

THE SCOUT ASSOCIATION OF AUSTRALIA QUEENSLAND BRANCH INC.

(Covering only The Queensland Branch Headquarters, Development Fund, Brisbane
Gang Show, Queensland Rovers and National Youth Events)

ABN 67 019 153 391

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

THE SCOUT ASSOCIATION OF AUSTRALIA QUEENSLAND BRANCH INC.

(Covering only The Queensland Branch Headquarters, Development Fund, Brisbane
Gang Show, Queensland Rovers and National Youth Events)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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**THE SCOUT ASSOCIATION OF AUSTRALIA
QUEENSLAND BRANCH INC.**

(Covering only The Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, Queensland Rovers and National Youth Events)

Executive Committee's Report

31 March 2020

Your committee members present the financial report of The Scout Association of Australia Queensland Branch Inc. for the year ended 31 March 2020.

Executive Committee Members

Mrs K M Brown OAM Ms J Clifford OAM Mr G Doo Mr P Kapel (resigned 28 April 2020) Mr D Laurie (resigned 28 January 2020) Mr D Mayor Ms Michelle Leeke (appointed 28 April 2020)	Mr D Scott Mr N Ferrett QC Ms J Andrews Mr P Tuckwood Mr M Ray Ms V Dickson
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Principal Activities

The principal activity of the Association during the financial year was that of providing support to the Scouting movement.

Operating Results

The deficit for the 2020 financial year amounted to \$1,282,418 (2019: Deficit of \$355,389).

Signed in accordance with a resolution of the Executive Committee of The Scout Association of Australia Queensland Branch Inc.



Executive Committee member



Executive Committee member

Signed at Auchenflower on 28 May 2020.

Statement of Profit or Loss and Other Comprehensive Income
for the Financial Year Ended 31 March 2020

NOTE		2020 \$	2019 \$
Revenue	2	4,067,074	5,775,715
Other income	2	1,618,120	799,099
Net loss on revaluation of investments		(1,073,813)	-
Employee benefits expense		(1,973,548)	(1,986,206)
Depreciation, amortisation & impairments		(255,412)	(251,815)
Administration fees		(551,070)	(635,181)
Bad debt and provision for doubtful debt expenses		66,664	(42,874)
Capitation fees		(223,568)	(197,077)
Consulting and professional fees		(76,063)	(171,334)
Investment fees		(51,164)	(65,247)
Insurance		(755,725)	(758,387)
Repairs & maintenance		(171,112)	(170,079)
Grant expenditure		31,644	(27,242)
Gang Show expenses		(81,211)	(98,023)
Queensland Contingent to AV2018		-	(2,651)
Queensland Contingent to Australian Jamboree AJ 2019		(3,544)	(1,018,298)
Cuboree expenses		(46)	(433,788)
Queensland Venture		(14,525)	-
Queensland Rover Council		(89,897)	-
Queensland Scouts Foundation		(3,000)	(2,500)
Chief Commissioner's Projects		(38,937)	(48,977)
Rental property expenses		(18,516)	(14,729)
Other expenses		(405,044)	(436,001)
Reserves expenditure		-	(2,811)
Finance costs		(28,841)	(29,483)
(Deficit)/Surplus before Personal Injury Settlements		(31,534)	182,111
Personal Injury Settlements		(1,250,884)	(537,500)
(Deficit)/Surplus before income tax expense		(1,282,418)	(355,389)
Income tax expense	1(h)	-	-
(Deficit)/Surplus for the year attributable to members		(1,282,418)	(355,389)
Other comprehensive loss:		-	-
Total comprehensive loss for the year attributable to members		(1,282,418)	(355,389)

THE SCOUT ASSOCIATION OF AUSTRALIA QUEENSLAND BRANCH INC.

