

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

ABN: 35 621 021 366

**Consolidated Financial Report**

For the six months ended 30 September 2021

**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES**

**ABN: 35 621 021 366**

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**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES**

**ABN: 35 621 021 366**

**COMMITTEES' REPORT**

The Committee members present their report together with the Financial Report of the Association, being The Scout Association of Australia, South Australian Branch Incorporated ("the Parent") and its controlled entities, for the six months ended 30 September 2021 and the Auditor's Report thereon.

**Committee members names**

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

P Dickson APM	President
J Carter	Vice President - Resigned 17 September 2021
S Gray	Vice President - Appointed 17 September 2021
J Turbill	Chief Commissioner
J Wall	Adult Leader
J Bates	Adult Leader
W Kirk	Supporting Member
J Smart	Board Member - Resigned 17 September 2021
M Warne	Board Member - Appointed 17 September 2021
S Hill	Supporting Member
R Wilson	Chief Executive Officer -Appointed 16 August 2021
L Blight	Co-opted Member - Appointed 19 October 2020
K Affleck	Young Adult - Appointed 31 July 2020
S Hastwell	Acting CEO - Appointed 9 November 2020 - 15 August 2021

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

**Results**

The deficit of the Association for the year amounted to \$1,178,638 (March 2021: Surplus \$2,318,486).

**Review of operations**

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

**Significant changes in state of affairs**

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

**Principal activities**

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

**Coronavirus pandemic (COVID-19)**

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

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

To address and mitigate the negative effects the Association received the federal government cashflow boost and JobKeeper stimulus in 2020, and undertook a number of cost saving initiatives.

Membership fee relief was also provided to members from 1 May 2020 - 30 April 2021 to assist them financially and to improve retention.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

COMMITTEES' REPORT

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

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

**After balance date events**

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

**Likely developments**

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

**Environmental regulation**

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

**Auditor's independence declaration**

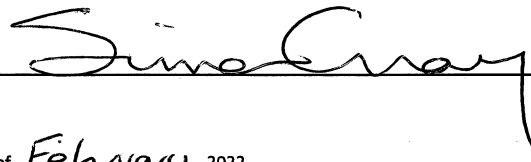
A copy of the Auditor's Independence Declaration in relation to the audit for the financial year is provided with this report.

Signed on behalf of the committee.

Committee member:



Committee member:

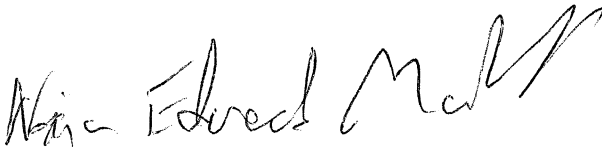


Dated this 21<sup>st</sup> day of February 2022

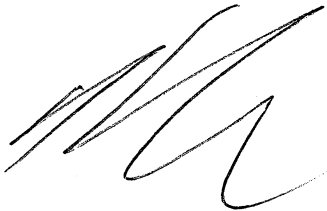
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE MEMBERS OF THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH AND CONTROLLED ENTITY**

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

As lead audit partner for the audit of the financial statements of The Scout Association of Australia, South Australian Branch for the 6 months ended 30 September 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall  
Chartered Accountants



Jamie Dreckow  
Partner

Adelaide  
South Australia

2A

February 2022

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Note	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
		\$	\$
<b>Revenue</b>			
Revenue from contracts with customers	2	17,375,522	29,950,918
Other revenue	2	1,427,565	7,503,470
		<u>18,803,087</u>	<u>37,454,388</u>
<b>Less: expenses</b>			
Materials and consumables used		(8,836,896)	(16,087,914)
Employee benefits		(5,347,104)	(10,668,178)
Repairs and maintenance		(265,738)	(487,497)
Depreciation		(596,870)	(1,219,248)
ROU asset amortisation		(447,892)	(1,039,285)
Fair value movement on financial assets held at fair value		-	-
Impairment of equity accounted investments		-	-
Impairment expenses - related party receivables		57,485	(226,766)
Advertising		(34,752)	(113,409)
Finance costs		(92,390)	(279,475)
Administration	3	(1,171,681)	(2,059,949)
Responsibility to our survivors	3	(1,768,710)	(1,194,098)
Other expenses		(1,278,174)	(1,604,894)
		<u>(19,782,722)</u>	<u>(34,980,713)</u>
Share of net losses of joint venture accounted for using the equity method		(199,003)	(155,189)
<b>Surplus/(Deficit) before income tax expense</b>		<u>(1,178,638)</u>	<u>2,318,486</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income/(loss)</b>		<u>(1,178,638)</u>	<u>2,318,486</u>

