571,340	503,148
Unsettled sale of financial assets investment		-	86,323
Prepayments		788,341	217,858
		<u>1,566,403</u>	<u>1,991,616</u>

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 \$	2020 \$
<b>12. Assets Held for Sale</b>			
Properties held for sale		<b>3,948,502</b>	-
<b>13. Property, Plant and Equipment</b>			
<b>Freehold land</b>			
At directors valuation		<b>132,681,421</b>	135,818,701
<b>Buildings on freehold land</b>			
At directors valuation		<b>94,071,218</b>	97,013,493
Accumulated depreciation		<b>(93,233,429)</b>	(96,008,135)
		<b>837,789</b>	1,005,358
<b>Leasehold improvements</b>			
At cost		<b>4,446,511</b>	3,876,552
Accumulated amortisation		<b>(2,765,573)</b>	(2,639,044)
		<b>1,680,938</b>	1,237,508
<b>Plant and equipment</b>			
At cost		<b>7,671,269</b>	7,693,995
Accumulated depreciation		<b>(6,329,763)</b>	(6,065,753)
		<b>1,341,506</b>	1,628,242
Total at Cost		<b>238,870,419</b>	244,402,741
Provision for depreciation and amortisation		<b>(102,328,765)</b>	(104,712,932)
Total written down amount		<b>136,541,654</b>	139,689,809
<b>Reconciliations</b>			
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the financial year.			
<b>Operation:</b>			
<b>Freehold Land</b>			
Balance at beginning of the year		<b>135,818,701</b>	138,164,470
Revaluation of freehold land		<b>4,203,020</b>	(2,345,769)
Additions		-	-
Transfers to assets held for sale		<b>(3,948,502)</b>	-
Disposals in the financial year		<b>(3,391,798)</b>	-
Balance at the end of the year		<b>132,681,421</b>	135,818,701
<b>Buildings</b>			
Balance at the beginning of the year		<b>1,005,358</b>	718,905
Net devaluation/revaluation of freehold building		-	-
Transfers		-	560,717
Disposals		<b>(20,013)</b>	-
Depreciation expense		<b>(147,556)</b>	(274,264)
Balance at the end of the year		<b>837,789</b>	1,005,358
<b>Reconciliations</b>			
<b>Leasehold improvements</b>			
Balance at the beginning of the year		<b>1,237,508</b>	1,912,653
Additions		<b>569,959</b>	-
Transfers		-	(560,717)
Amortisation expense		<b>(126,529)</b>	(114,428)
Balance at the end of the year		<b>1,680,938</b>	1,237,508

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**

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

	Notes	2021 \$	2020 \$
<b>13. Property, Plant and Equipment (Continued)</b>			
<b>Plant and Equipment</b>			
Balance at the beginning of the year		1,628,242	1,383,309
Additions		61,084	547,275
Disposals		(83,810)	(787)
Depreciation expense		(264,010)	(301,555)
Balance at the end of the year		<u>1,341,506</u>	<u>1,628,242</u>
Total property, plant and equipment		<u><u>136,541,654</u></u>	<u><u>139,689,809</u></u>
<b>14. Trade and Other Payables</b>			
<b>Current</b>			
Trade creditors		1,281,728	816,841
Other creditors and accruals		3,712,555	6,162,342
Unspent grants		1,043,152	690,012
Insurance claims		812,721	320,507
Advance payments - scouting events		149,441	849,868
		<u>6,999,597</u>	<u>8,839,570</u>
<b>15. Interest Bearing Liabilities - Current</b>			
Deposits from formations - unsecured		971,849	1,307,274
		<u>971,849</u>	<u>1,307,274</u>
<b>16. Provisions</b>			
<b>Current</b>			
Employee benefits		336,795	434,343
Make Good Provision		370,000	370,000
		<u>706,795</u>	<u>804,343</u>
<b>Non-Current</b>			
Employee benefits		175,866	143,949
Make Good Provision		13,456,709	16,409,267
		<u>13,632,575</u>	<u>16,553,216</u>

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**

ABN 42 460 434 054

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

	Notes	2021 \$	2020 \$
	<u>          </u>	<u>          </u>	<u>          </u>
<b>17. Right of use assets</b>			
<b>Non-Current</b>			
Right of use asset - land and building		4,748,387	4,521,161
Accumulated depreciation		<u>(385,139)</u>	<u>(230,538)</u>
		<u><b>4,363,248</b></u>	<u><b>4,290,623</b></u>

