

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Financial Statements

For the Year Ended 31 March 2024

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

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For the Year Ended 31 March 2024

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Auditors' Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of The Scout Association of Australia – New South Wales Branch

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink, appearing to be 'Kym Reilly'.

KYM REILLY
PARTNER

4 JULY 2024
SYDNEY, NSW

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 31 March 2024

	2024	2023
Note	\$	\$
Revenue from contracts with customers	4 12,457,295	10,844,869
Other income	4 7,617,347	5,542,129
Expenses		
Administration expenses	(7,851,449)	(6,894,480)
Claim cost	15 (5,351,916)	(12,163,971)
Communication and development expense	(611,163)	(481,305)
Camps and activity centres expenses	(3,839,737)	(3,146,506)
Scouting activities expenses	(2,350,350)	(963,974)
Leader's training expense	(282,691)	(348,154)
Property expenses	(1,473,716)	(1,380,870)
Movement in make good provision	137,050	(587,484)
Commercial activities expenses	(182,684)	(225,671)
Other expenses	5 (7,523,220)	(3,445,700)
Total expenses, excluding finance costs	(29,329,876)	(29,638,115)
Finance costs	5 (341,208)	(290,851)
Deficit from ordinary activities	(9,596,442)	(13,541,968)
Investments		
Income from investments	4 1,696,255	2,470,916
Investment expenses	(67,682)	(42,281)
Net loss on sale of financial assets	(113,711)	(180,429)
Net unrealised profit/(loss) on financial assets	3,295,518	(740,705)
Gain from investments	4,810,380	1,507,501
Deficit for the year	(4,786,062)	(12,034,467)
Other comprehensive income		
Net revaluation of freehold land and buildings	5,835,460	76,902,712
Net revaluation of assets held for sale	(370,000)	3,752,170
Total other comprehensive income	5,465,460	80,654,882
Total comprehensive surplus for the year	679,398	68,620,415

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 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	10,654,099	12,478,128
Trade and other receivables	7	304,911	334,282
Inventories		76,823	93,457
Financial assets	8	3,989,262	7,008,112
Other assets	10	2,282,038	2,395,140
Properties held for sale	9	4,470,000	9,795,000
TOTAL CURRENT ASSETS		21,777,133	32,104,119
NON-CURRENT ASSETS			
Financial assets	8	36,317,797	35,019,335
Property, plant and equipment	11	248,033,614	238,480,624
Right-of-use assets	12	2,763,757	2,896,332
TOTAL NON-CURRENT ASSETS		287,115,168	276,396,291
TOTAL ASSETS		308,892,301	308,500,410
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,657,413	2,254,247
Interest bearing liabilities	14	1,170,578	1,095,160
Contract liabilities	16	16,129,438	17,264,341
Provisions	15	6,356,882	4,401,333
Employee benefits		396,021	495,458
Lease liabilities	12	273,316	315,878
TOTAL CURRENT LIABILITIES		25,983,648	25,826,417
NON-CURRENT LIABILITIES			
Employee benefits		39,819	42,843
Provisions	15	22,860,585	23,273,444
Lease liabilities	12	2,855,231	2,884,086
TOTAL NON-CURRENT LIABILITIES		25,755,635	26,200,373
TOTAL LIABILITIES		51,739,283	52,026,790
NET ASSETS		257,153,018	256,473,620
EQUITY			
Accumulated deficit	17	(4,713,934)	(1,328,567)
Specific reserves	17	4,551,070	4,726,765
Reserves	17	257,315,882	253,075,422
TOTAL EQUITY		257,153,018	256,473,620

The accompanying notes form part of these financial statements.