The accompanying notes form part of these financial statements.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021

	Note	Sep-21	Mar-21
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	4	3,419,654	4,030,845
Trade and other receivables	5	1,306,967	1,376,088
Contract assets	6	243,761	211,099
Inventories	7	513,504	496,925
Financial assets	8	6,727,618	6,377,486
Other assets	9	60,261	300,791
Non-current assets classified as held for sale	10	-	1,435,079
<b>Total current assets</b>		<b>12,271,765</b>	<b>14,228,313</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	25,642,032	25,333,738
ROU assets	12	1,645,645	2,130,852
Intangible assets	13	742,301	460,765
<b>Total non-current assets</b>		<b>28,029,978</b>	<b>27,925,355</b>
<b>Total assets</b>		<b>40,301,743</b>	<b>42,153,668</b>
<b>Current liabilities</b>			
Trade and other payables	14	2,270,838	1,443,453
Contract liabilities	15	857,598	569,075
Borrowings	16	4,689,196	5,641,553
Lease liabilities	17	534,289	705,528
Provisions	18	1,684,854	1,948,543
<b>Total current liabilities</b>		<b>10,036,775</b>	<b>10,308,152</b>
<b>Non-current liabilities</b>			
Borrowings	16	637,903	678,025
Lease liabilities	17	1,151,059	1,507,012
Provisions	18	142,517	148,351
<b>Total non-current liabilities</b>		<b>1,931,479</b>	<b>2,333,388</b>
<b>Total liabilities</b>		<b>11,968,254</b>	<b>12,641,540</b>
<b>Net assets</b>		<b>28,333,489</b>	<b>29,512,128</b>
<b>Equity</b>			
Reserves	19	937,084	904,532
Accumulated surplus		27,396,405	28,607,595
<b>Total equity</b>		<b>28,333,489</b>	<b>29,512,127</b>

The accompanying notes form part of these financial statements.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Note	Reserves \$	Accumulated Surplus \$	Total Equity \$
<b>Balance as at 1 April 2020</b>	883,187	26,310,454	27,193,641
Deficit for the year	-	2,318,486	2,318,486
Total comprehensive (loss)	-	2,318,486	2,318,486
Transfers	21,345	(21,345)	-
<b>Balance as at 31 March 2021</b>	<b>904,532</b>	<b>28,607,595</b>	<b>29,512,127</b>
<b>Balance as at 1 April 2021</b>	904,532	28,607,595	29,512,127
Deficit for the year	-	(1,178,638)	(1,178,638)
Total comprehensive income for the year	-	(1,178,638)	(1,178,638)
Transfers	32,552	(32,552)	-
<b>Balance as at 30 September 2021</b>	<b>937,084</b>	<b>27,396,405</b>	<b>28,333,489</b>

The accompanying notes form part of these financial statements.



THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Note	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
<b>Cash flow from operating activities</b>		
Receipts from customers	17,869,500	37,758,334
Payments to suppliers and employees	(18,053,701)	(35,008,165)
Dividends received	235,281	222,731
Interest received	40,258	34,411
Finance costs	(92,390)	(200,001)
Interest on lease liabilities	(9,060)	(79,474)
<b>Net cash provided by operating activities</b>	<u>(10,112)</u>	<u>2,727,837</u>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	2,307,923	1,242,399
Proceeds from sale of investments	1,616,042	2,301,471
Payment for property, plant and equipment	(1,369,821)	(1,086,693)
Payment for investments	(1,714,626)	(1,727,485)
<b>Net cash provided by investing activities</b>	<u>839,518</u>	<u>729,692</u>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	18,896	774,297
Repayment of borrowings	(1,011,375)	(1,098,257)
Repayment of lease liabilities	(448,118)	(1,068,777)
<b>Net cash used in financing activities</b>	<u>(1,440,597)</u>	<u>(1,392,737)</u>
<b>Reconciliation of cash</b>		
Cash at the beginning of the financial year	4,030,845	1,966,053
Net increase in cash held	(611,191)	2,064,792
<b>Cash at the end of financial year</b>	<u>22</u> <u>3,419,654</u>	<u>4,030,845</u>

The accompanying notes form part of these financial statements.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements have been rounded to the nearest dollar.

