



Scouts
SA

**The Scout Association of Australia, South Australian Branch
Incorporated**

ABN 35 621 021 366

Financial Report

For the year ended 30 September 2024

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DIRECTORS' REPORT (FORMERLY COMMITTEES' REPORT)

The Directors present their report together with the Financial Report of The Scout Association of Australia, South Australian Branch Incorporated ("Scouts SA") for the year ended 30 September 2024 and the Auditor's Report thereon.

Change in designation

The designation of 'Branch Executive Committee' was changed to the 'Board', with the designation of 'Committee Member' changed to 'Director' during the financial year (refer to Note 24). As a result this report has been amended to Directors' Report.

Directors

The Directors of Scouts SA during the financial year were:

B Scroop	President	<i>(Appointed as President 27 March 2024, previously holding position of Independent Director)</i>
P Dickson APM	President	<i>(Resigned 25 March 2024)</i>
S Robinson	Vice President	<i>(Appointed as Vice President 27 March 2024, previously holding position of Adult Leader)</i>
J Clarke	Chief Commissioner	
S Hill	Independent Director	
L Blight	Independent Director	
J Bates	Adult Leader	
S Gray	Adult Leader	<i>(Resigned as Vice President 27 March 2024)</i>
K Affleck	Adult Leader	
R Grimshaw	Young Adult Member	
F Hawkey	Young Adult Member	<i>(Appointed 25 March 2024 and resigned 13 November 2024)</i>

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

Results

The deficit of Scouts SA for the year was \$2,943,101 (prior year \$4,157,982).

Principal activities

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

Review of operations

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

Material changes in state of affairs

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

DIRECTORS' REPORT (FORMERLY COMMITTEES' REPORT)

Likely developments

Scouts SA expects to maintain the present status and level of operations.

Environmental regulation

Scouts SA's recycling operations are regulated by the Environment Protection Act 1993, South Australia.

After balance date events

There are no matters or circumstances that have arisen since the end of the calendar financial year which materially affected or may materially affect the operations of Scouts SA, the results of those operations or the state of affairs of Scouts SA in the future financial year.

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 in accordance with a resolution of the Directors:

Name: Brenton Scroop

Signature: 

Name: Langdon Blight

Signature: 

Dated this 16th day of December 2024

AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2024 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide
South Australia

16 December 2024

Advisory. Tax. Audit.

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	2024 \$	2023 \$
Revenue			
Revenue from contracts with customers	2	34,837,608	36,242,106
Other revenue	2	5,198,407	4,550,962
		40,036,015	40,793,068
Less: expenses			
Materials and consumables used		16,299,664	17,935,942
Employee benefits		13,154,710	13,881,964
Repairs and maintenance		747,343	810,384
Property costs		1,318,803	888,459
Depreciation expense		1,185,168	1,061,882
Amortisation of Right of Use Assets		1,021,314	860,791
Amortisation of Intangible Assets		-	153,845
Lease payments	3	50,666	-
Loss on sale of financial assets	3	66,446	-
Marketing and promotion costs		105,763	180,433
Finance costs	3	528,496	438,873
Administration costs	3	2,952,000	3,079,954
Responsibility to our survivors	3	4,061,875	4,165,110
Other expenses		1,486,868	1,493,413
		42,979,116	44,951,050
Share of net gains/(losses) of joint venture accounted for using the equity method	20	-	-
Deficit before other comprehensive income		2,943,101	4,157,982
Other comprehensive income for the year		-	-
Total comprehensive loss		2,943,101	4,157,982