The Scout Association of Australia - New South Wales Branch

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Statement of Changes in Equity For the Year Ended 31 March 2024

	Accumulated Losses	Specific Reserve	Asset Revaluation Surplus	Total
	\$	\$	\$	\$
Balance at 1 April 2023	(1,328,567)	4,726,765	253,075,422	256,473,620
Deficit for the year	(4,786,062)	-	-	(4,786,062)
Other movements:				
Net revaluation of freehold land and buildings	-	-	5,465,460	5,465,460
Sale of Previously revalued properties	1,225,000	-	(1,225,000)	-
Transfer from accumulated surplus to specific reserve	175,695	(175,695)	-	-
Balance at 31 March 2024	(4,713,934)	4,551,070	257,315,882	257,153,018
Balance at 1 April 2022	10,927,460	4,505,205	172,420,540	187,853,205
Deficit for the year	(12,034,467)	-	-	(12,034,467)
Other movements:				
Net revaluation of freehold land and buildings	-	-	80,654,882	80,654,882
Transfer from accumulated surplus to specific reserve	(221,560)	221,560	-	-
Balance at 31 March 2023	(1,328,567)	4,726,765	253,075,422	256,473,620

The accompanying notes form part of these financial statements.

The Scout Association of Australia - New South Wales Branch

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Statement of Cash Flows For the Year Ended 31 March 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customer	7,953,117	5,648,450
Payment to suppliers and employees	(27,232,295)	(19,068,666)
Affiliation fees	4,401,176	4,137,008
Donations and bequests	180,770	4,099,617
Insurance recoveries	509,259	1,673,800
Interest received	18,946	29,842
Fundraising receipts	10,058	86,278
Government grants	4,442,278	5,147,444
Rental income	1,015,932	1,531,944
Interest and other finance costs paid	(192,219)	(61,325)
Net cash (used in)/provided by operating activities	<u>(8,892,978)</u>	<u>3,224,392</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in property, plant and equipment	(933,491)	(552,340)
Proceeds from sale of property, plant and equipment	1,624,500	845,105
Proceeds from sale of investment	9,605,331	2,551,178
Purchase of investments	(4,571,049)	(10,802,015)
Dividends received	827,799	1,296,137
Income distribution (net of expenses)	761,353	610,372
Net cash provided by/(used in) investing activities	<u>7,314,443</u>	<u>(6,051,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Receipt of formation deposits and bank loans	92,600	133,184
Repayment of bank loans and formations deposits	(17,182)	46,738
Repayment of principal on lease liabilities	(320,912)	(301,997)
Net cash used in financing activities	<u>(245,494)</u>	<u>(122,075)</u>
Net decrease in cash and cash equivalents held	(1,824,029)	(2,949,246)
Cash and cash equivalents at beginning of year	<u>12,478,128</u>	<u>15,427,374</u>
Cash and cash equivalents at end of financial year	6 <u>10,654,099</u>	<u>12,478,128</u>

The accompanying notes form part of these financial statements.

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Notes to the Financial Statements

For the Year Ended 31 March 2024

The financial report covers The Scout Association of Australia - New South Wales Branch ('the Association'). 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). The Association is, registered and domiciled in Australia.

The financial report was authorised for issue by the Directors on 4 July 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

2 Summary of Material Accounting Policies

(a) Income tax

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

(b) Revenue and other income

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.

Notes to the Financial Statements

For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(b) Revenue and other income (cont'd)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Fees

The membership and affiliation fees are recognised proportionately over the period to which they relate.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery.

Rental income and asset management fees

Rental income and asset management fees are recognised on a straight-line basis over a period of the rental and asset management term so as to reflect a constant periodic rate of return on the net investment.

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 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.

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.

Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

Notes to the Financial Statements

For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(c) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Inventories

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

(g) Property, plant and equipment

Land and buildings

Land and buildings are held at fair value, valued based on independent valuations, updated 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.

Plant and equipment

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

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

Notes to the Financial Statements For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(g) Property, plant and equipment (cont'd)

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	60 years
Leasehold improvements	3 - 50 years
Plant and Equipment	3 - 10 years
Plant and equipment under lease	2 - 10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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.

(h) 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 amortised or depreciated 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.

(i) 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.

(j) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Notes to the Financial Statements

For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(j) Impairment of non-financial assets (cont'd)

Where an indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(k) 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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

(l) 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.

(m) Leases

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.

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.

Notes to the Financial Statements For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(n) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Notes to the Financial Statements

For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(n) Financial instruments (cont'd)

Financial assets (cont'd)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements

For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(n) Financial instruments (cont'd)

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables and other loans and lease liabilities.