Scouts NSW has a number of leases and licences over buildings and land. Information relating to the leases in place and transactions is provided below:

*Commercial leases:*

Scouts NSW leases corporate office premises and car parking at 102 Bennelong Parkway, Sydney Olympic Park. The purpose of the premises is to enable the provision of technical and administrative support for volunteer members in the conduct of Scouting operational programs and activity. The existing lease term was due to expire 6 June 2020 however consequent to a Variation of Lease executed in 2019, the term was extended to 6 June 2025. An option term of a further five years was included in the Variation. The Variation was arranged as a consequence of end-of-lease requirements, favourable terms being negotiated and to avoid the costs of relocation, make good and a new fitout.

*Concessionary lease:*

Scouts NSW has tenure over some 418 non-freehold sites in NSW at an annual cost of approximately \$168k per annum. The sites are used for the purpose of Scouting operational activities. Most are improved with a simple Scout Hall. The typical duration of a site lease is 30 years. The Association has elected to measure the lease asset arising from the concessionary lease at cost, which is based on the associated lease liability.

Approximately 41% of the non-freehold portfolio is under tenure from Crown Land NSW, with the remainder of the non-freeholds being under various forms of tenure, mostly from local councils, and to a lesser extent from other government entities.

**18. Lease Liability****Current:**

Lease Liability	<u>669,035</u>	<u>610,588</u>
	<u><b>669,035</b></u>	<u><b>610,588</b></u>

**Non-Current**

Lease Liability	<u>4,034,620</u>	<u>3,831,373</u>
	<u><b>4,034,620</b></u>	<u><b>3,831,373</b></u>

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 \$	2020 \$
<b>19. Funds and Reserves</b>			
<b>1. Accumulated Surplus</b>			
Balance at beginning of the year		3,181,307	16,363,817
Adjustment on change of accounting policy	1(u)	-	932,894
Total comprehensive surplus for the year:			
(Deficit)/Surplus for the year- Deficit for 2020 restated		7,752,817	(13,262,940)
		<u>7,752,817</u>	<u>(12,330,046)</u>
Other movements:			
Transfers (to)/from specific funds during the year			
Distribution of bequests		(90,501)	(154,364)
Donations/bequests		-	(1,320)
Interest		(20,676)	(35,042)
Insurance Reserve		499,149	(280,542)
Designated Reserve (grants)		(898,169)	(485,350)
Grants and expenses		125,536	104,154
Net transfer to specific reserves		(294,160)	(698,100)
Total transfers (to)/from specific funds		<u>(384,661)</u>	<u>(852,464)</u>
Total other movements		<u>(384,661)</u>	<u>(852,464)</u>
Balance at end of the year		<u>10,549,463</u>	<u>3,181,307</u>
<b>Movement in Specific Reserves:</b>			
<b>2. Specific Reserves</b>			
Balance at beginning of the year		4,096,064	3,243,600
- Net movements during the year		383,341	852,464
Balance at end of the year		<u>4,479,405</u>	<u>4,096,064</u>
<b>(a) Tony Balthasar Jamboree Fund</b>			
The Jamboree Fund was set aside to assist in financing the attendance of persons at Jamborees.			
Balance at beginning of the year		112,084	110,445
Transfer (to)/from accumulated funds		(1,320)	-
- Interest earned		1,099	1,919
- Donations		-	1,320
- Grants and expenses		-	(1,600)
Balance at end of the year		<u>111,863</u>	<u>112,084</u>
Balance comprises:			
- Corpus		112,084	111,765
Transfer (to)/from accumulated funds		(1,320)	-
- Corpus accumulated income		1,099	319
		<u>111,863</u>	<u>112,084</u>