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	4	4,963,462	3,586,713
Trade and other receivables	5	844,906	1,105,236
Contract assets	6	240,878	154,279
Inventories	7	1,170,318	852,228
Financial assets	8	6,013,974	5,515,592
Other assets	9	1,575,851	971,438
Non-current assets classified as held for sale	10	1,101,445	81,516
Total current assets		<u>15,910,834</u>	<u>12,267,002</u>
Non-current assets			
Property, plant and equipment	11	18,354,794	20,089,830
ROU assets	12	4,128,320	3,920,673
Intangible assets	13	1,799,857	1,799,857
Total non-current assets		<u>24,282,971</u>	<u>25,810,360</u>
Total assets		<u>40,193,805</u>	<u>38,077,362</u>
Current liabilities			
Trade and other payables	14	2,720,933	2,008,523
Contract liabilities	15	2,581,471	980,606
Borrowings	16	4,758,599	4,859,290
Lease liabilities	17	717,709	784,610
Provisions	18	8,422,874	5,728,775
Total current liabilities		<u>19,201,586</u>	<u>14,361,805</u>
Non-current liabilities			
Borrowings	16	-	101,136
Lease liabilities	17	3,527,585	3,199,166
Provisions	18	75,538	83,059
Total non-current liabilities		<u>3,603,123</u>	<u>3,383,360</u>
Total liabilities		<u>22,804,709</u>	<u>17,745,165</u>
Net assets		<u>17,389,096</u>	<u>20,332,197</u>
Equity			
Reserves	19	973,617	930,735
Accumulated surplus		16,415,479	19,401,462
Total equity		<u>17,389,096</u>	<u>20,332,197</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	Reserves \$	Accumulated Surplus \$	Total Equity \$
Balance as at 1 October 2022		897,562	23,592,617	24,490,179
Deficit for the year		-	(4,157,982)	(4,157,982)
Total comprehensive loss		-	(4,157,982)	(4,157,982)
Transfers to/(from)	19	33,173	(33,173)	-
Balance as at 30 September 2023		<u>930,735</u>	<u>19,401,462</u>	<u>20,332,197</u>
Balance as at 1 October 2023		930,735	19,401,462	20,332,197
Deficit for the year		-	(2,943,101)	(2,943,101)
Total comprehensive loss		-	(2,943,101)	(2,943,101)
Transfers to/(from)	19	42,882	(42,882)	-
Balance as at 30 September 2024		<u>973,617</u>	<u>16,415,479</u>	<u>17,389,096</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	2024 \$	2023 \$
Cash flow from operating activities			
Receipts from customers		38,298,127	37,214,736
Payments to suppliers and employees		(37,742,535)	(39,493,374)
Dividends received		255,355	283,706
Interest received		58,553	45,054
Finance costs		(297,125)	(241,401)
Net cash provided/(used) by operating activities		<u>572,375</u>	<u>(2,191,279)</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		2,974,456	6,645,545
Proceeds from sale of investments		461,008	89,969
Payment for property, plant and equipment		(950,893)	(911,721)
Payment for business acquisition		-	(1,339,092)
Payment for investments		(324,600)	(462,486)
Net cash provided by investing activities		<u>2,159,971</u>	<u>4,022,215</u>
Cash flow from financing activities			
Repayment of borrowings		(209,678)	(327,800)
Repayment of lease liabilities		(1,145,919)	(979,668)
Net cash used in financing activities		<u>(1,355,597)</u>	<u>(1,307,468)</u>
Reconciliation of cash			
Cash at the beginning of the financial year		3,586,713	3,063,245
Net increase in cash held		1,376,749	523,468
Cash at the end of financial year	4, 22	<u><u>4,963,462</u></u>	<u><u>3,586,713</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

The Financial Report of The Scout Association of Australia, South Australian Branch Incorporated ("Scouts SA") for the year ended 30 September 2024 was approved by the Directors as at the date of the Directors' report.

Scout Groups within South Australia are not controlled entities of Scouts SA and are not included in the financial report, except where their activities result in a direct transaction with Scouts SA. Independent financials are maintained by each Scout Group, subject to an annual review. There are 79 active Scout Groups in South Australia.

Scouts SA is a not-for-profit entity for the purpose of preparing the Financial Report.

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 - Simplified Disclosures, Interpretation* and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

Scouts SA is an incorporated association domiciled in Australia. The address of Scouts SA's registered office is 83 Greenhill, Wayville SA 5034 Australia.

The Financial Report is presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise stated. Where appropriate, amounts shown for prior periods have been reclassified to facilitate comparison.

The following is a summary of the material accounting policy information adopted by Scouts SA 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 and financial assets.

(a) Basis of preparation of the Financial Report

Historical cost convention

The Financial Report has been prepared on the basis of historical cost, except for financial assets that have been measured at fair value.

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 Scouts SA's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in note 1(w).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (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.

It is expected the current asset position is adequate to cover expenses over the next twelve months notwithstanding current liabilities exceeding current assets at 30 September 2024. Current liabilities conservatively include market rate loan (Note 16) and provision for compensation (Note 18). It is likely neither will be required to be settled in full within the next twelve months. Based on previous experience, there is no reason to not expect the loan will be negotiated for a further term, if required by Scouts SA. The majority of the compensation is likely to take more than twelve months to be finalised.

Scouts SA's budget for the next 12 months anticipates that Scouts SA will have sufficient cash flows to operate within its borrowing limits.

(c) Principles of consolidation

Scouts SA had a 100% controlled entity, Scouts Stadium Incorporated ("SSI") the liquidation of which was finalised on 15 February 2023 (refer Note 21). As a result, the Financial Report comprises the financial statements of Scouts SA only.

Scouts SA controls an entity where it has power, for which Scouts SA has exposure or rights to variable returns from its involvement with the entity, and for which Scouts SA has the ability to affect the amount of its returns. Subsidiaries are consolidated from the date on which control is obtained by Scouts SA and are derecognised from the date that control ceases.