**(a) Basis of preparation of the financial report**

*Historical cost convention*

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

*Critical accounting estimates*

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(b) Going concern**

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

The Association generated a deficit from ordinary activities of \$1,178,638 during the period ended 30 September 2021.

As described in Note 16 (a) the Association's bank facilities were reviewed at 8 November 2021 and the Association successfully negotiated with the bank to extend the term of this facility beyond their current maturity date for a further 2 years and 7 months to June 2024. This facility is subject to annual review.

The Association's budgets and forecasts for 2022 anticipate that the Association will have sufficient cash flows to operate within its borrowings limits for the next twelve months from the signing date of these financial statements for the six months ended 30 September 2021.

**(c) Principles of consolidation**

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

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) Principles of consolidation (cont)

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

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

(d) Revenue

*Revenue from contracts with customers*

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

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

*Sale of goods*

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Revenue (cont)

*Rendering of services*

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

*Membership subscription fees*

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

*Event income*

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

*Dividend and other distributions*

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

*Interest*

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

*Rent*

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

*Insurance*

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

*Grants*

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

*Donations*

Donations are recognised at the time the pledge is received.

*Other revenue*

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

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(e) Income tax**

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

**(f) Current and non-current classification**

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

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

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

**(g) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(h) Trade and other receivables**

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

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

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

**(i) Contract assets**

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Inventories

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

(k) Financial instruments

*Initial recognition and measurement*

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

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

*Classification of financial assets*

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

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

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

*Classification of financial liabilities*

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

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

*Impairment of financial assets*

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

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Financial instruments (cont)

The Association applied the simplified approach to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables.

The Association determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses for the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

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

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

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

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

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

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

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



THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

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

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

(m) Property, plant and equipment

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

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

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

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

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

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

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

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

(n) ROU assets

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) ROU assets (cont)

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

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

(o) Interests in joint arrangements

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

*Joint ventures*

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

(p) Intangible assets

*Goodwill*

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

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

(q) Impairment of non-financial assets

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

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

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

**(r) Trade and other payables**

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

**(s) Contract liabilities**

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

**(t) Provisions**

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

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

**(u) Leases liabilities**

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

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

**(v) Employee benefits**

*Short-term employee benefits*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

*Long-term employee benefits*

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

**THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES**

**ABN: 35 621 021 366**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(w) Goods and services tax (GST)**

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

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

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

**(x) Comparatives**

The entity changed its reporting period to 30 September in 2021. Therefore, these financial statements are for the 6 months ended 30 September 2021 and the comparative figures are for the 12 months ended 31 March 2021.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(y) Key judgements, estimates and assumptions

*Coronavirus (COVID-19) pandemic*

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

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement.

It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Estimation of useful lives of assets*

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

*Goodwill*

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

*Lease term*

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

*Incremental borrowing rate*

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

*Employee benefits provision*

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

*Fair value measurement hierarchy*

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

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021 \$	12 Months Ended 31 March 2021 \$
<b>NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
<i>Revenue from contracts with customers</i>		
Sale of goods	15,114,184	27,490,892
Fees and charges	1,802,782	2,282,079
Grants	458,556	177,947
	<u>17,375,522</u>	<u>29,950,918</u>
<i>Other revenue</i>		
Dividends	235,281	222,731
Interest	40,258	34,411
Donations	7,812	210,641
Insurance Premiums	98,965	213,384
Insurance recoveries	5,791	36,078
Gain on sale of property, plant and equipment	731,482	467,947
Fair value movement on financial assets held at fair value	251,548	1,931,155
JobKeeper stimulus	-	4,140,450
Cashflow Boost stimulus	-	100,000
Other	56,428	146,673
	<u>1,427,565</u>	<u>7,503,470</u>
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
Recycling activities	13,822,707	25,282,767
Retail activities	1,291,477	2,208,125
Course, camping and activity fees	1,050,160	1,491,310
Rent, hire and letting charges	616,710	657,976
Membership and registration fees	135,912	132,793
Grants	458,556	177,947
	<u>17,375,522</u>	<u>29,950,918</u>



THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

6 Months Ended 30 September 2021  
12 Months Ended 31 March 2021  
\$ \$

NOTE 3: EXPENSES

Surplus before income tax has been determined after:

Leases

- Variable lease payments	-	-
- Short-term lease payments	-	-
- Low-value lease payments	-	-
	<u>-</u>	<u>-</u>

Finance costs

- Interest on borrowings	83,330	200,001
- Interest on lease liabilities	9,060	79,474
	<u>92,390</u>	<u>279,475</u>

Administration

- Administration	20,944	11,535
- Telecommunications	65,272	105,108
- IT and membership systems	192,354	353,130
- Free Fun Home Delivered program	2,754	66,008
- Insurance premiums	243,132	504,690
- Printing, postage and stationery	43,861	74,793
- Claims	4,903	44,881
- Donations	-	376
- Motor vehicle expenses - repairs and maintenance	407,075	606,043
- Travel	25,083	54,550
- Other administration	166,303	238,835
	<u>1,171,681</u>	<u>2,059,949</u>

Responsibility to our survivors

- Claims paid and payable through the National Redress Scheme and directly to survivors	1,768,710	1,194,098
	<u>1,768,710</u>	<u>1,194,098</u>

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

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	164,970	164,970
Cash at bank	3,254,684	3,865,875
	<u>3,419,654</u>	<u>4,030,845</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Receivables from contracts with customers	1,159,487	1,092,962
Less: Provision for impairment	(313,504)	(296,034)
Other receivables	460,984	425,935
Amounts receivable from:		
- Arena Stadium Management Pty Ltd	-	210,711
Less: Provision for impairment	-	(57,486)
	<u>1,306,967</u>	<u>1,376,088</u>
<b>NOTE 6: CONTRACT ASSETS</b>		
CURRENT		
Contract assets	<u>243,761</u>	<u>211,099</u>
	<u>243,761</u>	<u>211,099</u>
<b>NOTE 7: INVENTORIES</b>		
CURRENT		
<i>At cost</i>		
Finished goods	<u>513,504</u>	<u>496,925</u>
	<u>513,504</u>	<u>496,925</u>
<b>NOTE 8: FINANCIAL ASSETS</b>		
CURRENT		
<i>Financial assets at fair value through profit or loss</i>		
Shares in listed corporations	5,806,266	5,548,980
Investment in unlisted entities	10,036	9,062
Pendal Managed Cash Fund	470,000	410,000
Ken Maguire Trust	60,013	55,850
G J Ware Trust	319,626	296,195
DD Harris	61,677	57,399
Total financial assets at fair value through profit or loss	<u>6,727,618</u>	<u>6,377,486</u>
All financial assets at fair value through profit or loss are held for trading.		
<b>NOTE 9: OTHER ASSETS</b>		
CURRENT		
Prepayments	<u>60,261</u>	<u>300,791</u>
	<u>60,261</u>	<u>300,791</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
<b>NOTE 10: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Land and buildings - jointly controlled asset	-	1,435,079
	-	1,435,079
The land and buildings - jointly controlled asset was settled on 18 May 2021.		
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land</b>		
At cost	12,475,671	12,480,171
<b>Land and buildings - jointly controlled asset - reclassified as Held for sale in 2021</b>		
At valuation	-	-
	-	-
Total land and buildings	12,475,671	12,480,171
<b>Buildings</b>		
At cost	11,602,374	10,552,423
Accumulated depreciation	(3,206,127)	(3,081,153)
	8,396,247	7,471,270
Total land and buildings	20,871,918	19,951,441
<b>Plant and equipment</b>		
Plant and equipment at cost	7,305,922	7,075,866
Accumulated depreciation	(4,496,845)	(4,318,295)
	2,809,077	2,757,571
Improvements at cost	716,009	716,009
Accumulated depreciation	(314,385)	(303,521)
	401,624	412,488