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 \$	2020 \$
<b>19. Funds and Reserves (Continued)</b>			
<b>(b) Chapman Gosford Area Fund</b>			
This represents a bequest from the Estate of the late Chapman family to assist Scout Groups within the Gosford area.			
Balance at beginning of the year		488,337	423,944
Distributions received		90,501	154,364
Transfer (to)/from accumulated funds			
- Grants made		(125,219)	(96,984)
- Interest earned		4,591	7,013
Balance at end of the year		<u>458,210</u>	<u>488,337</u>
<b>(c) Benjamin Perry Thomson Bequest</b>			
This represents a bequest from the Estate of the late Benjamin Perry Thomson for the benefit and promotion of the Association and to assist with the training of leaders in or for rural (as opposed to the city metropolitan) areas in New South Wales and specifically - where possible - for communities which have a town or district population of five thousand (5,000) people or less.			
Balance at beginning of the year		1,511,144	1,490,604
Transfer (to)/from accumulated funds			
- Grants made		(317)	(5,570)
- Interest earned		14,986	26,110
Balance at end of the year		<u>1,525,813</u>	<u>1,511,144</u>
Balance comprises:			
- Corpus		1,002,733	1,002,733
- Corpus accumulated income		523,080	508,411
		<u>1,525,813</u>	<u>1,511,144</u>
<b>(d) Designated Reserve</b>			
Established in the financial year 2020 to facilitate designating unexpended donations and unenforceable grants through the year in response to the adoption of AASB 16 and AASB 1058			
Balance at beginning of the year		485,350	-
Transfer (to)/from accumulated funds		898,169	485,350
Balance at end of the year		<u>1,383,519</u>	<u>485,350</u>
<b>(e) Insurance Claims Reserve (ICR)</b>			
This represents the balance of aggregate deductible on public liability insurance and old property insurance claims transferred from accruals and provisions.			
Balance at beginning of the year		1,499,149	1,218,607
Transfer (to)/from accumulated funds			
- Transfer from accumulated fund to ICR reserve		(499,149)	280,542
- Claims paid		-	-
- Additional provisions		-	-
Balance at end of the year		<u>1,000,000</u>	<u>1,499,149</u>

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**

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

	Notes	2021 \$	2020 \$
<b>19. Funds and Reserves (Continued)</b>			
<b>3. Asset Revaluation Reserve (ARR)</b>			
Balance at beginning of the year		135,697,078	138,975,741
Adjustment on change of accounting policy	1(u)	-	(932,894)
Net (devaluation)/revaluation of freehold land		4,203,020	(2,345,769)
Balance at end of the year		<u>139,900,098</u>	<u>135,697,078</u>

**20. Subsequent Events**

There have been no other material items, transactions or events subsequent to 31 March 2021 requiring further comment or adjustment to the content of this report or which would cause the information to be misleading.

**21. Auditors' Remuneration**

Amounts received or due and receivable by the auditors of Association for:

- audit and review of statutory accounts	70,000	70,000
- Third party compliance and other services	-	-
	<u>70,000</u>	<u>70,000</u>

**22. Contingent Liabilities**

The Association has received claims from third parties alleging misconduct and/or negligence, which may take several years to be finalised. Where there are reasonable grounds for doing so, the Association seeks to agree upon settlement of these claims. In certain situations the claims may be covered by insurance which would reduce any financial liability that may arise for the Association. The Association is liaising with its insurers in respect of coverage for these claims.

Scouts NSW joined the National Redress Scheme (NRS) which started on 1 July 2018 and estimates of the liabilities arising from the claims presently in the Scheme as at the 31 March 2021 have been included in these financial statements.

Apart from known claims with the National Redress Scheme, there is a risk that future claims may be received from third parties alleging misconduct and/or negligence. The extent and ultimate outcome of claims, litigation and any other requirements cannot presently be determined. Hence it is not practicable to make a reliable estimate of any liabilities that have a likelihood of arising in the future other than those claims within the NRS. In certain situations these claims and requirements may be covered by insurance which would reduce any financial liability that may arise for the Association.

Apart from the above, the Association is not aware of any other contingent liability as at the end of the financial year.

**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**

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

	Notes	2021 \$	2020 \$
<b>23. Related Party Transactions</b>			
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.			
(a) Names of Members of the Board of Directors are the following: Mr Kerry M McGoldrick, Chair Mr Phil J Crutchley, Deputy Chair (left Board on 1 August 2020) Mr Neville R B Tomkins OAM, Chief Commissioner Mr Ronald (Anthony) Pritchard (from 1 August 2020) Dr Matthew W Phillips, Treasurer (from 11 March 2020) Mrs Susan Bartlett (from 1 August 2020) Ms Claire J Geary Ms Janet Hale Mr David W Hassan Ms Kerryn Boland Mr Robert N Rodgers (left Board on 15 Feb 2020) Mr Antony Keenan Mr Luke Saunders			
There were no other contracts where the Association has entered into with its Board members and no Board members have received any remuneration, superannuation or retirement payments from the Association.			
(b) Owing to various Scout Formations at the end of the financial year being deposits held on their behalf on which interest at commercial rates is payable.		971,849	1,307,274
(c) Affiliation fees were paid to The Scout Association of Australia, National Headquarters.		106,732	315,808
(d) Asset management fees were recharged to the various Scout Formations for their respective share of the costs.		766,057	691,192
(e) The balance of unpaid accounts representing affiliation fees and other accounts due from various Scout Formations amounted to:		251,918	209,007
(f) Outstanding loans provided to some Scout Formations to finance their hall improvements.		263,404	205,669