(d) Changes in accounting policies

New accounting standards, interpretations and amendments adopted from 1 October 2023

The following amendments are effective for the period beginning 1 October 2023:

- (a) Disclosure of Accounting Policies (AASB 2021-2 amends AASB 1060 Presentation of Financial Statements);
- (b) Definition of Accounting Estimates (AASB 2021-2 amends AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors).

These amendments are mandatorily effective for reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies (AASB 2021-2 amends AASB 1060 Presentation of Financial Statements)

The amendments aim to make accounting policy disclosures more informative by replacing the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(d) Changes in accounting policies (cont)

requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the Financial Report and no effect on the disclosure of accounting policies, other than heading for Note 1, as the disclosures already complied with the amended standard.

Definition of Accounting Estimates (AASB 2021-2 amends AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors).

The amendments added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the Financial Report.

(e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to Scouts SA and the revenue can be reliably measured.

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

The following specific recognition criteria must also be met before revenue is recognised.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which Scouts SA is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, Scouts SA: 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(e) Revenue recognition (cont)

material 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. In relation to recycling activities under the Container Deposit Scheme (Scheme), this is generally at the time of taking possession of the product as there is legal entitlement to receive income from the super collector under the Scheme at time of possession.

Course, event and activity fees

Revenue from organising and hosting courses, events and activities is recognised in the period in which they are held, based on either a fixed price or an hourly rate.

Rent, hire and camping charges

Rent revenue is recognised on a straight-line basis over the rental term. Hire and camping charges are recognised at a rate per use.

Membership and registration fees

Fees are recognised as revenue when no material uncertainty as to its collectability exists.

Grants

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

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 applicable interest rate. This method calculates the amortised cost of a financial asset and allocates the interest income over the relevant period using the applicable 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(e) Revenue recognition (cont)

Donations

Donations, including cash and goods, are recognised as revenue when Scouts SA gains control, economic benefits are probable and the amount of the donation can be reliably measured. Goods donated are measured at fair value.

Insurance Premiums and Recoveries

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

Other revenue

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

(f) Income tax

Scouts SA is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, and as such it is exempt from paying income tax.

(g) 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 Scouts SA'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 equivalents 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 Scouts SA'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.

(h) 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 immaterial risk of changes in value.

(i) Trade and other receivables

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(i) **Trade and other receivables (cont)**

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

(j) **Contract assets**

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

(k) **Financial instruments**

Initial recognition and measurement

Financial assets are recognised when Scouts SA becomes a party to the contractual provisions of the instrument. This is equivalent to the date that Scouts SA 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 (FVTPL), in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by Scouts SA are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether Scouts SA 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 FVTPL on the basis of both:

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(k) Financial instruments (cont)

For all other financial assets subject to impairment testing, when there has been a material 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 credited 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) material 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 Scouts SA has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by Scouts SA. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. 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.

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

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings at cost	1.5% - 5.0%	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 Scouts SA. Gains and losses between the carrying amount and the disposal proceeds are taken to the profit or loss.

(n) Right of use ("ROU") assets

A right of use ("ROU") asset is recognised at the commencement date of a lease. The ROU 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.

ROU 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 Scouts SA expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. ROU assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Scouts SA has elected not to recognise a ROU 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(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

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

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

(r) Contract liabilities

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(s) Provisions

Provisions are recognised when Scouts SA 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.

(t) 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 Scouts SA'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 ROU asset, or to profit or loss if the carrying amount of the ROU asset is fully written down.

(u) 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 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(u) Employee benefits (cont)

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.

(v) 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.

(w) Key judgements, estimates and assumptions

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

Scouts SA 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 materially 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

Scouts SA 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(p). 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 material component in the measurement of both the ROU asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

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

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 Scouts SA's operations; comparison of terms and conditions to prevailing market rates; incurrence of material penalties; existence of material leasehold improvements; and the costs and disruption to replace the asset.

Scouts SA reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a material event or material change in circumstances.

Incremental borrowing rate

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

Employee benefits provision

As discussed in note 1(u), 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

Scouts SA 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 material 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 material 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 material adjustments based on unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT)

(x) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Scouts SA elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When Scouts SA acquires a business, it assesses the financial assets and liabilities for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

(y) Commitments

A lease agreement was entered into with a third party to lease bulk sorting equipment. The lease term commenced in January 2024 when the equipment was delivered and is for a term of 5 years.

Payments are variable and dependent on the number of containers sorted. The payment is calculated based on the number of containers sorted by the rate specified in the contract. There is no minimum amount payable.

As the payments are variable and do not depend on an index or a rate, they are expensed in the period in which they are incurred (Refer to Note 3).