(Covering only The Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, Queensland Rovers and National Youth Events)

Statement of Financial Position as at 31 March 2020

CURRENT ASSETS	Note	2020	2019
		\$	\$
Cash and cash equivalents	3	1,482,327	1,116,846
Trade and other receivables	4	331,882	442,342
Inventory	5	13,075	5,950
TOTAL CURRENT ASSETS		1,827,284	1,565,138
NON-CURRENT ASSETS			
Investments	6	3,733,673	5,555,476
Trade and other receivables	4	445,352	299,960
Property, plant and equipment	7	6,235,500	6,075,910
TOTAL NON-CURRENT ASSETS		10,414,525	11,931,346
TOTAL ASSETS		12,241,809	13,496,484
CURRENT LIABILITIES			
Trade and other payables	8	2,879,983	2,951,846
Current provisions	9	85,266	55,935
TOTAL CURRENT LIABILITIES		2,965,249	3,007,781
NON-CURRENT LIABILITIES			
Non-current provisions	9	17,634	21,326
Lease liability	8	13,167	-
TOTAL NON-CURRENT LIABILITIES		30,801	21,326
TOTAL LIABILITIES		2,996,050	3,029,107
NET ASSETS		9,245,759	10,467,377
EQUITY			
Retained surplus		9,245,759	10,467,377
TOTAL EQUITY		9,245,759	10,467,377

Statement of Changes in Equity for the Financial Year Ended 31 March 2020

	Retained Surplus \$	Total \$
Balance at 1 April 2018	10,822,766	10,822,766
Total comprehensive income for the year:		
Deficit after income tax expense for the year	(355,389)	(355,389)
Balance at 31 March 2019	10,467,377	10,467,377
Queensland Rover Council opening balance adjustment	47,300	47,300
Asset opening balance adjustment	13,500	13,500
Balance at 1 April 2019	10,528,177	10,528,177
Total comprehensive income for the year:		
Deficit after income tax expense for the year	(1,282,418)	(1,282,418)
Balance at 31 March 2020	9,245,759	9,245,759

Statement of Cashflows for the Financial Year Ended 31 March 2020

	NOTE	2020	2019
		Inflows (Outflows) \$	Inflows (Outflows) \$
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
Receipts from customers		4,318,647	5,595,845
Payments to suppliers and employees		(5,866,405)	(6,058,230)
NET CASH (USED)/FROM OPERATING ACTIVITIES	10(a)	(1,547,758)	(462,385)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from sale of fixed assets		1,054,940	-
Payments for fixed assets		(432,250)	(245,273)
Net Proceeds from sale of investments		845,945	205,245
Cash on initial recognition of Queensland Rover Council		60,800	-
Interest received		17,952	19,544
Proceeds from long term loans		-	18,137
Dividend received		394,693	531,999
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		1,942,080	529,652
CASH FLOWS USED IN FINANCING ACTIVITIES			
Finance costs paid		(28,841)	(29,483)
NET CASH USED IN FINANCING ACTIVITIES		(28,841)	(29,483)
Net increase (decrease) in cash and cash equivalents		365,481	37,784
Cash and cash equivalents at the beginning of the year		1,116,846	1,079,062
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10(b)	1,482,327	1,116,846

THE SCOUT ASSOCIATION OF AUSTRALIA QUEENSLAND BRANCH INC.

(Covering only The Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, and National Youth Events)

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Executive Committee have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on a general purpose financial statements. The financial report is therefore a special purpose financial report prepared to satisfy the financial report preparation requirements of the constitution of the Scout Association of Australia Queensland Branch Inc. (covering the financial statements of Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, Queensland Rovers and National Youth Events), the Australian Charities and Not-for-profits Commission Act 2012, the Associations Incorporation Act (Qld) 1981 and the Collections Act (1966). The Scout Association of Australia Queensland Branch Inc. is a not-for-profit entity for the purpose of preparing the financial statements.

The Scout Association of Australia Queensland Branch Inc. (covering the financial statements of Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, Queensland Rovers and National Youth Events) (the Association), for the year ended 31 March 2020 is an association incorporated and domiciled in Queensland.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which a fair value basis of accounting has been applied.

