The Scout Association of Australia, South Australian Branch and controlled entity

ABN: 35 621 021 366

Consolidated Financial report

For the year ended 31 March 2020

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

COMMITTEES' REPORT

The Committee members present their report together with the financial report of the Group, being The Scout Association of Australia, South Australian Branch " Association" or "the parent" and its controlled entity, for the year ended 31 March 2020 and auditor's report thereon.

Committee members names

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

P Dickson	President
J Carter	Vice President, previously Young Adult
J Turbill	Chief Commissioner, previously Vice President
H Long	Chief Commissioner [Resigned 31 March 2020]
J Wall	Adult Leader [Appointed 19 July 2019]
J Bates	Adult Leader
A McCauley	Supporting Member
W Kirk	Supporting Member [Appointed 19 July 2019]
J Smart	Young Adult
G Wood	Supporting Member [Resigned 19 July 2019]
G Warnes	Adult Leader [Resigned 19 July 2019]
S Hill	Co-opted Member [Appointed 21 October 2019]
D Ryan	Chief Executive Officer

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

Results

The loss of the Group for the year amounted to $3,569,739 (2019: loss $1,012,984).

Review of operations

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

Significant changes in state of affairs

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

COMMITTEES' REPORT

Principal activities

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

After balance date events

COVID-19 has impacted the Group's ability to generate income during the 2020/21 year to date. However, cost reductions in the area of rent, wages, national membership fees and discretionary expenditure, and a reduction in finance costs payable by the Group have protected the financial position. The jobkeeper program and the Australian Government Cash flow boost have also been of significant assistance to the Group.

The Group is monitoring the developments in the COVID19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Group's go forward consolidated results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Group's future annual financial statements.

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

Likely developments

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

Environmental regulation

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

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

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

COMMITTEES' REPORT

Signed on behalf of the members of the committee.

Committee member: _____

P Dickson

Committee member: _____

J Carter

Dated this 30th day of June 2020

PITCHER PARTNERS

Level 1, 100 Hutt Street
Adelaide SA 5000

Postal Address
PO Box 7006 Hutt Street
Adelaide SA 5001

p. +61 8 8179 2800
e. reception@pitcher-sa.com.au

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

AUDITOR'S INDEPENDENCE DECLARATION

TO THE MEMBERS OF THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH AND CONTROLLED ENTITY

In relation to the independent audit for the year ended 31 March 2020, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and

(ii) No contraventions of any applicable code of professional conduct.

A P FAULKNER

Principal

Date: 1 July 2020

PITCHER PARTNERS

Adelaide

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 $	2019 $
Revenue and other income			
Revenue from contracts with customers	2	28,590,042	27,535,071
Other revenue	3	4,017,470	17,383,350
Other income	3	1,685,903	657,205
		34,293,415	45,575,626
Less: expenses			
Materials and consumables used		(16,888,427)	(16,282,325)
Employee benefits expense		(11,344,881)	(9,818,718)
Repairs and maintenance expense		(608,791)	(606,230)
Depreciation and amortisation expense		(2,186,305)	(1,187,653)
Loss in Market value of financial assets		(1,408,890)	(361,483)
Revaluation decrease of non-current assets		(39,797)	-
Lease expense		(32,529)	(753,844)
Impairment expenses - related party receivables		(100,000)	-
Advertising expense		(223,386)	(186,882)
Finance costs		(337,366)	(189,989)
Administration expense	4	(2,509,296)	(2,289,144)
Australian Jamboree		(202,003)	(12,027,129)
Other expenses		(1,849,999)	(2,885,213)
		(37,731,670)	(46,588,610)
Share of net losses of joint venture accounted for using the equity method		(131,484)	-
Loss before income tax expense	4	(3,569,739)	(1,012,984)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Revaluation decrease of jointly controlled asset		(884,470)	-
		(884,470)	-
Other comprehensive income for the year		(884,470)	-
Total comprehensive Loss		(4,454,209)	(1,012,984)