As the future commitment is dependent on the number of containers sorted, the future payments cannot be reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 2: REVENUE		
Revenue from contracts with customers		
Sale of goods	29,717,064	31,507,122
Course, event and activity fees	2,182,422	2,298,324
Rent, hire and camping charges	2,009,658	1,754,114
Membership and registration fees	747,687	546,891
Grants and sponsorships	180,777	135,655
	<u>34,837,608</u>	<u>36,242,106</u>
Other revenue		
Dividends and other distributions	373,808	354,468
Interest	58,553	45,054
Donations	526,562	89,553
Insurance premiums	301,312	283,403
Insurance recoveries	3,737	17,315
Gain on sale of property, plant and equipment	2,493,624	3,114,812
Fair value movement on financial assets held at fair value	701,623	333,167
Other	739,188	313,190
	<u>5,198,407</u>	<u>4,550,962</u>

NOTE 3: EXPENSES

Surplus/(deficit) has been determined after:

Leases

- Variable lease payments	50,666	-
	<u>50,666</u>	<u>-</u>

Payments related to the lease of bulk sorting equipment are variable and do not depend on an index or a rate and are therefore expensed in the period in which they are incurred. Refer to Note 1 (y) for information regarding the lease.

Loss on sale of financial assets

- Disposal of shares in listed corporations	66,446	-
	<u>66,446</u>	<u>-</u>

In respect to the shares disposed of, an unrealised gain of \$7,300 was recognised in prior period Statement of Profit or Loss as fair value movement on financial assets held at fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 3: EXPENSES (CONT)		
Finance costs		
- Interest on borrowings	309,135	277,932
- Interest on lease liabilities	178,476	119,810
- Bank charges	40,885	41,131
	<u>528,496</u>	<u>438,873</u>
Administration		
- Administration	34,760	37,707
- Audit statutory fees	40,200	38,000
- Legal and consultancy	163,042	330,106
- Telecommunications	90,774	113,070
- IT and membership systems	549,486	488,112
- Insurance premiums	752,791	578,593
- Printing, postage and stationery	81,864	70,351
- Claims	41,491	35,184
- Donations	74,875	9,443
- Vehicle expenses	889,535	1,103,984
- Travel	69,863	88,172
- Other administration	163,319	187,232
	<u>2,952,000</u>	<u>3,079,954</u>
Responsibility to our survivors		
- Claims paid and payable through the National Redress Scheme and directly to survivors	<u>4,061,875</u>	<u>4,165,110</u>
	<u>4,061,875</u>	<u>4,165,110</u>

Scouts SA is a member of the National Redress Scheme and is committed to supporting survivors of historical child abuse.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	257,979	370,589
Cash at bank	4,705,483	3,216,124
	<u>4,963,462</u>	<u>3,586,713</u>

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT

Receivables from contracts with customers	693,337	317,808
Less: Provision for impairment	-	(6,529)
Other receivables	151,569	793,957
	<u>844,906</u>	<u>1,105,236</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 6: CONTRACT ASSETS		
CURRENT		
Contract assets	240,878	154,279
	<u>240,878</u>	<u>154,279</u>

NOTE 7: INVENTORIES

CURRENT		
<i>At cost</i>		
Finished goods	1,170,318	852,228
	<u>1,170,318</u>	<u>852,228</u>

NOTE 8: FINANCIAL ASSETS

CURRENT		
<i>Financial assets at fair value through profit or loss</i>		
Shares in listed corporations	3,439,371	3,249,928
Investment in unlisted entities	1,625,759	1,371,356
Managed Cash Fund (Other)	473,240	462,807
Managed Cash Fund (Ken Maguire Trust)	55,316	60,373
Managed Cash Fund (G J Ware Trust)	351,834	310,589
Managed Cash Fund (DD Harris)	68,454	60,539
Total financial assets at fair value through profit or loss	<u>6,013,974</u>	<u>5,515,592</u>

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

NOTE 9: OTHER ASSETS

CURRENT		
Prepayments	1,575,851	971,438
	<u>1,575,851</u>	<u>971,438</u>

NOTE 10: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

CURRENT		
Land		
At cost	1,028,312	76,354
Buildings		
At cost	280,668	7,000
Accumulated depreciation	(207,535)	(1,838)
	<u>73,133</u>	<u>5,162</u>
Total land and buildings held for sale	<u>1,101,445</u>	<u>81,516</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 10: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONT)

A sales contract was executed in July 2024 for the sale of land and buildings at Port Adelaide with settlement 18 months from the contract execution date. A sales contract was also entered into in August 2024 for the sale of land and buildings in Port Augusta, with settlement completed in October 2024. In addition, management has committed to a plan to sell vacant land at Naracoorte. The asset is available for immediate sale and an active program to locate buyers has been initiated. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value. It is expected that a contract for sale will be executed and settlement completed by 30 September 2025.