(o) 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.

(p) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 31 March 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(q) New accounting standards and interpretations adopted in the current period

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. These standards and Interpretations did not have any material impact on these financial statements. The following Accounting Standards and Interpretations are most relevant to the Association.

(r) Going concern

The financial report has been prepared on the going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business and at the amounts stated in the financial statements.

At 31 March 2024, the Association reported a net deficit of \$4,786,062 (2023 net deficit of \$12,034,467), net cash outflow from operating activities of \$8,892,978 (2023 net cash inflow of \$3,224,392) and net current liabilities of \$4,206,515 (2023: net current assets of \$6,277,702).

The directors believe the going concern basis is appropriate for the following reason:

Investments in managed funds and shares in listed investments of \$36,317,797 (2023: \$35,019,335) are classified as non current assets. Whilst it is the intention of the Association to hold these assets for a period greater than 12 months, they are able to be called upon as and when required.

Based on the above, the Directors are satisfied that the Association will be able to fund its operations and continue as a going concern, and it is appropriate that the financial statements have been prepared on that basis.

Notes to the Financial Statements

For the Year Ended 31 March 2024

2 Summary of Material Accounting Policies (cont'd)

(s) Restatement of comparatives

Certain comparative amounts, which are deemed to be not material, have been disclosed or reclassified where necessary to provide consistency with current period disclosures.

3 Critical Accounting Estimates and Judgments

The Association evaluates estimates and judgements 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.

Valuation of freehold land and buildings

The Association carries its land and buildings at fair value with changes in the fair value recognised in the asset revaluation reserve.

The Association's land and building were revalued at 31 March 2024 by independent Valuer Colliers, with a net gain of \$5,465,460 recorded in the asset revaluation reserve and recognised as other comprehensive income. The valuation was based on the highest and best alternate use. The critical assumption adopted in determining the valuation included the location of the land and buildings, the current market for land and buildings in the respective areas and recent sales data for similar properties.

Impairment

The Association assesses impairment at the end of each reporting period 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.

Provision for Redress and Civil Claims

The Association has raised a provision for civil and redress claims in progress.

The provision is determined on the basis of the existence of a present obligation at the reporting date, of which is probable and can be reliably estimated. The calculation of this provision includes the following key assumptions

- The number of known civil and redress claims in progress; and
- Average redress costs and average civil costs per claimant.

The cash outflow for the current portion of the claims provision represents the expected value of claims to be settled within 12 months from the reporting date.

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.

Notes to the Financial Statements

For the Year Ended 31 March 2024

3 Critical Accounting Estimates and Judgments (cont'd)

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.

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.

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.

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.

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Notes to the Financial Statements For the Year Ended 31 March 2024

4 Revenue and Other Income

(a) Revenue from contracts with customers

	2024	2023
	\$	\$
Fees - Scouts		
- Affiliation fees	4,401,176	4,137,008
- Scouting activities and special events	2,380,772	995,230
- Activity centres and camps	950,516	875,433
- Training	131,642	108,687
Fees - non Scouts	2,399,006	2,081,400
Revenue from sale of goods	83,681	20,685
Revenue from commercial activities	177,441	232,710
Rental of properties	1,015,932	1,531,944
Asset management fees	917,129	861,772
Total Revenue from contracts with customers	12,457,295	10,844,869

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into timing of revenue recognition and the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	4,593,189	4,314,145
- Over time	7,864,106	6,530,724
	12,457,295	10,844,869

(b) Other Income

- Fundraising income	10,058	86,278
- Government grants	6,402,997	2,304,835
- Donations and bequests	180,770	705,252
- Profit on sale of fixed assets	399,500	583,370
- Insurance recoveries	509,259	1,673,800
- Sundry income	114,763	188,594
	7,617,347	5,542,129

(c) Income from investments

- Interest on cash deposits	18,946	29,842
- Dividends received	827,799	1,296,137
- Other investment income	849,510	1,144,937
	1,696,255	2,470,916

The Scout Association of Australia - New South Wales Branch

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Notes to the Financial Statements For the Year Ended 31 March 2024