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 $	2019 $
Current assets			
Cash and cash equivalents	6	2,354,499	1,848,470
Receivables	7	1,391,259	2,606,100
Inventories	8	608,865	682,674
Other assets	13	322,903	377,490
Total current assets		4,677,526	5,514,734
Non-current assets			
Other financial assets	9	5,020,317	6,170,839
Equity accounted investments		-	21,035
Intangible assets	12	460,765	460,765
Lease assets	11	1,939,762	-
Property, plant and equipment	10	27,675,824	30,287,432
Total non-current assets		35,096,668	36,940,071
Total assets		39,774,194	42,454,805
Current liabilities			
Payables	14	1,471,698	1,663,806
Lease liabilities	11	964,769	-
Borrowings	15	6,147,184	842,765
Provisions	16	634,688	609,575
Other liabilities	17	38,363	89,053
Total current liabilities		9,256,702	3,205,199
Non-current liabilities			
Payables	14	67,413	113,109
Lease liabilities	11	1,086,173	-
Borrowings	15	884,800	6,186,448
Provisions	16	1,285,465	1,176,315
Total non-current liabilities		3,323,851	7,475,872
Total liabilities		12,580,553	10,681,071
Net assets		27,193,641	31,773,734
Members funds			
Reserves	18	883,187	1,769,870
Accumulated surplus	19	26,310,454	30,003,864
Total members funds		27,193,641	31,773,734

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Reserves $	Retained earnings $	Total equity $
Consolidated				
Balance as at 1 April 2018 as previously reported		3,127,574	29,659,144	32,786,718
Adjustment on change in accounting policy - adoption of AASB 9		(1,325,111)	1,325,111	-
Restated balance as at 1 April 2018		1,802,463	30,984,255	32,786,718
Balance as at 1 April 2018		1,802,463	30,984,255	32,786,718
Loss for the year		-	(1,012,984)	(1,012,984)
Total comprehensive income for the year		-	(1,012,984)	(1,012,984)
Transfers	18	(32,593)	32,593	-
Balance as at 31 March 2019		1,769,870	30,003,864	31,773,734
Balance as at 1 April 2019 as previously reported		1,769,870	30,003,864	31,773,734
Adjustment on adoption of AASB 16 Leases	1(t)	-	(125,884)	(125,884)
Restated balance as at 1 April 2019		1,769,870	29,877,980	31,647,850
Balance as at 1 April 2019		1,769,870	29,877,980	31,647,850
Loss for the year		-	(3,569,739)	(3,569,739)
Revaluation decrease of jointly controlled asset		(884,470)	-	(884,470)
Total comprehensive income for the year		(884,470)	(3,569,739)	(4,454,209)
Transfers		(2,213)	2,213	-
Balance as at 31 March 2020		883,187	26,310,454	27,193,641

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 $	2019 $
Cash flow from operating activities			
Receipts from customers		36,048,819	44,789,643
Payments to suppliers and employees		(37,210,388)	(45,408,708)
Dividends received		471,669	1,006,347
Interest received		71,356	38,634
Finance costs		(337,366)	(239,736)
Net cash provided by / (used in) operating activities		(955,910)	186,180
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		2,641,431	593,564
Proceeds from sale of investments		3,230,158	2,025,228
Payment for property, plant and equipment		(929,105)	(2,181,194)
Payment for investments		(3,326,203)	(2,871,780)
Payment for other non-current assets		-	(380,765)
Net cash provided by / (used in) investing activities		1,616,281	(2,814,947)
Cash flow from financing activities			
Proceeds from borrowings and equipment loans		889,296	4,054,099
Repayment of borrowings		(1,145,832)	(605,741)
Principal portion of lease payments		(25,188)	(182,984)
Net cash provided by / (used in) financing activities		(281,724)	3,265,374
Reconciliation of cash			
Cash at beginning of the financial year		1,587,406	950,799
Net increase in cash held		378,647	636,607
Cash at end of financial year	22(a)	1,966,053	1,587,406

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

(a) Basis of preparation of the financial report

Historical Cost Convention

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

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Going concern

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

The Group incurred a loss from ordinary activities of $3,569,739 during the year ended 31 March 2020.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern (Continued)

As described in note 15(a) the Group's bank facilities are due for review at 1 November 2020. The Group is dependent on continuing support from its bankers to maintain its operations. Although the outcome of the review at 1 November 2020 cannot be predicted with certainty, the committee are confident that these facilities will be renewed due to the following circumstances:

- During the year ended 31 March 2020 total assets exceeded total liabilities by $27,193,641 (2019: $31,773,734).
- During the year ended 31 March 2020 the Group maintained compliance with all its terms and conditions of bank borrowings.
- Current negotiations with the bankers do not indicate any negative outcome for the renewal of facilities.

The Group's budgets and forecasts for 2021 anticipate that the Group will have sufficient cash flows to operate within its borrowing limits for the next twelve months from the signing date of this financial report for the year ended 31 March 2020, assuming that the bank continues to provide support beyond 1 November 2020.

(c) Principles of consolidation

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue from contracts with customers

The Group derives revenue from sale of goods and provision of services such as sale of recyclable products and outdoor clothing equipment, course fees, camping fees, activity fees etc. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

Consideration included in the measurement of revenue

The consideration to be received from customers may include fixed amounts, variable amounts, or both. Where the contract includes a right to variable consideration, the Group estimates the amount of variable consideration using the most likely amount approach on a contract-by-contract basis. Variable consideration is included in the measurement of revenue only to the extent that it is highly probable, based on historical experience, that a significant reversal of the cumulative amount recognised will not occur when the uncertainty associated with the variability is subsequently resolved.