Land and buildings at Crystal Brook and Kingston which were classified as "Held for Sale" at 30 September 2023, have had sales contracts executed subsequent to 30 September 2023. The sales have been included in disposals for the year ended 30 September 2024 (refer Note 11).

	2024 \$	2023 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Land		
At cost	8,708,561	10,021,115
Buildings		
At cost	9,048,173	8,800,716
Accumulated depreciation	(2,989,920)	(2,880,171)
	6,058,253	5,920,545
Total land and buildings	14,766,814	15,941,660
Plant and equipment		
Plant and equipment at cost	7,251,987	7,175,564
Accumulated depreciation	(4,967,230)	(4,612,299)
	2,284,757	2,563,265
Improvements at cost	851,292	869,646
Accumulated depreciation	(403,110)	(384,141)
	448,182	485,505
Vehicles at cost	3,664,487	3,875,168
Accumulated depreciation	(3,072,179)	(3,062,145)
	592,308	813,023
Capital work in progress	262,733	286,377
Total plant and equipment	3,587,980	4,148,170
Total property, plant and equipment	18,354,794	20,089,830

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT)		
(a) Reconciliations		
Reconciliation of the carrying amounts of property plant and equipment at the beginning and end of the current financial year:		
<i>Freehold land</i>		
Opening carrying amount	10,021,115	10,748,969
Disposals	(330,096)	(651,500)
Transfer from/(to) assets held for sale	(982,458)	(76,354)
Closing carrying amount	<u>8,708,561</u>	<u>10,021,115</u>
<i>Buildings</i>		
Opening carrying amount	5,920,545	6,252,532
Additions	200,876	201,862
Disposals	(62,572)	(273,285)
Depreciation expense	(467,877)	(255,297)
Transfer of capital work in progress	540,414	-
Transfer from/(to) assets held for sale	(73,133)	(5,267)
Closing carrying amount	<u>6,058,253</u>	<u>5,920,545</u>
<i>Plant and equipment</i>		
Opening carrying amount	2,563,265	2,676,235
Additions	91,019	367,986
Disposals	(14,376)	(61,622)
Depreciation expense	(439,277)	(465,776)
Transfer of capital work in progress	84,126	46,442
Closing carrying amount	<u>2,284,757</u>	<u>2,563,265</u>
<i>Improvements</i>		
Opening carrying amount	485,505	496,548
Additions	-	25,738
Disposals	(752)	-
Depreciation expense	(36,571)	(36,781)
Transfer of capital work in progress	-	-
Closing carrying amount	<u>448,182</u>	<u>485,505</u>
<i>Vehicles</i>		
Opening carrying amount	813,023	1,055,445
Additions	58,101	98,988
Disposals	(37,427)	(53,789)
Depreciation expense	(241,389)	(287,621)
Closing carrying amount	<u>592,308</u>	<u>813,023</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT)		
(a) Reconciliations (cont)		
<i>Capital work in progress</i>		
Opening carrying amount	286,377	115,671
Additions	600,896	217,148
Transfers of capital work in progress	(624,540)	(46,442)
Closing carrying amount	<u>262,733</u>	<u>286,377</u>

The disposals for the year ended 30 September 2024 include the sale of land and buildings which were classified as "Held for Sale" at 30 September 2023 (refer to Note 10).

(b) Property, plant and equipment pledged as security

Several pieces of land and buildings with a book value of \$8,387,799 (bank valuation of \$17,870,000) are secured by mortgage with the Commonwealth Bank (Note 16(a)).

NOTE 12: RIGHT OF USE ("ROU") ASSETS

Land and buildings	5,389,004	5,760,099
Accumulated amortisation	(1,661,725)	(2,134,845)
	<u>3,727,279</u>	<u>3,625,254</u>
Office equipment	72,501	195,735
Accumulated amortisation	(16,887)	(159,217)
	<u>55,614</u>	<u>36,518</u>
Vehicle	473,228	293,095
Accumulated amortisation	(127,801)	(34,194)
	<u>345,427</u>	<u>258,901</u>
Total carrying amount of ROU assets	<u>4,128,320</u>	<u>3,920,673</u>