4 Revenue and Other Income (cont'd)

(d) Grant Income

	2024	2023
	\$	\$
Unspent government grants at the beginning of financial year	11,304,884	8,647,085
Commonwealth Dept of Industry, Science, Energy and Research	2,360,410	3,008,844
NSW Sports & Recreation - Community Building Partnership	623,630	917,925
Other Grants	1,464,835	1,035,865
Less:		
Unspent grants at the end of the financial year	<u>(9,350,762)</u>	<u>(11,304,884)</u>
Government grant Income	<u>6,402,997</u>	<u>2,304,835</u>

5 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:

Property development/maintenance expenses	588,581	317,230
Asset management expenses	643,522	177,245
Fundraising expenses	3,042	9,587
Provision for bad and doubtful debts	15,123	136,778
Expenses from government grant	6,247,645	2,621,446
Net other expenses in specific funds	<u>25,307</u>	<u>183,414</u>
	<u>7,523,220</u>	<u>3,445,700</u>

Finance costs

Interest on formation deposits and specific funds	192,219	61,325
Interest paid on financing of insurance premiums	-	7,751
Interest expense - leases	<u>148,989</u>	<u>221,775</u>
	<u>341,208</u>	<u>290,851</u>

6 Cash and Cash Equivalents

Cash management accounts	710,202	640,564
Cash at bank - Unrestricted	589,415	528,960
Cash at bank - Restricted	9,350,762	11,304,884
Petty cash on hand	<u>3,720</u>	<u>3,720</u>
	<u>10,654,099</u>	<u>12,478,128</u>

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Notes to the Financial Statements For the Year Ended 31 March 2024

7 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Affiliation fees and asset management fees	516,358	1,199,438
Less: Allowance for expected credit loss	<u>(211,447)</u>	<u>(865,156)</u>
	<u>304,911</u>	<u>334,282</u>

8 Financial Assets

CURRENT		
<i>Held at amortised cost</i>		
Term deposits	<u>3,989,262</u>	<u>7,008,112</u>
NON-CURRENT		
<i>Held at amortised cost</i>		
Loans to formations - unsecured and non-interest bearing	203,286	180,160
Expected credit loss	<u>(203,286)</u>	<u>(180,160)</u>
	-	-
<i>Held at fair value through profit or loss</i>		
Managed funds	15,966,553	15,517,920
Shares in listed investments	<u>20,351,244</u>	<u>19,501,415</u>
	<u>36,317,797</u>	<u>35,019,335</u>

9 Assets held for sale

CURRENT		
Properties held for sale	<u>4,470,000</u>	<u>9,795,000</u>

(a) Movements in assets held for sale

Balance at the beginning of year	9,795,000	6,184,930
Assets sold during the year	(1,225,000)	(242,100)
Revaluation on assets held	(370,000)	3,752,170
Transfers in from property, plant and equipment	3,635,000	100,000
Return to long term assets	<u>(7,365,000)</u>	<u>-</u>
Total current contract liabilities	<u>4,470,000</u>	<u>9,795,000</u>

10 Other Assets

CURRENT		
Prepayments	1,440,266	1,006,832
Sundry debtors	585,631	386,278
Franking credits receivable	<u>256,141</u>	<u>1,002,030</u>
	<u>2,282,038</u>	<u>2,395,140</u>

The Scout Association of Australia - New South Wales Branch

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Notes to the Financial Statements For the Year Ended 31 March 2024

11 Property, Plant and Equipment

	2024	2023
	\$	\$
Freehold land		
At fair value	<u>230,342,000</u>	222,079,000
Buildings on freehold land		
At cost	131,777,979	129,525,758
Accumulated depreciation	<u>(117,067,979)</u>	(115,594,759)
	<u>14,710,000</u>	13,930,999
Plant and equipment		
At cost	8,724,547	7,904,242
Accumulated depreciation	<u>(6,963,602)</u>	(6,537,455)
	<u>1,760,945</u>	1,366,787
Leasehold Improvements		
At cost	3,815,762	3,571,459
Accumulated depreciation	<u>(2,595,093)</u>	(2,467,621)
	<u>1,220,669</u>	1,103,838
Total property, plant and equipment	<u>248,033,614</u>	<u>238,480,624</u>