Receivables from contracts with customers

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

Accounting policy applicable to comparative period (31 March 2019)

Sale of Goods (commercial operations)

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Services (revenue from course, camping and activity fees)

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

(e) Other revenue and other income

Membership subscription fees

Membership fees are recognised as revenue when no significant uncertainty as to its collectability exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription.

Event income

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividend and other distributions

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

Interest

Interest revenue is measured in accordance with the effective interest method.

Rent

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

Insurance

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

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

(f) Contributions - Government Grants and Donations

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established.

When the entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

(g) Income tax

No provision for income tax has been raised as the Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) Inventories

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments

Initial recognition and measurement

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

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

Classification of financial assets

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

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

(a) the Group's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

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

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

Trade and other receivables

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets

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

(a) debt instruments measured at amortised cost; and

(b) receivables from contracts with customers, contract assets and lease receivables.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

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

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

(a) significant financial difficulty of the issuer or the borrower;

(b) breach of contract;

(c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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

(j) Property, plant and equipment

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

Property

Freehold land and buildings are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (Continued)

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

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

Jointly controlled assets

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

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

(k) Interests in joint arrangements

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

Joint ventures

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

(l) Intangible assets

Goodwill

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Intangible assets (Continued)

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

(m) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

(o) Leases

Accounting policy applied to the information presented for the current period under AASB 16 Leases:

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Leases (Continued)

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Accounting policy applied to the information presented for the prior period under AASB 117 Leases:

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the group are classified as finance leases. Finance leases are capitalised, recording an asset and liability equal to the fair value or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease, if this is practicable to determine; if not, the group's incremental borrowing rate is used. Interest expense on finance leases is included in finance costs in the statement of profit or loss and other comprehensive income. Lease assets are depreciated on a straight line basis over their estimated useful lives where it is likely the group will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period in accordance with the effective interest method.

Operating leases

Lease payments for operating leases are recognised as an expense on a straight-line basis over the term of the lease. Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(p) Employee benefits

(i) Short-term employee benefit obligations

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits (Continued)

(ii) Long-term employee benefit obligations

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

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

(q) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

(r) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

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

(s) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) New and revised accounting standards effective at 31 March 2020

The Group has applied relevant new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

AASB 16: Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

   i. investment property, the lessee applies the fair value model in AASB 140 *Investment Property* to the right-of-use asset; or

   ii. property, plant or equipment, the applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

In accordance with the transition requirements of AASB 16, the Group has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect, if any, of initially applying the new standard recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The Group has also elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to recognise each right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application;
- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value;

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) New and revised accounting standards effective at 31 March 2020 (Continued)

- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application;
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- to adjust each right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application;
- to exclude initial direct costs from the measurement of each right-of-use asset at the date of initial application; and
- to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The application of AASB 16 resulted in the recognition of right-of-use assets with an aggregate carrying amount of $1,871,055 (referred to in these financial statements as "lease assets") and corresponding lease liabilities with an aggregate carrying amount of $1,974,198. The initial impact on retained earnings amounted to $125,844. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities was 3.12%.

The following is a reconciliation of non-cancellable operating lease commitments disclosed at the end of the prior reporting period (i.e., at 31 March 2019) to the aggregate carrying amount of lease liabilities recognised at the date of the initial application (i.e., at 1 April 2019):

	$
Aggregate non-cancellable operating lease commitments at 31 March 2019	2,298,753
Less: impact of discounting lease payments to their present value at 1 April 2020	(508,895)
Plus: financial lease liabilities recognised at 31 March 2019	184,340
Carrying amount of lease liabilities recognised at 1 April 2020	1,974,198

Further details of the Group's accounting policy in relation to accounting for leases under AASB 16 are contained in Note 1(o) .

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

(a) creates enforceable rights and obligations between the parties; and

(b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) New and revised accounting standards effective at 31 March 2020 (Continued)

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

(a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;

(b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and

(c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the Group has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 April 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the Group's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(d) and Note 1(e) .