Reconciliations

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 12: RIGHT OF USE ("ROU") ASSETS (CONT)		
<i>Right of use land and buildings</i>		
Opening carrying amount	3,625,254	1,735,516
Additions	841,882	3,160,487
Modifications	105,843	358,079
Amortisation	(845,700)	(782,560)
Expired leases	-	(846,268)
Closing carrying amount	<u>3,727,279</u>	<u>3,625,254</u>
<i>Right of use office equipment</i>		
Opening carrying amount	36,518	79,061
Additions	50,672	-
Modifications	4,831	1,494
Amortisation	(36,407)	(44,037)
Closing carrying amount	<u>55,614</u>	<u>36,518</u>
<i>Right of use vehicles</i>		
Opening carrying amount	258,901	-
Additions	180,313	293,095
Modifications	(181)	-
Amortisation	(139,206)	(34,194)
Expired leases	45,600	-
Closing carrying amount	<u>345,427</u>	<u>258,901</u>

NOTE 13: INTANGIBLE ASSETS

Goodwill at cost	1,799,857	1,799,857
New Youth Program at cost	-	323,295
Accumulated amortisation	-	(323,295)
	<u>-</u>	<u>-</u>
Total intangible assets	<u>1,799,857</u>	<u>1,799,857</u>

(a) Reconciliations

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

<i>Goodwill</i>		
Opening balance	1,799,857	460,765
Business acquisition (refer to Note 27)	-	1,339,092
Closing balance	<u>1,799,857</u>	<u>1,799,857</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 13: INTANGIBLE ASSETS (CONT)		
<i>New Youth Program</i>		
Opening balance	-	153,845
Amortisation expense	-	(153,845)
Closing balance	-	-

NOTE 14: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade payables	1,897,402	1,369,675
Sundry payables and accruals	823,531	638,848
	<u>2,720,933</u>	<u>2,008,523</u>

NOTE 15: CONTRACT LIABILITIES

CURRENT

Contract liabilities	2,581,471	980,606
	<u>2,581,471</u>	<u>980,606</u>

NOTE 16: BORROWINGS

CURRENT

Secured liabilities

Market rate loan	4,715,803	4,715,803
Commercial equipment loan	42,796	143,487
	<u>4,758,599</u>	<u>4,859,290</u>

NON-CURRENT

Secured liabilities

Commercial equipment loan	-	101,136
	<u>-</u>	<u>101,136</u>

(a) Assets pledged as security

Commercial equipment loan liabilities are secured by the assets purchased.

The market rate loan obtained from the Commonwealth Bank (CBA) has an approved limit of \$4,720,000. The loan was renewed on 1 June 2024 with a loan term of 13 months through to June 2025. The interest rate is variable, linked to BBSY. Additional fees charged are facility line fees of 1.3% and usage fee of 0.6%. There are ongoing discussions with CBA and based on previous experience, there is no reason to not expect the loan will be negotiated for a further term, if required by Scouts SA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 16: BORROWINGS (CONT)

In respect to the market rate loan, the CBA hold security over a number of properties and a first ranking charge over all present and acquired property. Refer to Note 11 (b).

(b) Bank guarantee

Scouts SA has bank guarantees in place with the CBA for the following which are held against the interest bearing accounts balance:

\$66,012 in respect to the security deposit regarding the lease of premises at Norwood. The expiry date of the guarantee is 1 February 2025.

\$45,000 in respect to the security deposit regarding the lease of premises at Greenfields. The expiry date of the guarantee is 31 July 2038.

\$60,551 in respect to the security deposit regarding the lease of premises at Wayville. The expiry date of the guarantee is 30 June 2030.

	2024	2023
	\$	\$
NOTE 17: LEASE LIABILITIES		
CURRENT		
Land and buildings	608,797	697,387
Office equipment	17,794	33,066
Vehicle	91,118	54,157
	<u>717,709</u>	<u>784,610</u>
NON CURRENT		
Land and buildings	3,222,307	2,985,079
Office equipment	38,443	5,420
Vehicle	266,835	208,667
	<u>3,527,585</u>	<u>3,199,166</u>
Total carrying amount of lease liabilities	<u><u>4,245,294</u></u>	<u><u>3,983,776</u></u>

NOTE 18: PROVISIONS

CURRENT		
Employee benefits	1,263,844	1,343,870
Provision for Compensation	7,159,030	4,384,905
	<u>8,422,874</u>	<u>5,728,775</u>
NON-CURRENT		
Employee benefits	<u>75,538</u>	<u>83,059</u>
Total carrying amount of provisions	<u><u>8,498,412</u></u>	<u><u>5,811,834</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 19: RESERVES		
James Russell Fund	-	5,244
DD Harris Fund	68,454	60,539
G J Ware Trust	849,847	804,579
Ken Maguire Trust	55,316	60,373
	<u>973,617</u>	<u>930,735</u>

(a) James Russell Fund

The James Russell Fund represents funds received that are to be used to facilitate inclusion for members with a disability.