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Note	6 Months Ended 30 September 2021 \$	12 Months Ended 31 March 2021 \$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT)</b>		
Motor vehicles at cost	4,264,389	4,470,265
Accumulated depreciation	(2,880,443)	(3,003,288)
	<u>1,383,946</u>	<u>1,466,977</u>
Capital work in progress	175,467	745,261
Total plant and equipment	<u>4,770,114</u>	<u>5,382,297</u>
Total property, plant and equipment	<u>25,642,032</u>	<u>25,333,738</u>

**(a) Reconciliations**

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

*Freehold land*

Opening carrying amount	12,480,171	13,077,271
Additions	-	-
Disposals	(4,500)	(597,100)
Closing carrying amount	<u>12,475,671</u>	<u>12,480,171</u>

*Land and buildings - jointly controlled asset*

Opening carrying amount	-	1,450,000
Depreciation expense	-	(14,921)
Transfer to assets held for sale	-	(1,435,079)
Closing carrying amount	<u>-</u>	<u>-</u>

*Buildings*

Opening carrying amount	7,471,270	7,756,469
Additions	5,508	-
Disposals	(10,461)	(74,564)
Depreciation expense	(128,014)	(260,635)
Transfer of capital work in progress	1,057,944	50,000
Closing carrying amount	<u>8,396,247</u>	<u>7,471,270</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

6 Months Ended 30 September 2021  
12 Months Ended 31 March 2021  
\$ \$

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT)

(a) Reconciliations (cont)

*Plant and equipment*

Opening carrying amount	2,757,571	2,977,645
Additions	279,838	200,938
Disposals	(7,384)	(2,238)
Depreciation expense	(220,948)	(496,344)
Transfer of capital work in progress	-	77,570
Closing carrying amount	<u>2,809,077</u>	<u>2,757,571</u>

*Improvements*

Opening carrying amount	412,488	434,216
Additions	-	-
Disposals	-	-
Depreciation expense	(10,864)	(21,728)
Closing carrying amount	<u>401,624</u>	<u>412,488</u>

*Motor vehicles*

Opening carrying amount	1,466,977	1,597,915
Additions	273,031	308,044
Disposals	(162,743)	(15,362)
Depreciation expense	(193,319)	(423,620)
Closing carrying amount	<u>1,383,946</u>	<u>1,466,977</u>

*Capital work in progress*

Opening carrying amount	745,261	382,308
Additions	811,444	495,864
Disposals	-	-
Depreciation expense	-	-
Transfers of capital work in progress	(1,381,238)	(132,911)
Closing carrying amount	<u>175,467</u>	<u>745,261</u>

(c) Property, plant and equipment pledged as security

Land and buildings with a book value of \$7,633,826 (bank valuation of \$10,670,000) are secured by mortgage with Commonwealth Bank (Note 16(a)).

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 12: ROU ASSETS	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
Land and buildings	6,342,662	6,421,045
Accumulated amortisation	(4,803,913)	(4,415,650)
	<u>1,538,749</u>	<u>2,005,395</u>
Motor vehicles	-	-
Accumulated amortisation	-	-
	<u>-</u>	<u>-</u>
Office equipment	202,135	202,599
Accumulated amortisation	(95,239)	(77,142)
	<u>106,896</u>	<u>125,457</u>
Total carrying amount of ROU assets	<u>1,645,645</u>	<u>2,130,852</u>

**Reconciliations**

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

<i>Right of use buildings</i>		
Opening carrying amount	2,005,394	1,705,471
Additions	-	1,319,169
Modifications	(37,314)	(20,489)
Amortisation	(429,331)	(998,757)
Closing carrying amount	<u>1,538,749</u>	<u>2,005,394</u>
<i>Leased motor vehicles</i>		
Opening carrying amount	-	68,307
Additions	-	-
Modifications	-	(66,311)
Amortisation	-	(1,996)
Closing carrying amount	<u>-</u>	<u>-</u>
<i>Right of use office equipment</i>		
Opening carrying amount	125,457	165,984
Additions	-	-
Amortisation	(18,561)	(40,527)
Closing carrying amount	<u>106,896</u>	<u>125,457</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
<b>NOTE 13: INTANGIBLE ASSETS</b>		
Goodwill at cost	460,765	460,765
New Youth Program	323,295	-
Accumulated amortisation	(41,759)	-
	<u>742,301</u>	<u>460,765</u>