(a) Movements in carrying amounts

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

	Freehold land	Buildings	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Year ended 31 March 2024					
Balance at the beginning of year	222,079,000	13,930,999	1,366,787	1,103,838	238,480,624
Additions	-	-	797,281	136,210	933,491
Transfers from assets held for sale	7,545,000	-	-	-	7,545,000
Transfers to held for sale	(3,795,000)	(20,000)	-	-	(3,815,000)
Depreciation expense	-	(278,219)	(289,641)	(74,126)	(641,986)
Asset write off	-	-	(303,975)	-	(303,975)
Net revaluation adjustment	4,513,000	1,077,220	190,493	54,747	5,835,460
Balance at the end of the year	<u>230,342,000</u>	<u>14,710,000</u>	<u>1,760,945</u>	<u>1,220,669</u>	<u>248,033,614</u>

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Notes to the Financial Statements For the Year Ended 31 March 2024

12 Leases

Right-of-use assets

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 fit out.

Concessionary lease:

Scouts NSW has tenure over some 406 non-freehold sites in NSW at an annual cost of approximately \$128k 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.

	Concessionary leases	Commercial leases	Total
	\$	\$	\$
Year ended 31 March 2024			
Balance at beginning of year	1,968,583	927,749	2,896,332
Depreciation expense	(86,493)	(140,516)	(227,009)
Additions to right-of-use assets	-	94,434	94,434
Balance at end of year	1,882,090	881,667	2,763,757

Lease liabilities

	2024	2023
	\$	\$
CURRENT		
Lease liabilities	273,316	315,878
NON-CURRENT		
Lease liabilities	2,855,231	2,884,086

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Notes to the Financial Statements For the Year Ended 31 March 2024

13 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	165,608	1,104,405
Other creditors and accruals	854,826	491,862
Insurance excess payable	636,979	657,980
	<u>1,657,413</u>	<u>2,254,247</u>

14 Interest bearing liabilities

CURRENT		
Unsecured liabilities:		
Deposits from formations	1,170,578	1,095,160
	<u>1,170,578</u>	<u>1,095,160</u>

15 Provisions

CURRENT		
Make good provision	825,044	931,384
Provision for Redress and Civil Claims	5,531,838	3,469,949
	<u>6,356,882</u>	<u>4,401,333</u>
NON-CURRENT		
Make good provision	13,696,475	13,743,393
Provision for Redress and Civil Claims	9,164,110	9,530,051
	<u>22,860,585</u>	<u>23,273,444</u>

(a) Movement in carrying amounts

	Provision for Redress and Civil Claims	Make good provision	Total
	\$	\$	\$
Opening balance at 1 April 2023	13,000,000	14,674,777	27,674,777
Additional provisions	5,351,916	-	5,351,916
Provisions used	(3,655,968)	(153,258)	(3,809,226)
Balance at 31 March 2024	<u>14,695,948</u>	<u>14,521,519</u>	<u>29,217,467</u>

(b) Provision for Redress and Civil Claims

A provision has been made for current and future civil and redress claims. Refer to accounting policy note 3 for details on the keys assumptions used in calculating expected future claim payments.

The Scout Association of Australia - New South Wales Branch

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Notes to the Financial Statements For the Year Ended 31 March 2024

16 Contract Liabilities

	2024	2023
	\$	\$
CURRENT		
Crown reserve land grants	3,898,081	7,189,606
Other grants received in advance	5,446,084	4,115,278
Other income received in advance	3,313,248	2,565,092
McPherson bequest - deferred funds	3,472,025	3,394,365
	<u>16,129,438</u>	<u>17,264,341</u>

17 Funds and Reserves

(a) Accumulated surplus

Balance at the beginning of the year	(1,328,566)	10,927,461
Deficit for the year	(4,786,062)	(12,034,467)
Other movements:		
Transfers to specific funds of distribution of bequests	(126,986)	(138,326)
Transfer of realised profit (loss) on disposal of Fixed Assets	1,225,000	-
Transfer to specific reserves:		
Interest	(106,954)	(61,325)
Grants and expenses	409,634	(21,910)
Total other movements	<u>1,400,694</u>	<u>(221,561)</u>
Balance at the end of the year	<u>(4,713,934)</u>	<u>(1,328,567)</u>