The financial report was authorised for issue in accordance with a resolution of the Branch Executive Committee on 26 May 2020.

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. As a result of the social distancing measures introduced by the Australian government in response to COVID-19, The Scout Association of Australia Queensland Branch has had to cancel a number of its activities and Scout Groups across Queensland have had to curtail their activities. Although the Association is not able to reliably estimate the effects of the COVID-19 outbreak on the results of operations and financial condition for the 2021 financial year, the Association's operations will be negatively impacted going forward. Although it is difficult at this stage to quantify this impact, management's assessment is that the Association has sufficient assets to enable it to survive this period of uncertainty.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The presentation currency used in the financial statements is Australian dollars.

(a) Consolidation Policy

This special purpose financial report does not include the revenue, expenses, assets and liabilities of the Regions, Districts and Groups that do not comprise the Association.

The revenue and expenses associated with internal charging to Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, Queensland Rovers and National Youth Events have been eliminated.

(b) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of a change in accounting policy.

(c) Cash and Cash Equivalents

Cash and cash equivalents include 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.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciation rates used for each class of depreciable assets are:

Category	Depreciation rate
Buildings	2 - 5%
Freehold Improvements	10%
Furniture, Fixtures & Fittings	10 - 33%
Motor Vehicles	25%
Tractors and Trailers	10%
Branch Activity Equipment	10 - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Buildings and tractors and trailers are depreciated on a straight-line basis over their expected useful lives. The depreciable amount of all other fixed assets, excluding freehold land are depreciated on a diminishing value basis over their useful lives to the Association commencing from the time the asset is held ready for use.

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.

(e) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified at amortised cost other than investments in equity instruments. The Association has elected to classify investments in equity instruments as financial assets at fair value through profit or loss (FVTPL).

A gain or loss on financial assets at FVTPL is recognised in profit or loss and presented net in the statement of profit or loss and other comprehensive income in the period in which it arises.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, investment income or other financial items, except for impairment of trade receivables which is presented within bad debts expenses.

Classifications are determined by both:

- The Association's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Impairment of Financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses. Instruments within the scope of the requirements included trade receivables and loan commitments that are not measured at fair value through profit or loss.

The Association considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The Association used the Simplified Approach applicable under AASB 9 which does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

(f) Trade and other receivables

Trade and other receivables include amounts receivable from customers for goods sold in the ordinary course of business, less any allowance for expected credit losses. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(g) Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and

salaries, non-monetary benefits and accumulating annual leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Association's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association presents employee benefit obligations as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

(h) Income Tax

No provision for income tax has been raised as The Scout Association of Australia Queensland Branch Inc. is an endorsed income tax exempt charity and accordingly is exempt under the Income Tax Assessment Act 1997, as amended.

(i) Leases

The Association has adopted AASB 16 from 1 April 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Right-of-use assets

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

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

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

Lease liabilities

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

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

Upon adoption on 1 April 2019, a 'right-of-use' asset of \$33,986 was capitalised in the statement of financial position and recognised in Property, Plant and Equipment with a corresponding lease liability recognised of \$33,986. The 'right-of-use' asset relates to lease of a motor vehicle and lease of Branch Support Office photocopyers.

(j) Revenue

Revenue from contracts with customers is recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, accrued income or income in advance.

Revenue streams which are not enforceable or do not have sufficiently specific performance obligations are recognised as revenue at the fair value of the asset received when the asset is received.

Sales Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers or receipt of cash where no formal receipting controls are in place.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental Revenue

Revenue from investment properties is recognised on an accruals basis in accordance with lease agreements.

Dividend Revenue

Dividend revenue is recognised when the right to receive a dividend has been established.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when each performance obligation is satisfied. Where the performance obligation is satisfied over time, generally the revenue is recognised based on either cost or time incurred.