	Note	2020	2019
		$	$

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales income - recognised at a point in time		
Revenue from recycling activities	25,392,420	23,989,437
Revenue from retail activities	3,197,622	3,545,634
	28,590,042	27,535,071

NOTE 3: OTHER REVENUE AND OTHER INCOME

Other revenue		
Dividend income	471,669	1,006,347
Interest income	71,356	38,634
Donations	14,153	27,368
Grants	114,855	124,432
Membership and registration fees	362,251	361,835
Rent, hire and letting charges	911,251	1,065,994
Rental Income (Arena)	-	108,010
Insurance income	136,149	132,865
Australian Jamboree	73,313	12,154,015
Miscellaneous Income	104,197	119,208
Course, Camping and Activity fees	1,758,276	2,244,642
	4,017,470	17,383,350
Other Income		
Profit on sale of property, plant and equipment	1,336,265	544,270
Net profit on sale of investments	242,107	17,153
Unrealised profit on other non-current assets	-	4,058
Insurance recoveries	61,931	91,724
Jobkeeper Income	45,600	-
	107,531	91,724
	1,685,903	657,205

NOTE 4: OPERATING PROFIT

Losses before income tax has been determined after:

Rental expense on operating leases		
- Minimum lease payments	32,529	753,844

	Note	2020 $	2019 $
NOTE 4: OPERATING PROFIT (CONTINUED)			
Administration expenses			
- Administration		44,236	60,990
- Telephone		116,942	117,472
- IT and membership system expenses		372,153	295,859
- Insurance premiums		425,882	316,812
- Printing, postage and stationery		136,743	174,295
- Claims		112,539	84,474
- Donations		971	753
- Motor vehicle expenses - Repairs & Maintenance		802,176	753,591
- Travel		119,647	129,499
- Other Administration expenses		378,007	355,399
		2,509,296	2,289,144

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the group		
- short-term employee benefits	470,531	447,722
	470,531	447,722

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

Name	Appointment / resignation details
P Dickson	President
J Carter	Vice President, previously Young Adult
J Turbill	Chief Commissioner, previously Vice President
H Long	Chief Commissioner [Resigned 31 March 2020]
J Wall	Adult Leader [Appointed 19 July 2019]
J Bates	Adult Leader
A McCauley	Supporting Member
W Kirk	Supporting Member [Appointed 19 July 2019]
J Smart	Young Adult
G Wood	Supporting Member [Resigned 19 July 2019]
G Warnes	Adult Leader [Resigned 19 July 2019]
S Hill	Co-opted Member [Appointed 21 October 2019]
D Ryan	Chief Executive Officer

	Note	2020	2019
		$	$
NOTE 6: CASH AND CASH EQUIVALENTS			
Cash on hand		168,287	168,287
Cash at bank		2,186,212	1,680,183
		2,354,499	1,848,470
NOTE 7: RECEIVABLES			
CURRENT			
Receivables from contracts with customers		796,414	1,661,431
Other receivables		470,394	939,769
Amounts receivable from:			
- Arena Stadium Management Pty Ltd		124,451	4,900
		1,391,259	2,606,100
NOTE 8: INVENTORIES			
CURRENT			
At cost			
Finished goods		608,865	739,008
Write-downs		-	(56,334)
		608,865	682,674
NOTE 9: OTHER FINANCIAL ASSETS			
NON CURRENT			
Financial assets at fair value through profit or loss			
Shares in listed corporations		4,407,408	5,573,360
Shares in unlisted entities		125,102	125,060
Pendal Managed Cash Fund		99,000	108,000
Ken Maguire Trust		53,334	49,674
G J Ware Trust		286,410	265,085
DD Harris		49,063	49,660
Total financial assets at fair value through profit or loss		5,020,317	6,170,839

All financial assets at fair value through profit or loss are held for trading.

	Note	2020 $	2019 $
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
Land			
Freehold land			
At cost		13,077,271	14,079,784
Land and buildings - jointly controlled asset			
At cost		-	501,745
At valuation		1,450,000	1,950,000
Accumulated depreciation & Impairment		-	(61,978)
		1,450,000	1,888,022
Total land and buildings		1,450,000	2,389,767
Buildings			
At cost		10,602,310	10,788,893
Accumulated depreciation		(2,845,841)	(2,593,075)
		7,756,469	8,195,818
Total land and buildings		22,283,740	24,665,369
Plant and equipment			
Plant and equipment at cost		7,165,212	6,502,433
Accumulated depreciation		(4,187,567)	(3,727,505)
		2,977,645	2,774,928
Improvements at cost		716,009	702,049
Accumulated depreciation		(281,793)	(260,527)
		434,216	441,522
Motor vehicles at cost		4,234,057	4,187,028
Accumulated depreciation		(2,636,142)	(2,330,861)
		1,597,915	1,856,167
Capital Work in Progress		382,308	549,446
Total plant and equipment		5,392,084	5,622,063
Total property, plant and equipment		27,675,824	30,287,432