**(a) Reconciliations**

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

<i>Goodwill at cost</i>		
Opening balance	460,765	460,765
Closing balance	<u>460,765</u>	<u>460,765</u>

**NOTE 14: TRADE AND OTHER PAYABLES**

CURRENT

<i>Unsecured liabilities</i>		
Trade payables	753,830	688,800
Sundry payables and accruals	608,108	754,653
Provision for Compensation	849,000	-
Arena Stadium Management Pty Ltd	59,900	-
	<u>2,270,838</u>	<u>1,443,453</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
<b>NOTE 15: CONTRACT LIABILITIES</b>		
CURRENT		
Contract liabilities	857,598	569,075
	<u>857,598</u>	<u>569,075</u>
<b>NOTE 16: BORROWINGS</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Insurance finance funding	-	202,135
	<u>-</u>	<u>202,135</u>
<i>Secured liabilities</i>		
Bank overdraft	-	-
Market rate loan	3,945,803	4,535,803
CBA better business loan	450,000	450,000
Commercial equipment loan	293,393	453,615
	<u>4,689,196</u>	<u>5,439,418</u>
	<u>4,689,196</u>	<u>5,641,553</u>
NON-CURRENT		
<i>Secured liabilities</i>		
Commercial equipment loan	637,903	678,025
	<u>637,903</u>	<u>678,025</u>



THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

(a) Assets pledged as security

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

Market rate loan obtained from the Commonwealth Bank has an approved limit of \$4,720,000 at an interest rate of 0.06% per annum and other fee of 1.90% with a combined total rate of 1.96% per annum, maturing on 8 November 2021 at which date the outstanding balance is fully repayable. The loan balance at 30 September 2021 was \$3,945,803. This facility is subject to annual review. The Association negotiated with the bank to extend the term of this facility beyond their current maturity date for a further 2 years and 7 months to June 2024.

Better Business loan obtained from Commonwealth Bank has an approved limit of \$450,000 at an interest rate of 3.19% per annum, maturing on 1 November 2021 at which date the outstanding balance is fully repayable. The loan balance at 30 September 2021 was \$450,000.

The Association negotiated with the bank to cancel this facility and add the balance outstanding to the market rate loan on 16 November 2021.

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

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
<b>NOTE 17: LEASE LIABILITIES</b>		
<b>CURRENT</b>		
Land and buildings	489,841	664,659
Office equipment	44,448	40,869
Motor vehicles	-	-
	<u>534,289</u>	<u>705,528</u>
<b>NON CURRENT</b>		
Land and buildings	1,084,753	1,418,765
Office equipment	66,306	88,247
Motor vehicles	-	-
	<u>1,151,059</u>	<u>1,507,012</u>
Total carrying amount of lease liabilities	<u>1,685,348</u>	<u>2,212,540</u>
<b>NOTE 18: PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits	1,684,854	1,948,543
<b>NON-CURRENT</b>		
Employee benefits	142,517	148,351
Total carrying amount of provisions	<u>1,827,371</u>	<u>2,096,894</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
<b>NOTE 19: RESERVES</b>		
James Russell Fund	5,244	5,244
DD Harris Fund	61,677	57,399
G J Ware Trust	810,151	786,039
Ken Maguire Trust	60,012	55,850
	<u>937,084</u>	<u>904,532</u>

**(a) James Russell Fund**

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

*Movement in reserve*

Opening balance	5,244	5,244
Closing balance	<u>5,244</u>	<u>5,244</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$

NOTE 19: RESERVES (CONT)

(b) DD Harris Fund

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

*Movement in reserve*

Opening balance	57,399	49,063
Transfers	4,278	8,336
Closing balance	<u>61,677</u>	<u>57,399</u>

(c) G J Ware Trust

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

*Movement in reserve*

Opening balance	786,039	775,546
Transfers	24,112	10,493
Closing balance	<u>810,151</u>	<u>786,039</u>