Movement in reserve

Opening balance	5,244	5,244
Transfers	(5,244)	-
Closing balance	<u>-</u>	<u>5,244</u>

(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	60,539	56,312
Transfers	7,915	4,227
Closing balance	<u>68,454</u>	<u>60,539</u>

(c) G J Ware Trust

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

Movement in reserve

Opening balance	804,579	781,214
Transfers	45,268	23,365
Closing balance	<u>849,847</u>	<u>804,579</u>

(d) Ken Maguire Trust

The Ken Maguire Trust represents funds received that are to be used to support and develop leaders.

Movement in reserve

Opening balance	60,373	54,792
Transfers	(5,057)	5,581
Closing balance	<u>55,316</u>	<u>60,373</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 20: INTERESTS IN JOINT ARRANGEMENTS

(a) Associates and Joint Ventures

Joint arrangement	Nature of relationship	Ownership interest		Measurement basis
		30 Sep 2024	30 Sep 2023	
Arena Stadium Management P/L	Joint venture	0%	0%	Equity accounted

Country of incorporation: Australia

Arena Stadium Management Pty Ltd ("ASM") was involved in managing and operating the jointly controlled asset known as Titanium Security Arena.

Following the settlement of the sale of Titanium Security Arena in May 2021, all external liabilities of ASM were settled or provided for and Scout SA's share of the excess proceeds returned.

On 25 July 2022, the Directors of ASM resolved that the company be wound up voluntarily and a liquidator was appointed for the purposes of winding up the company. The liquidation was finalised 20 February 2023 with no return of capital or dividends. The company was deregistered 23 May 2023.

	2024 \$	2023 \$
(b) Summarised financial information for joint venture		
Current assets	-	-
Current liabilities	-	-
Net assets	-	-
Loan forgiveness	-	-
Expenses	-	(4,507)
Interest expense	-	-
Income tax expense	-	-
Total comprehensive profit/(loss)	-	(4,507)
Shareholder Equity Contribution/(Return)	-	-
Share of net assets not recognised	-	4,507
	-	-
50% Share of net gains/(losses)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024	2023
	\$	\$
NOTE 20: INTERESTS IN JOINT ARRANGEMENTS (CONT)		
Reconciliation to carrying amount of interest in joint ventures:		
Opening net assets	-	4,507
Current year profit/(loss)	-	(4,507)
Shareholder Equity Contribution/(Return)	-	-
Closing net assets	-	-
50% interest	-	-
Carrying value in the statements	-	-

NOTE 21: INTEREST IN SUBSIDIARIES

Scouts SA had a 100% controlled entity, Scouts Stadium Incorporated ("SSI") which was incorporated in Australia. On 23 August 2022, the Directors of SSI resolved that the subsidiary be wound up voluntarily and a liquidator was appointed for the purposes of winding up the subsidiary. The liquidation was finalised on 15 February 2023 with no return of capital or dividends. As a result, there were no revenue, expense, asset liability transactions or balances included in the 30 September 2023 or 30 September 2024 Financial Reports.

NOTE 22: CASH FLOW INFORMATION

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position is as follows:

Cash on hand	4	257,979	370,589
Cash at bank	4	4,705,483	3,216,124
		4,963,462	3,586,713

NOTE 23: RELATED PARTY TRANSACTIONS

Transactions with key management personnel of Scouts SA and their personally related entities.

Ms J Turbill (<i>Chief Commissioner until 4 April 2023</i>)			
Honorarium	-		25,700
Ms S Hill (<i>Independent Director</i>)			
Foster Hill for Public Relations Advice provided		6,000	5,000
		6,000	30,700

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Directors (formerly Committee Members)

The Committee responsible for the organisation, control and management of the affairs of Scouts SA was referred to as the 'Branch Executive Committee' (BEC) and its members referred to as 'Committee Members'. The designation of 'BEC' was changed to the 'Board' and the designation of 'Committee Member', to 'Director' as part of the amendments to Constitution of Scouts SA which were approved by Voting Members of Scouts SA at a Special General Meeting held on 22 January 2024.

The Directors roles remain unpaid.

The Directors who have held office during the year are:

Name	Position	
B Scroop	President	<i>(Appointed as President 27 March 2024, previously holding position of Independent Director)</i>
P Dickson APM	President	<i>(Resigned 25 March 2024)</i>
S Robinson	Vice President	<i>(Appointed as Vice President 27 March 2024, previously holding position of Adult Leader)</i>
J Clarke	Chief Commissioner	
S Hill	Independent Director	
L Blight	Independent Director	
J Bates	Adult Leader	
S Gray	Adult Leader	<i>(Resigned as Vice President 27 March 2024)</i>
K Affleck	Adult Leader	
R Grimshaw	Young Adult Member	
F Hawkey	Young Adult Member	<i>(Appointed 25 March 2024 and resigned 13 November 2024)</i>

The Directors have been in office since the start of the year and up to the date of this report, unless otherwise stated.