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Valuations

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

As at 31 March 2020, the fair value of Land and buildings - jointly controlled asset have been determined based on an independent valuation dated 31 March 2020 obtained from CBRE Valuations Pty Limited. The valuation was performed on a Market Capitalisation and Discounted Cash Flow Analysis basis. In assessing the Fair Value Hierarchy for the valuation approach for inputs, the independent valuer has categorised property as Level 2 under AASB13, Fair Value Measurement. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

The valuation as at 31 March 2020 includes the jointly controlled asset recorded at cost of $501,745 as at 31 March 2019 which was constructed by the Group subsequent to the last revaluation in the 2015 financial year. Hence, the asset at valuation amounting to $1,450,000 as of 31 March 2020 represents the total jointly controlled asset of $2,389,767 as at 31 March 2019..

Refer to Note 20 for additional information on the jointly controlled asset.

(b) Reconciliations

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

		2020 $	2019 $
Freehold land			
Opening carrying amount		14,079,784	12,775,539
Additions		4,799	1,325,602
Disposals		(1,007,312)	(21,357)
Closing carrying amount		13,077,271	14,079,784
Land and buildings - jointly controlled asset			
Opening carrying amount		2,389,767	1,903,542
Additions		-	501,745
Net revaluation decrements	18(a)	(924,267)	-
Depreciation expense		(15,500)	(15,520)
Closing carrying amount		1,450,000	2,389,767

	Note	2020 $	2019 $

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Reconciliations (Continued)

Buildings		
Opening carrying amount	8,195,818	8,100,468
Disposals	(155,261)	(9,037)
Depreciation expense	(284,088)	(275,282)
Transfer of capital work in progress	-	379,669
Closing carrying amount	7,756,469	8,195,818
Plant and equipment		
Opening carrying amount	2,774,928	1,411,998
Additions	327,450	1,372,037
Disposals	(48,189)	(1,134)
Depreciation expense	(538,159)	(430,976)
Transfer of capital work in progress	461,615	423,003
Closing carrying amount	2,977,645	2,774,928
Improvements		
Opening carrying amount	441,522	461,956
Additions	13,960	-
Depreciation expense	(21,266)	(20,434)
Closing carrying amount	434,216	441,522
Motor vehicles		
Opening carrying amount	1,856,167	1,479,870
Additions	288,419	911,355
Disposals	(42,081)	(91,995)
Depreciation expense	(436,283)	(443,063)
Reclassified as Leased Assets	(68,307)	-
Closing carrying amount	1,597,915	1,856,167
Capital work in progress		
Opening carrying amount	549,446	572,472
Additions	294,477	779,646
Transfer of capital work in progress	(461,615)	(802,672)
Closing carrying amount	382,308	549,446

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Property, plant and equipment pledged as security

Land and buildings with a book value of $6,994,930 (Bank valuation of $9,150,000) are secured by mortgage with Commonwealth Bank (Note 15(a)).

(d) Application of AASB 16: Leases

On the initial application of AASB 16 *Leases*, as at 1 April 2019, the carrying amount of equipment under finance lease arrangements was reclassified from 'Motor Vehicles' to 'lease assets'. Refer to Note 11 for further information about the Group's lease assets.

NOTE 11: LEASE ASSETS AND LEASE LIABILITIES

Lease arrangements (31 March 2020)

The following information relates to the current reporting period only, and is presented in accordance with AASB 16 *Leases* (which was applied by the Group for the first time in the current reporting period).

	2020 $
(a) Lease assets	
Right of Use Buildings	
Under lease	5,843,476
Accumulated depreciation	(4,138,005)
	1,705,471
Leased Motor vehicles	
Motor vehicles under lease	119,732
Accumulated depreciation	(51,425)
	68,307
Right of Use Office equipment	
Office equipment under lease	202,599
Accumulated depreciation	(36,615)
	165,984
Total carrying amount of lease assets	1,939,762

Reconciliations

Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:

NOTE 11: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)

Reconciliations (Continued)	**2020 $**
Right of Use Building	
Opening carrying amount	-
Additions	2,559,924
Depreciation	(854,453)
Closing carrying amount	1,705,471
Leased Motor Vehicles	
Opening carrying amount	-
Additions	92,253
Depreciation	(23,946)
Closing carrying amount	68,307
Right of Use Office equipment	
Opening carrying amount	-
Additions	202,599
Depreciation	(36,615)
Closing carrying amount	165,984

(b) Lease liabilities

CURRENT	
Right of Use Buildings	904,499
Right of Use Office equipment	39,632
Leased Motor Vehicles	20,638
	964,769
NON CURRENT	
Right of Use Building	901,439
Right of Use Office equipment	128,628
Leased Motor Vehicles	56,106
	1,086,173
Total carrying amount of lease liabilities	2,050,942