(b) Asset Revaluation Reserve

Balance at the beginning of the year	253,075,422	172,420,539
Net revaluation of freehold land and buildings	5,465,460	80,654,883
Sale of Previously revalued properties	(1,225,000)	-
Balance at end of the year	<u>257,315,882</u>	<u>253,075,422</u>

(c) Specific reserves

Balance at beginning of the year	4,726,765	4,505,205
Net movements during the year	(175,695)	221,560
Balance at the end of the year	<u>4,551,070</u>	<u>4,726,765</u>

The Scout Association of Australia - New South Wales Branch

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Notes to the Financial Statements For the Year Ended 31 March 2024

17 Funds and Reserves (cont'd)

(c) Specific reserves (cont'd)

Specific Reserves include:

(i) Tony Balthasar Jamboree Fund

	2024	2023
	\$	\$
Balance at the beginning of the year	116,210	112,874
Interest earned	5,875	3,336
Balance at end of the year	122,085	116,210
Balance comprises:		
- Corpus	116,210	112,874
- Corpus accumulated income	5,875	3,336
	122,085	116,210

(ii) Chapman Gosford Area Fund

This represents a bequest from the Estate of the late Chapman family to assist Scout Groups within the Gosford area.

Balance at the beginning of the year	448,725	464,261
Distributions received	126,986	138,323
Transfer from/(to) accumulated funds		
- Grants made	(126,986)	(166,397)
- Interest earned	18,921	12,538
	467,646	448,725

(iii) Benjamin Perry Thomson Bequest

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 the beginning of the year	1,582,941	1,537,801
Transfers from/(to) accumulated funds		
- Grants made	(3,037)	(311)
- Interest earned	79,920	45,451
Balance at end of the year	1,659,824	1,582,941

The Scout Association of Australia - New South Wales Branch

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Notes to the Financial Statements For the Year Ended 31 March 2024

17 Funds and Reserves (cont'd)

(c) Specific reserves (cont'd)

(iv) Designated Reserve

Established in the financial year 2020 to facilitate designating unexpended donations and unenforceable grants through the year in response to the adoption of AASB16 and AASB1058.

	2024	2023
	\$	\$
Balance at the beginning of the year	1,578,889	1,390,269
Transfers from accumulated funds	(277,374)	188,620
Balance at end of the year	1,301,515	1,578,889

(v) Insurance Claims Reserve (ICR)

This represents the balance of aggregate deductible on public liability insurance and old property insurance claims transferred from accruals and provisions.

Balance at the beginning of the year	1,000,000	1,000,000
Transfers from/(to) accumulated funds	-	-
Balance at end of the year	1,000,000	1,000,000

18 Financial Risk Management

Financial assets

Held at amortised cost

Cash and cash equivalents	10,654,099	12,478,128
Trade and other receivables	304,911	334,282
Financial assets	3,989,262	7,008,112

Fair value through profit or loss (FVTPL)

Financial assets	36,317,797	35,019,335
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Total financial assets

51,266,069	54,839,857
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Financial liabilities

Held at amortised cost

Trade and other payables	1,657,413	2,254,247
Interest bearing liabilities	1,170,578	1,095,160
Lease liabilities	3,128,547	3,199,964

Total financial liabilities

5,956,538	6,549,371
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19 Membership

At 31 March 2024 the number of members was 13,846 (2023: 15,980).

The Scout Association of Australia - New South Wales Branch

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Notes to the Financial Statements For the Year Ended 31 March 2024

20 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association and the Association is \$1,592,772 (2023: \$1,011,751).

21 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements	<u>64,380</u>	<u>58,500</u>

22 Contingencies

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 2024 have been included in these financial statements.