Capital grants received under an enforceable agreement to enable the Association to acquire or construct an item of property, plant and equipment which will be controlled by the Association (once complete) are recognised as revenue when the obligation to construct or purchase is completed.

Other Revenue

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

Volunteer services

The incorporated association has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

National Events

Fees charged to members in respect of National Events such as Venturers and Jamborees are not recognised by the Queensland Branch. The Queensland Branch acts as an agent for the National Event Committee in regards to the revenue received from members for the National Event Charge. The Queensland Branch receives a distribution of the surplus from the Event in consideration for managing the Event on behalf of National. The Queensland Branch has recognised revenue relating to Queensland contingent fees charged to members in relation to national events at the time in which it is received.

(k) Goods and Services Tax (GST)

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

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

(l) Income in Advance

Income in advance comprises deposits and other charges, billed in advance of provision of the relevant services, for major Branch Youth Activities, training, camp fees and membership fees.

(m) Branch Headquarters Development Fund

The Development Fund is established to accept deposits from the Branch and its Groups and to provide loans for the development of the Association's aims and objectives on projects approved by the Administrators of the Fund

Development Fund deposits are offered at the Association's banker's 6-month term deposit rate plus 0.1% to all funds over \$1,000.

Interest on deposits into the Fund is at a rate of 0.00% (2019: 0.00%) for investments up to \$1,000, and in a range of 1.05% to 1.25% (2019: 1.05%) for investments greater than \$1,000.

(n) Critical Accounting Estimates and Judgments

The Branch Executive Committee evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates

Impairment

Management assessed property, plant and equipment for impairment on an annual basis. There are no indicators that property, plant and equipment is impaired at the balance date.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the association. Actual results, however, may vary due to technical obsolescence.

Key judgments

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The association expects most employees will take their annual leave entitlements within 12 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 31 March 2020. The adoption of these

new or amended Accounting Standards and Interpretations are not expected to have a material impact on initial application.

	2020	2019
	\$	\$
NOTE 2 – INCOME		
REVENUE		
Sale of goods	23,552	19,805
Membership fees	2,087,395	1,936,352
Charges from formations	677,499	757,139
Rendering of activities and training	600,860	729,938
Queensland Venture	52,291	-
Queensland Rover Council	121,682	-
Cuboree	-	522,850
Grants income	116,966	42,500
Brisbane Gang Show	92,590	98,199
Gifts, donations & bequests	138,180	14,673
Sundry income	136,686	151,197
Queensland Scouts Foundation	18,666	19,523
Queensland Contingent to Australian Jamboree AJ2019	707	1,483,539
	<u>4,067,074</u>	<u>5,775,715</u>
OTHER INCOME		
Gain on sale of investments	97,956	190,597
Insurance Recovery	3,500	-
Rental property income	66,329	56,960
Investment income	412,645	551,542
Gain on Sale of Fixed Assets	<u>1,037,690</u>	<u>-</u>
	<u>1,618,120</u>	<u>799,099</u>
NOTE 3 - CASH AND CASH EQUIVALENTS		
Cash on hand	1,981	1,919
Cash at bank	<u>1,480,346</u>	<u>1,114,927</u>
	<u>1,482,327</u>	<u>1,116,846</u>

NOTE 4 - TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Current Trade and Other Receivables and Prepayments		
Trade receivables	66,991	158,690
Provision for impairment of receivables	(7,593)	(74,830)
Prepayments	67,713	61,032
Other debtors	82,819	131,388
GST receivables	-	29,147
<u>Loans to Formations and Regions</u>		
Loans to Formations	-	23,508
Moreton Region Loan	9,147	8,712
Far North Region Loan	112,805	104,312
Capricorn Region Loan	-	383
Loan receivable – Preparat Pty Ltd	-	38,698
Provision for Impairment of Loan-Preparat Pty Ltd	-	(38,698)
	331,882	442,342
Non-Current Trade on Other Receivables		
Trade and other receivables	182,899	33,109
<u>Loans to Formations and Regions</u>		
Moreton Region Loan	119,782	123,570
Far North Region Loan	142,671	143,281
	445,352	299,960
	777,234	742,302