NOTE 11: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)

	2020 $
(c) Lease expenses and cash flows	
Interest expense on lease liabilities	73,229
Expense relating to variable lease payments not included in the measurement of lease liabilities	99,798
Expense relating to lease payments made for leases of 12-months or less (for which a lease asset and a lease liability has not been recognised)	62,105
Expense relating to lease payments made for leases of low value assets (for which a lease asset and a lease liability has not been recognised)	1,775
Depreciation expense on leased assets	915,014

(d) Non-cancellable operating lease arrangements (31 March 2019)

The following information relates to non-cancellable operating lease arrangements of the prior reporting period only, and is presented in accordance with the predecessor accounting standard AASB 117 Leases.

	2019 $
Future minimum lease payments to be made:	
- Not later than 1 year	954,662
- Later than 1 year and not later than 5 years	1,344,091
Aggregate lease payments contracted for at reporting date	2,298,753

	Note	2020 $	2019 $
NOTE 12: INTANGIBLE ASSETS			
Goodwill at cost		460,765	460,765

(a) Reconciliations

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

Goodwill at cost		
Opening balance	460,765	80,000
Additions - acquisition of Magill depot	-	380,765
Closing balance	460,765	460,765

NOTE 13: OTHER ASSETS	Note	2020 $	2019 $
CURRENT			
Prepayments		322,903	285,492
Accrued income		-	35,490
Accrued income - Australian Jamboree 2019		-	56,508
		322,903	377,490

NOTE 14: PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		518,928	1,260,315
Sundry creditors and accruals		952,770	403,491
		1,471,698	1,663,806
NON CURRENT			
Unsecured liabilities			
Airport Group Surplus Funds		-	45,696
Pt Pirie Group Surplus Funds		67,413	67,413
		67,413	113,109

NOTE 15: BORROWINGS			
CURRENT			
Unsecured liabilities			
Insurance finance funding		313,605	221,586
Secured liabilities			
Bank overdraft		388,446	261,064
Market Rate Loan		4,720,803	-
CBA Better Business Loan		450,000	-
Commercial Equipment loan		274,330	340,819
Hire purchase liability		-	19,296
		5,833,579	621,179
		6,147,184	842,765

	Note	2020 $	2019 $
NOTE 15: BORROWINGS (CONTINUED)			
NON CURRENT			
Secured liabilities			
Market rate loan		-	4,810,803
CBA Better Business Loan		-	250,000
Commercial equipment loan		884,800	1,048,902
Hire purchase liability		-	76,743
		884,800	6,186,448

(a) Assets pledged as security

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

Market rate loan obtained from Commonwealth Bank has an approved limit of $4,815,000 at an interest rate of 0.965% per annum and other fee of 2.15% with a combined total rate of 3.115% per annum, maturing on 1 November 2020 at which date the outstanding balance is fully repayable. The loan balance at 31 March 2020 was $4,720,803. This facility is subject to annual review. The Association intends to negotiate with the bank to extend the term of this facility beyond their current maturity date.

Better Business loan obtained from Commonwealth Bank has an approved limit of $450,000 at an interest rate of 4.19% per annum, maturing on 1 November 2020 at which date the outstanding balance is fully repayable. The loan balance at 31 March 2020 was $450,000. This facility is subject to annual review. The Association intends to negotiate with the bank to extend the term of this facility beyond their current maturity date.

As disclosed in Note 10, certain land and buildings of the Group are secured by mortgage with Commonwealth Bank.

NOTE 16: PROVISIONS

CURRENT			
Employee benefits	(a)	634,688	609,575
NON CURRENT			
Employee benefits	(a)	1,285,465	1,176,315
(a) Aggregate employee benefits liability		1,920,153	1,785,890

	Note	2020 $	2019 $
NOTE 17: OTHER LIABILITIES			
CURRENT			
Deferred income		21,495	16,460
Grants received in advance		16,868	72,593
		38,363	89,053
NOTE 18: RESERVES			
Asset revaluation reserve	18(a)	-	884,470
James Russell Fund	18(b)	5,244	5,244
DD Harris Fund	18(c)	49,063	49,660
G J Ware Trust	18(d)	775,546	780,822
Ken Maguire Trust	18(e)	53,334	49,674
		883,187	1,769,870

(a) Asset revaluation reserve

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

Following the independent valuation performed for jointly controlled asset -land & buildings as at 31 March 2020, total revaluation decrease of $924,267 (Note 10(a) and 10(b)) is recorded in this financial report out of which $884,470 is recorded against the previously recorded revaluation surplus and the remaining amount of $39,797 in the Consolidated Statement of Profit or Loss.