**THE SCOUT ASSOCIATION OF AUSTRALIA, NEW SOUTH WALES BRANCH**  
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**Statement as to Fundraising**

In accordance with a resolution of the Board of Directors of The Scout Association of Australia, New South Wales Branch, we state that:

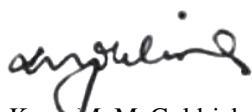
In the opinion of the Board of Directors:

- (a) the Statement of Comprehensive Income is drawn up so as to give a true and fair view of all the income and expenditure of the Branch with respect to fundraising activities for the year ended 31 March 2021;
- (b) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Branch with respect to fundraising activities as at 31 March 2021; and
- (c) the internal controls exercised by the Branch are appropriate and effective in accounting for all fundraising income and expenditures.

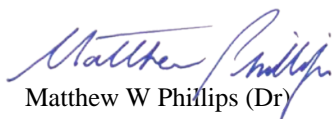
Further, the surplus from fundraising, together with other revenues, were applied in the provision of direct services and administrative works to achieve the aims of The Scout Association of Australia, New South Wales Branch.

Under the terms of the authority issued to this Branch by the Office of Charities, each of the sections of the Branch is required to report on its fundraising activities at its Annual General Meeting. The Branch has established procedures to enable each of the fundraising sections to properly report on its activities within the requirements of the Charitable Fundraising Act.

On behalf of the Board of Directors



Kerry M. McGoldrick  
Board Chair



Matthew W Phillips (Dr)  
Treasurer

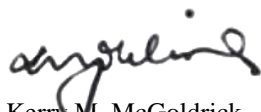
Dated, 28 June 2021

**Responsible Entities' Declaration**

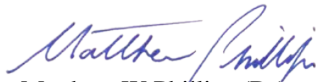
In the opinion of the Responsible Entities the financial report with the accompanying notes 1 to 24:

- (a) Satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.
- (b) As at the date of this statement, there are reasonable grounds to believe that The Scout Association of Australia, New South Wales Branch will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Kerry M. McGoldrick  
Board Chair



Matthew W Phillips (Df)  
Treasurer

Dated, 28<sup>th</sup> June 2021

**Auditor's Independence Declaration  
To the Responsible Entities' of The Scout Association of Australia, New South Wales Branch  
ABN 42 460 434 054**

I declare that to the best of my knowledge and belief; during the year ended 31 March 2021 there have been no contraventions of:

- (i) the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Carl Millington  
Partner

Pitcher Partners  
Sydney

28 June 2021

**Independent Auditor's Report  
To the Members of The Scout Association of Australia, New South Wales Branch  
ABN 42 460 434 054**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of The Scout Association of Australia, New South Wales Branch ("the Registered Entity"), which comprises the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

In our opinion the financial report of The Scout Association of Australia, New South Wales Branch has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:

- a) giving a true and fair view of the Registered Entity's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 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 Registered Entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Independent Auditor's Report  
To the Members of The Scout Association of Australia, New South Wales Branch  
ABN 42 460 434 054**

*Emphasis of Matter – Basis of Accounting*

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

*Responsibilities of Responsible Entities for the Financial Report*

The responsible entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of members. The responsible entities responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Registered 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 responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

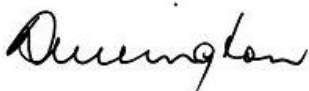
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

**Independent Auditor's Report**  
**To the Members of The Scout Association of Australia, New South Wales Branch**  
**ABN 42 460 434 054**

*Auditor's Responsibilities for the Audit of the Financial Report (continued)*

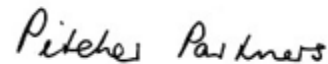
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as 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 Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



C MILLINGTON  
Partner

28 June 2021



PITCHER PARTNERS  
Sydney