2024	2023
\$	\$

(b) Key management personnel

The aggregate compensation made to key management personnel of Scouts SA

- Short-term employee benefits	465,709	476,664
	<u>465,709</u>	<u>476,664</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 25: CONTINGENT LIABILITIES

Scouts SA has a contingent liability in respect of self-insurance of certain risks. Scouts SA has elected to self-insure between \$10,000 to \$50,000 per single claim, dependent on the nature of the claim.

There are ongoing litigation matters relating to potential claims arising from survivors of historical child abuse. The outcome of future claims is unknown and any potential losses cannot be reliably measured. Provisions are recognised when Scouts SA 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. Costs associated with these matters not provided for, are expensed within the period in which they are incurred.

NOTE 26: FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

The following tables detail Scouts SA's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is material 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 Scouts SA that are measured either on a recurring or non-recurring basis at fair value.

		2024	2023
		\$	\$
Financial assets	Level		
<i>Financial assets at fair value through profit or loss</i>			
Shares in listed corporations	1	3,693,774	3,249,928
Investment in unlisted entities	2	1,371,356	1,371,356
Managed Cash Fund (Other)	1	473,240	462,807
Managed Cash Fund (Ken Maguire Trust)	1	55,316	60,373
Managed Cash Fund (G J Ware Trust)	1	351,834	310,589
Managed Cash Fund (DD Harris)	1	68,454	60,539
Total financial assets		<u>6,013,974</u>	<u>5,515,592</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

NOTE 27: BUSINESS COMBINATIONS

On 21 October 2022 Scouts SA purchased the recycling business, Pirie Bottle and Scrap Metal (the business) for cash consideration of \$1,575,000. The business is a bottle and scrap metal recycler. The objective of the acquisition is to optimise and increase Scouts SA's market share in recycling depots and geographical coverage across South Australia, by strategic investment.

The acquisition was reflected in the 30 September 2023 balances and transactions.

<i>(i) Purchase consideration</i>	\$
Purchase price	1,575,000
Settlement adjustments	(24,209)
Net cash outflow	1,550,791

The acquisition was funded from existing financial assets.

(ii) Assets and liabilities acquired

	Fair value at acquisition date \$
Scouts SA acquired the following identifiable assets and liabilities:	
Property, plant and equipment	231,721
Total assets	231,721
Provision for employee entitlements	18,560
Total liabilities	18,560
Fair value of identifiable net assets	213,161
Goodwill arising on acquisition	1,339,092
Total net assets acquired	1,552,253
Total operational expenses funded at settlement	(1,462)
Net cash outflow	1,550,791

NOTE 28: EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances have arisen since the end of the calendar financial year which materially affected or may materially affect the operations of Scouts SA, the results of those operations or the state of affairs of Scouts SA in the future financial year.

STATEMENT BY DIRECTORS (FORMERLY COMMITTEES' REPORT)

The designation of 'Branch Executive Committee Member' was changed to 'Director' during the financial year (refer to Note 24). As a result this report has been amended to Statement by Directors.

In accordance with a resolution of the Directors of Scouts SA, we state that in the opinion of the Directors:

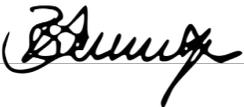
- 1 the financial statements and notes, as set out on pages 5 to 36, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. Comply with Australian Accounting Standards – Simplified Disclosures; and
 - b. Give a true and fair view of the financial position of Scouts SA as at 30 September 2024 and of its performance for the year ended on that date.

- 2 There are reasonable grounds to believe that Scouts SA will be able to pay its debts as and when they become due and payable.

This declaration is made and signed in accordance with regulation 60-15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2022* .

Signed on behalf of the Directors of Scouts SA.

Name: Brenton Scroop

Signature: 

Name: Langdon Blight

Signature: 

Dated this 16th day of December 2024

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

Opinion

We have audited the financial report of The Scout Association of Australia, South Australian Branch Incorporated and its Controlled Entities (the Association), which comprises the consolidated statement of financial position as at 30 September 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the statement by the Directors.

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

- (i) giving a true and fair view of the Association's financial position as at 30 September 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Directors are responsible for the other information. The other information comprises the information in the Director's report for the year ended 30 September 2024, 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.

Advisory. Tax. Audit.

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

Other information (cont)

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.

Responsibilities of the Directors for the financial report

The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors 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 Directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Association's financial reporting process.

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 taken together, they could reasonably be expected to influence the economic decisions of users taken based on 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 Association's internal control.

Advisory. Tax. Audit.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide
South Australia

16 December 2024

Advisory. Tax. Audit.