MORETON REGION LOAN

During the financial year ended 31 March 2020, a repayment of \$8,712 (2019: \$8,297) was made by Moreton Region towards the Moreton Region Loan. An amount of \$5,428 (2019: \$5,428) was added to the remaining loan balance \$123,569 (2019: \$126,583) as the time value of money accrued for the current period of the term of the loan, resulting in the remaining balance at Net Present Value being \$128,929 (2019 \$132,282) as at the end of the financial year.

FAR NORTH REGION LOAN

The Far North Region loan is \$255,476 as at 31 March 2020 (2019: \$247,593). The Region made monthly repayments of \$1,355 during the year. Interest of \$7,380 was charged on the loan during the year and was calculated at 5%.

2020	2019
\$	\$

NOTE 5 – INVENTORY

Current

Merchandise held for resale – at cost

13,075	5,950
13,075	5,950

NOTE 6 – INVESTMENTS

Non-Current

Financial Assets at Fair Value through Profit or Loss

3,733,673	5,555,476
3,733,673	5,555,476

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Land	3,618,674	3,622,424
Buildings	3,859,786	3,543,221
Less accumulated depreciation	(1,841,209)	(1,744,374)
	2,018,577	1,798,847
Plant, furniture, fixtures & fittings	2,089,424	2,047,137
Less accumulated depreciation	(1,588,364)	(1,449,623)
	501,060	597,514
Motor vehicles	239,390	176,520
Less accumulated depreciation	(156,512)	(133,850)
	82,878	42,670
Computer software at cost	229,691	229,691
Less accumulated amortisation	(215,380)	(215,236)
	14,311	14,455
Total property, plant and equipment	6,235,500	6,075,910

NOTE 8 - TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Current		
Trade payables	142,861	199,994
GST Payable	52,399	-
Income received in advance	301,520	171,183
Grants received in advance	809,085	715,521
Insurance received for formations	2,570	344,242
Accrued expenses	404,898	371,524
Other payables	867	9,578
Lease Liability	10,593	-
Development fund creditors	1,016,356	1,012,916
Employee benefits - Annual Leave	138,834	126,888
	2,879,983	2,951,846
Non-Current		
Lease Liability	13,167	-
	13,167	-

NOTE 9 - PROVISIONS

Current		
Employee benefits - Long Service Leave	85,266	55,935
	85,266	55,935
Non-Current		
Employee benefits - Long Service Leave	17,634	21,326
	17,634	21,326
	102,900	77,261

NOTE 10 - CASH FLOW INFORMATION

	2020	2019
	\$	\$
(a)Reconciliation of cash flow from operations with surplus after income tax		
Net surplus/(deficit) for the period	(1,282,418)	(355,389)
Cash flows excluded from surplus attributable to operating activities		
Non-operating cash flows in surplus		
Depreciation and amortisation	255,412	251,815
Gain on sale of fixed assets	(1,037,690)	-
Net gain on sale of investments	(97,956)	(190,597)
Net loss on revaluation of investments	1,073,813	-
Write-off of assets	-	3,040
Investment Income	(412,645)	(551,543)
Finance Costs	28,840	29,483
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	9,838	124,722
(Increase)/decrease in inventories	(7,124)	(5,950)
(Increase)/decrease in prepayments	(6,681)	(40,761)
(Decrease)/increase in trade and other payables	(266,617)	650,894
(Decrease)/increase in income received in advance	223,901	(359,730)
(Decrease)/increase in provisions	(28,431)	(18,369)
	(1,547,758)	(462,385)

(b)Reconciliation of cash

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

Cash and cash equivalents (note 3)	1,482,327	1,116,846
	1,482,327	1,116,846

NOTE 11 - AUDITORS' REMUNERATION

Audit of the financial report	39,000	42,800
Other services	4,000	3,000
	43,000	45,800

NOTE 12 - RELATED PARTY TRANSACTIONS

No Branch Executive Committee Member directly or indirectly received or is due to receive remuneration from the Association or any related party in connection with the management of the Association or from the Association in connection with the management of any related party, except as set out below.