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

(b) James Russell Fund

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

Movements in reserve		
Opening balance	5,244	5,244
Closing balance	5,244	5,244

	Note	2020 $	2019 $

NOTE 18: RESERVES (CONTINUED)

(c) DD Harris Fund

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

Movements in reserve		
Opening balance	49,660	47,942
Transfers	(597)	1,718
Closing balance	49,063	49,660

(d) G J Ware Trust

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

Movements in reserve		
Opening balance	780,822	800,852
Transfers	(5,276)	(20,030)
Closing balance	775,546	780,822

(e) Ken Maguire Trust

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

Movements in reserve		
Opening balance	49,674	46,648
Transfers	3,660	3,026
Closing balance	53,334	49,674

NOTE 19: ACCUMULATED SURPLUS

Accumulated surplus at beginning of year	30,003,864	29,659,144
Prior period adjustments - adjustment on adoption of AASB 16 (2019: AASB 9)	(125,884)	1,325,111
Net Loss	(3,569,739)	(1,012,984)
Transfers from reserves	2,213	32,593
	26,310,454	30,003,864

NOTE 20: INTERESTS IN JOINT ARRANGEMENTS

(a) Associates and Joint Ventures

Joint arrangement	Nature of relationship	Ownership interest 2020 %	Ownership interest 2019 %	Measurement basis
Arena Stadium Management Pty Ltd	Joint venture	50	50	Equity accounted

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

(b) Summarised financial information for joint ventures

	Arena Stadium Management Pty Ltd $
2020	
Current assets	174,234
Non-current assets	911,397
Current liabilities	(1,306,531)
Non-current liabilities	-
Net assets	(220,900)
Revenue	932,611
Interest income	4
Expenses	(1,279,936)
Interest expense	(15,170)
Income tax expense	99,522
Loss from continuing operations	(262,969)
Total comprehensive loss	(262,969)
Reconciliation to carrying amount of interest in joint ventures:	
Opening net assets	42,069
Adjust: Current year loss	(262,969)
Add: Other comprehensive income	-
Closing net assets	(220,900)

NOTE 20: INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(b) Summarised financial information for joint ventures (Continued)

	Arena Stadium Management Pty Ltd $
Group's % share of net assets	50.0%
Group's share of net assets	(110,450)
Add: equity accounted investment	(21,035)
Less: loan receivable from Arena Stadium Management	131,485
Carrying amount of investment	-
2019	
Current assets	295,756
Non-current assets	924,605
Current liabilities	(1,035,671)
Non-current liabilities	(142,621)
Net assets	42,069
Revenue	2,268,645
Expenses	(2,263,517)
Income tax expense	(5,130)
Loss from continuing operations	(2)
Total comprehensive loss	(2)
Reconciliation to carrying amount of interest in joint ventures:	
Opening net assets	42,071
Current year profit	-
Add: Other comprehensive income	-
Closing net assets	42,071
Group's % share of net assets	50.0%
Group's share of net assets	21,035
Carrying amount of investment	21,035

NOTE 20: INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(c) Jointly controlled asset

During March 2013, the Association established Scouts Stadium Incorporated (100% controlled by the Association) for the purposes of acquiring 50% interest in the Titanium Security Arena.

An independent valuation of the Titanium Security Arena using the Market capitalisation and discounted cash flow basis was conducted by CBRE Valuations Pty Limited as at 31 March 2020. The valuation of the land and Building amounted to $2.9M. The Board of Scouts Stadium Incorporated resolved to revalue its 50% interest of this asset in accordance with valuation resulting in a decrease in value of $924,267 for the year ended 31 March 2020 (Note 10(a)).

NOTE 21: INTERESTS IN SUBSIDIARIES

(a) Subsidiaries

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

Subsidiary	Country of incorporation
Scouts Stadium Incorporated	Australia

During March 2013, the Association established Scouts Stadium Incorporated (100% controlled by the Association) for the purposes of acquiring 50% interest in the Titanium Security Arena. Refer Note 20 for details

NOTE 22: CASH FLOW INFORMATION

	2020 $	2019 $
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:		
Cash on hand	168,287	168,287
Cash at bank	2,186,212	1,680,183
Bank overdrafts	(388,446)	(261,064)
	1,966,053	1,587,406

NOTE 23: RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel of the entity or its parent and their personally related entities

	2020 $	2019 $
Mr H Long (Chief Commissioner) - Honorarium for reimbursement of expenses	32,592	30,450
Mr G Coates (Ex-President, Finance Committee member) - Mindvision Interactive Pty Ltd for IT Services provided to the Association	197,839	153,425
Mr G Coates (Ex-President, Finance Committee member) for IT Services provided to the Association	10,313	10,392
Ms J Turbill (Vice President) - Intuito Pty Ltd for advertising / marketing services provided to the Association	19,552	22,143
Sue Hill (Board Member) - Foster Hill for Public Relations Advice provided to the association	4,719	-

NOTE 24: CONTINGENT LIABILITIES

The Association has a contingent liability in respect of self-insurance of certain risks. The Association has elected to self-insure up to $10,000 per single claim (2019: $10,000 for total claims made). The Association has not provided guarantees during the year.