(d) Ken Maguire Trust

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

*Movement in reserve*

Opening balance	55,850	53,334
Transfers	4,162	2,516
Closing balance	<u>60,012</u>	<u>55,850</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 20: INTERESTS IN JOINT ARRANGEMENTS

(a) Associates and Joint Ventures

Joint arrangement	Nature of	Ownership interest		Measurement basis
		Sep-21 %	Mar-21 %	
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

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
Current assets	(30,017)	21,897
Non-current assets	-	683,217
Current liabilities	(89,783)	(1,236,392)
Non-current liabilities	-	-
<b>Net assets</b>	<b>(119,800)</b>	<b>(531,278)</b>
Revenue	68,044	613,664
Interest income	-	-
Expenses	(465,498)	(822,311)
Interest expense	(553)	(21,518)
Income tax expense	-	(80,214)
Loss	(398,007)	(310,379)
<b>Total comprehensive loss</b>	<b>(398,007)</b>	<b>(310,379)</b>
Reconciliation to carrying amount of interest in joint ventures:		
Opening net assets	(531,279)	(220,900)
Adjust: Current year loss	(398,007)	(310,379)
Adjust: Shareholder Contribution	809,486	-
Closing net assets	<b>(119,800)</b>	<b>(531,279)</b>

Following the settlement of the Arena in May 2021, all external liabilities of the company were settled or provided for and the Associations share of the excess proceeds returned. These proceeds were sufficient to cover the carrying value of the Associations interest in the Arena Land and Buildings.

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

**NOTE 21: INTEREST IN SUBSIDIARIES**

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

Subsidiary	Country of incorporation
Scouts Stadium Incorporated	Australia

**NOTE 22: CASH FLOW INFORMATION**

**Reconciliation of cash**

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

		6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	Note	\$	\$
Cash on hand	4	164,970	164,970
Cash at bank	4	3,254,684	3,865,875
Bank overdraft	16	-	-
		<u>3,419,654</u>	<u>4,030,845</u>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
	\$	\$
<b>NOTE 23: RELATED PARTY TRANSACTIONS</b>		
Transactions with key management personnel of the entity or its parent and their personally related entities		
Ms J Turbill (Chief Commissioner) - Honorarium for reimbursement of expenses	25,000	50,000
Mr G Coates AM (Finance Committee member) - Mindvision Interactive Pty Ltd for IT Services provided to the Association	85,385	129,649
Mr G Coates AM ( Finance Committee member) for IT Services provided to the Association	5,196	10,392
Mr J Smart (Young Adult) - Smart Event Management for Audio & Visual Services provided to the Association	3,750	3,550
Ms S Hill (Supporting Member) - Foster Hill for Public Relations Advice provided to the Association	3,630	9,559
<b>NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Compensation received by key management personnel of the Association		
- Short-term employee benefits	224,223	461,567
	<u>224,223</u>	<u>461,567</u>

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

Name	Appointment / resignation details
P Dickson APM	President
J Carter	Vice President - Resigned 17 September 2021
S Gray	Vice President - Appointed 17 September 2021
J Turbill	Chief Commissioner
J Wall	Adult Leader
J Bates	Adult Leader
W Kirk	Supporting Member
J Smart	Board Member - Resigned 17 September 2021
M Warne	Board Member - Appointed 17 September 2021
S Hill	Supporting Member
R Wilson	Chief Executive Officer - Appointed 16 August 2021
L Blight	Co-opted Member
K Affleck	Young Adult
S Hastwell	Acting CEO - Appointed 9 November 2020 - 15 August 2021

**NOTE 25: 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 (March 2021: \$10,000 for total claims made). The Association has not provided guarantees during the year.