During the year \$3,410 (2019: \$nil) was paid to Craig Ray & Associates Solicitors. There was also pro bono legal work performed by Craig Ray & Associates. Mr Mathew Ray is an employee of Craig Ray & Associates and a member of the Scouts Qld Branch Executive Committee.

The Association has related party transactions with Scouts National Office, Other Scout State Branch Offices and Formations within Queensland including Regions, Districts and Groups. These transactions include invoices charged for membership fees, and other cost recoveries, and payments thereof. All transactions are based on costs invoiced by third parties or in the case of memberships the approved cost set by the relevant office and approved under the delegations of authority of that Office. It is not practical to detail the related party transactions within this category.

NOTE 13 - DEBTORS

The provision for doubtful debt in this year's accounts is \$7,593, a decrease of \$67,237 from the previous year. This decrease is due to debt repayment programs being put in place a number of the Formations with older debt. Branch recognises the efforts made by Formations in the past financial year in meeting their obligations and will continue to work co-operatively with the Formations to ensure effective control of debtors.

NOTE 14 - CONTINGENT LIABILITIES

The Scouts Association of Australia, Queensland Branch was formally declared as a participant of the National Redress Scheme on 29 March 2019 and as a result is expected to have contingent liabilities under this scheme. Accepted Redress claims, that were unpaid as at 31 March 2020 have been recorded as at liability on the balance sheet.

There are currently a number of requests for information that have been responded to, but not assessed by the National Redress Scheme Operator. There are also a number of claims that have been made outside of the National Redress Scheme. Although the Association has disputed a number of the claims made, if these claims were successful, the potential liability, including Civil Claims may be up to \$3.095 million. We have not accrued this amount as an expense in the financial statements as at 31 March 2020, as the event and the amounts are uncertain.

NOTE 15 - ASSOCIATION DETAILS

The registered office of the Association is:

The Scout Association of Australia Queensland Branch Inc
32 Dixon Street
AUCHENFLOWER QLD 4066

NOTE 16 - COMMITMENTS

The incorporated association had no commitments for expenditure as at 31 March 2020 and 31 March 2019.

Statement by members of Executive Committee

The Executive Committee has determined that the Association is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Executive Committee the financial statements as set out on pages 4 - 20:

1. Present fairly the financial position of The Scout Association of Australia Queensland Branch Inc. (Covering only the Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, Queensland Rovers and National Youth Events) as at 31 March 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Scout Association of Australia Queensland Branch Inc. (Covering only the Queensland Branch Headquarters, Development Fund, Brisbane Gang Show, Queensland Rovers and National Youth Events) will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by:



Executive Committee member



Executive Committee member

Dated on 28 May 2020 at Auchenflower.

INDEPENDENT AUDITOR'S REPORT

To the members of The Scout Association of Australia Queensland Branch Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Scout Association of Australia Queensland Branch Inc. (the registered entity), which comprises the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the statement by members of the executive committee.

In our opinion the accompanying financial report of The Scout Association of Australia Queensland Branch Inc. is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, the *Associations Incorporations Act (QLD) 1981* and the *Collections Act 1966*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 March 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 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 registered entity in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the *ACNC Act*, the *Associations Incorporations Act (QLD) 1981* and the *Collections Act 1966*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the executive committee for the financial report

The executive committee of the registered entity is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *ACNC Act 2012*, the *Associations Incorporation Act (Qld) 1981* and the *Collections Act 1966*. The executive committee's responsibility also includes such internal control as the executive committee determines is necessary to enable the preparation of a 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 executive committee is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the executive committee either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



A J Whyte

Director

Brisbane, 28 May 2020