As an outcome of the Royal Commission into Institutional Responses to Child Sexual Abuse, the Commonwealth Redress Scheme was subsequently established, commencing 1 July 2018. The Association opted into the scheme on 18 June 2018 and is expected to have a liability.

NOTE 25: FAIR VALUE MEASUREMENT

(a) Fair Value Hierarchy

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

	Total
2020	**$**
Recurring fair value measurements	
Financial assets	
Financial assets at fair value through profit or loss	
Shares in listed corporations	4,407,408
Shares in unlisted corporations	125,102
Pendal Managed Cash Fund	99,000
Ken Maguire Trust	53,334
GJ Ware Trust	286,410
DD Harris	49,063
Total financial assets	5,020,317
Non-financial assets	
Revalued property, plant and equipment	
Land and buildings - jointly controlled asset	1,450,000
Total non-financial assets	1,450,000
2019	
Recurring fair value measurements	
Financial assets	
Financial assets at fair value through profit or loss	
Shares in listed corporations	5,573,360
Shares in unlisted corporations	125,060
Pendal Managed Cash Fund	108,000
Ken Maguire Trust	49,674
GJ Ware Trust	265,085
DD Harris	49,660
Total financial assets	6,170,839
Non-financial assets	
Revalued property, plant and equipment	
Land and buildings - jointly controlled asset	1,888,022
Total non-financial assets	1,888,022

NOTE 25: FAIR VALUE MEASUREMENT (CONTINUED)

(b) Valuation techniques and inputs used in level 2 fair value measurements

	Fair value $	Valuation technique	Description of valuation technique and inputs used
2020 **Fair value measurements** ***Non-financial assets*** *Revalued property, plant and equipment* Land and buildings - jointly controlled asset	1,450,000	Transaction price paid for an identical or a similar asset	Market Value of similar properties
	Fair value $	**Valuation technique**	**Description of valuation technique and inputs used**
2019 **Fair value measurements** ***Non-financial assets*** *Revalued property, plant and equipment* Land and buildings - jointly controlled asset	1,888,022	Transaction price paid for an identical or a similar asset	Market Value of similar properties

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE

COVID-19 has impacted the Group's ability to generate income during the 2020/21 year to date. However, cost reductions in the area of rent, wages, national membership fees and discretionary expenditure, and a reduction in finance costs payable by the Group have protected the financial position. The jobkeeper program and the Australian Government Cash flow boost have also been of significant assistance to the Group.

The Group is monitoring the developments in the COVID19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Group's go forward consolidated results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Group's future annual financial statements.

There has been no other matter or circumstance, which has arisen since 31 March 2020 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2020, of the Group, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 31 March 2020, of the Group.

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

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee declare that:

1. 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
2. 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*.

President: _____

P Dickson

Vice President: _____

J Carter

Dated this 30th day of June 2020

PITCHER PARTNERS

Level 1, 100 Hutt Street
Adelaide SA 5000

Postal Address
PO Box 7006 Hutt Street
Adelaide SA 5001

p. +61 8 8179 2800
e. reception@pitcher-sa.com.au

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH
AND CONTROLLED ENTITY

Opinion

We have audited the financial report of The Scout Association of Australia, South Australian Branch ''the Registered Entity'' and its controlled entity, "the Group", which comprises the consolidated statement of financial position as at 31 March 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in members funds and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the Committee.

In our opinion, the accompanying financial report of the Registered Entity, is 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 Group's financial position as at 31 March 2020 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH
AND CONTROLLED ENTITY

Other Information

The Committee is responsible for the other information. The other information comprises the Committee's Report which was obtained by the date of our audit report, and any additional other information included in the Group's annual report for the year ended 31 March 2020, 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. Annual report is yet to be finalised at the date of this report.

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgment to determine the appropriate action to take.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the Reduced Disclosure Requirements financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

Auditor's Responsibilities for the Audit of the Financial Report (Continued.)

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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 Committee 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 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.

A P FAULKNER

Principal

Date: 1 July 2020

PITCHER PARTNERS

Adelaide