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

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

NOTE 26: FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

	Level	6 Months Ended 30 September 2021 \$	12 Months Ended 31 March 2021 \$
<b>Financial assets</b>			
<i>Financial assets at fair value through profit or loss</i>			
Shares in listed corporations	1	5,806,266	5,548,980
Investment in unlisted entity	2	10,036	9,062
Pendal Managed Cash Fund	1	470,000	410,000
Ken Maguire Trust	1	60,013	55,850
G J Ware Trust	1	319,626	296,195
DD Harris	1	61,677	57,399
<b>Total financial assets</b>		<b>6,727,618</b>	<b>6,377,486</b>
<b>Non-financial assets</b>			
<i>Revalued property, plant and equipment</i>			
Land and buildings - jointly controlled asset	2	-	1,435,079
<b>Total non-financial assets</b>		<b>-</b>	<b>1,435,079</b>

THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

**NOTE 27: CORONAVIRUS PANDEMIC (COVID-19)**

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

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

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

Membership fee relief in 2020 was also provided to members from 1 May 2020 to 30 April 2021 to assist them financially and to improve retention.

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

**NOTE 28: EVENTS SUBSEQUENT TO REPORTING DATE**

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

	6 Months Ended 30 September 2021	12 Months Ended 31 March 2021
<b>NOTE 29: PARENT ENTITY INFORMATION</b>	\$	\$
Set out below is the supplementary information about the parent entity.		
<b>Statement of profit or loss and other comprehensive income</b>		
<b>Total comprehensive income</b>	<b>(1,169,357)</b>	<b>2,493,644</b>
<b>Statement of financial position</b>		
Total current assets	12,248,831	12,793,234
Total non-current assets	28,029,978	26,490,275
<b>Total assets</b>	<b>40,278,809</b>	<b>39,283,509</b>
Total current liabilities	10,036,775	9,307,247
Total non-current assets	1,931,479	2,333,388
<b>Total liabilities</b>	<b>11,968,254</b>	<b>11,640,635</b>
<b>Equity</b>		
Reserves	937,084	904,532
Accumulated surplus	26,971,512	28,173,421
<b>Total equity</b>	<b>27,908,596</b>	<b>29,077,953</b>

**NOTE 30: ASSOCIATION DETAILS**

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



THE SCOUT ASSOCIATION OF AUSTRALIA, SOUTH AUSTRALIAN BRANCH INCORPORATED AND CONTROLLED ENTITIES

ABN: 35 621 021 366

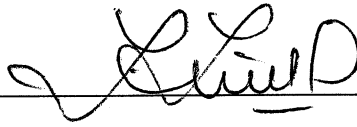
STATEMENT BY MEMBERS OF THE COMMITTEE

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

- 1 the financial statements and notes, as set out on pages 5 to 39, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position of the registered Association as at 30 September 2021 and of its performance for the year ended on that date.
- 2 there are reasonable grounds to believe that the registered Association will be able to pay its debts as and when they become due and payable.

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

Committee Member: \_\_\_\_\_



Committee Member: \_\_\_\_\_



Dated this 21<sup>st</sup> day of February 2022

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

***Opinion***

We have audited the financial report of The Scout Association of Australia, South Australian Branch and its controlled entity, "the Group", which comprises the consolidated statement of financial position as at 30 September 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the 6 months then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Committee.

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

- (i) giving a true and fair view of the Group's financial position as at 30 September 2021 and of its financial performance for the 6 months then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

***Basis for opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group, in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

***Other information***

The Committee is responsible for the other information. The other information comprises of the information in the Committee's report for the 6 months ended 30 September 2021, but does not include the financial report and the auditor's report thereon.

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

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

***Committee Members' responsibility for the financial report***

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

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

***Auditor's responsibility for the audit of the financial report***

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

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

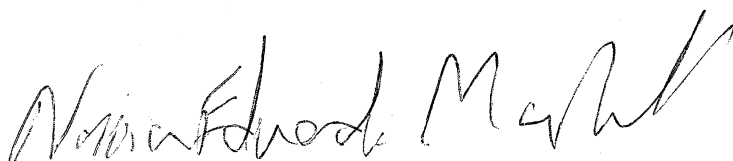
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists, related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

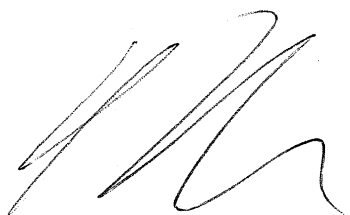
***Auditor's responsibility for the audit of the financial report (Cont)***

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Nexia Edwards Marshall  
Chartered Accountants



Jamie Dreckow  
Partner

Adelaide  
South Australia

21<sup>st</sup> February 2022