Apart from known claims, there is a risk that future unknown claims may be received from third parties alleging misconduct and/or negligence relating to historic events. Whilst it is probable that an outflow of resources embodying economic benefits will be required to settle future unknown claim obligations, the amount of the obligation cannot be measured with sufficient reliability due to uncertainties in the number of unknown claimants, the timing of cash outflows and the insurance underwriting year of the event.

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

23 Events After the End of the Reporting Period

The financial report was authorised for issue on 4 July 2024 by the Board of Directors.

No matters or circumstances have arisen since the end of the 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 years.

24 Statutory Information

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

The Scout Association of Australia - New South Wales Branch
Quad 3, Level 1, 102 Bennelong Parkway, Sydney Olympic Park NSW 2127

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Notes to the Financial Statements For the Year Ended 31 March 2024

25 Related Parties

(a) **The Association's main related parties are as follows:**

Key management personnel - refer to Note 20.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Names of Members of the Board of Directors are the following:

Mr Kerry McGoldrick, Chair
Mr Richard M. Hodge
Ms Renee C Burkinshaw
Mr Stuart J Thorpe
Mr Brett Grimmond
Ms Janet Hale
Mr Anthony Keenan
Mr Bernard Cronan (joined the Board on 3 October 2023)
Mt Nathan Leivesley
Mr Lloyd E K Nurthen
Ms Anthea C Cudworth
Mr Ronald (Anthony) Pritchard (left the Board on 15 July 2023)
Ms Claire J Geary (left the Board on 15 July 2023)
Mr Stephen J Fernie OAM (left the Board on 2 November 2023)
Ms Belinda Howell (left the Board on 13 April 2023)
Mr Neville Tomkins OAM JP (left the Board on 7 April 2023)

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.

	2024	2023
	\$	\$
Amounts 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	1,338,686	1,095,160
Affiliation fees were paid to The Scout Association of Australia, National Headquarters	311,002	314,794
Asset management fees were recharged to the various Scout Formations for their respective share of the costs.	917,129	861,772
The balance of unpaid accounts representing affiliation fees and other accounts due from various Scout Formations amounted to:	242,034	241,184
Outstanding loans provided to some Scout Formations to finance their hall improvements	203,286	215,160

The Scout Association of Australia - New South Wales Branch

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Notes to the Financial Statements For the Year Ended 31 March 2024

26 Fundraising Statement

	2024	2023
	\$	\$
Income:		
Other donations	-	-
Fund raising	10,058	66,268
Total fundraising income (a) (Note 4)	<u>10,058</u>	<u>66,268</u>
Expenses:		
Direct expenses paid and incurred	3,042	9,587
Total fundraising expense (b)	<u>3,042</u>	<u>9,587</u>
Net fundraising income (c)	<u>7,016</u>	<u>56,681</u>
Additional information:		
Direct cost of scouting activities and leader training (d)	16,116,995	13,802,774
Total expenditure (e)	36,234,640	29,971,247
Total income (f)	20,074,642	16,386,998
	%	%
Percentages:		
i) Total cost of fundraising (b)/Gross income from fundraising (a)	30.20	14.50
ii) Net surplus from fundraising (c)/Gross income from fundraising (a)	69.80	85.50
iii) Total cost of services (d)/Total Expenditure (e)	44.50	46.10
iv) Total cost of services (d)/Total Income Received (f)	80.30	84.20

Comparatives have been restated to be consistent with the current year classification.

The Scout Association of Australia - New South Wales Branch

ABN 42 460 434 054

Fundraising Statement

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 2024;
- 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 2024; 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 Australian Charities and Not-for-profits Commission (ACNC), 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 McGoldrick Board
Chair

Dated 4 July 2024

The Scout Association of Australia - New South Wales Branch


ABN 42 460 434 054


Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

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

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

Responsible person 
.....
Kerry McGoldrick

Responsible person 
.....
Stuart Thorpe

Dated 4 July 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SCOUT ASSOCIATION OF AUSTRALIA – NEW SOUTH WALES BRANCH

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 Association), which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion the financial report of the Association has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standard) (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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Other Information (cont'd)

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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

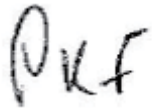
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

4 JULY 2024
SYDNEY, NSW