

27 August 2015

Ms Annette Barbetti
President
SCOA Australia Incorporated
PO Box 107
MAWSON ACT 2607

Dear Ms Barbetti

We have now completed the Audit of the financial report of the SCOA Australia Incorporated for the year ended 30 June 2015. Enclosed are two bound and three unbound copies of the financial report. When the accounts have been signed, please return to Hardwickes the copy marked "Hardwickes".

Our audit has been performed to obtain reasonable assurance whether the financial report is free of material misstatements. Absolute assurance is not possible due to the inherent limitations of an audit and of internal controls, resulting in the unavoidable risk that some material misstatements may not be detected. We are responsible for forming and expressing an opinion on the financial report that has been prepared by management with the oversight of those charged with governance. Our audit of the financial report does not relieve management or those charged with governance of their financial reporting responsibilities.

In planning our audit, we considered internal controls over financial reporting to determine the nature, extent and timing of audit procedures. However, a financial report audit does not provide assurance on the effective operation of internal controls. If in the course of our audit, certain deficiencies in internal control come to our attention, these will be reported during the audit process.

Audit Issues

During the audit the following point was noted:

- 1) The audit journals made to the accounts were:
 - a. Reallocate 50% prepayment of fees to SCOA to the prepayments account - \$22,428
 - b. Depreciation expense for 2015 year - \$454
 - c. Income tax expense for 2015 year - \$367



The profit before the audit journals was \$2,984. The net amount of the audit journal adjustments affecting the profit value was \$821. The net profit after income tax is \$2,163.

I would like to take this opportunity to thank the committee members for their assistance during this year's Audit.

Yours sincerely

Hardwickes

Chartered Accountants

A handwritten signature in black ink, appearing to read 'R. Johnson', with a stylized flourish at the end.

Robert Johnson

Partner

SCOA Australia Incorporated

ABN 20 315 946 727

Financial Statements

For the Year Ended 30 June 2015

SCOA Australia Incorporated

ABN 20 315 946 727

For the Year Ended 30 June 2015

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SCOA Australia Incorporated

ABN 20 315 946 727

Committee Members' Report

For the Year Ended 30 June 2015

Your committee members submit the financial statements of the association for the financial year ended 30 June 2015.

1. General information

Committee Members

The names of the committee members throughout the year and at the date of this report are:

Annette Barbetti	President
Ewan Hazell	Vice-President
Tom Dent	Treasurer
Anne Willenborg	Secretary
Merv Hazell	Committee member
Peter Hocking	Committee member
Alan Raftery	Committee member

Principal Activities

The principal activities of the association during the financial year were to represent superannuated Commonwealth Officers members from State or Territory branches that have ceased operations in their own State or Territory and to co-ordinate activities for the benefit of the members.

Significant Changes

No significant change in the nature of these activities occurred during the year.

2. Operating Results

The profit (loss) of the association for the financial year after providing for income tax amounted to \$ 2,163 (2014: \$ (15,289)).

Signed in accordance with a resolution of the members of the committee:

Committee member: 
Annette Barbetti

Committee member: 
Anne Willenborg

Dated: 27 August 2015

SCOA Australia Incorporated

ABN 20 315 946 727

Statement by Members of the Committee

In the opinion of the committee the financial statements as set out on pages 3 to 23:

1. Presents a true and fair view of the financial position of SCOA Australia Incorporated as at 30 June 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that SCOA Australia Incorporated will be able to pay its debts as and when they fall due.

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

Committee member: 
Annette Barbetti

Committee member: 
Anne Willenborg

Dated: 27 August 2015

SCOA Australia Incorporated

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	7	93,439	46,437
Other expenses		(90,455)	(61,409)
Depreciation expense		(454)	-
Profit (loss) before income tax		2,530	(14,972)
Income tax expense	8	(367)	(317)
Profit (loss) for the year		2,163	(15,289)
Total comprehensive income for the year		2,163	(15,289)

The accompanying notes form part of these financial statements.

SCOA Australia Incorporated

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Statement of Financial Position

As At 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	41,182	48,182
Other assets	3	22,628	20,824
TOTAL CURRENT ASSETS		63,810	69,006
NON-CURRENT ASSETS			
Property, plant and equipment	4	4,296	-
TOTAL NON-CURRENT ASSETS		4,296	-
TOTAL ASSETS		68,106	69,006
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	37,459	40,889
Current tax liabilities	6	684	317
TOTAL CURRENT LIABILITIES		38,143	41,206
TOTAL LIABILITIES		38,143	41,206
NET ASSETS		29,963	27,800
EQUITY			
Retained earnings		29,963	27,800
TOTAL EQUITY		29,963	27,800

The accompanying notes form part of these financial statements.

SCOA Australia Incorporated

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Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2014	27,800	27,800
Profit attributable to members of the entity	2,163	2,163
Balance at 30 June 2015	29,963	29,963

2014

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2013	43,089	43,089
Loss attributable to members of the entity	(15,289)	(15,289)
Balance at 30 June 2014	27,800	27,800

The accompanying notes form part of these financial statements.

SCOA Australia Incorporated

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Statement of Cash Flows

For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	88,897	86,072
Payments to suppliers and employees	(92,259)	(82,233)
Interest received	1,112	1,254
Net cash provided by (used in) operating activities	9(b) <u>(2,250)</u>	<u>5,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(4,750)</u>	-
Net cash provided by (used in) investing activities	<u>(4,750)</u>	-
Net increase (decrease) in cash held	(7,000)	5,093
Cash and cash equivalents at beginning of financial year	<u>48,182</u>	<u>43,089</u>
Cash and cash equivalents at end of financial year	9(a) <u><u>41,182</u></u>	<u><u>48,182</u></u>

The accompanying notes form part of these financial statements.

SCOA Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2015

The financial statements cover SCOA Australia Incorporated as an individual entity. SCOA Australia Incorporated is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991 (ACT)*.

The financial statements were authorised for issue on 27 August 2015 by the committee members.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Act 1991 (ACT)* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(c) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the association commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

(d) Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(e) Revenue and Other Income (continued)

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Donations are recognised as revenue when received. Interest revenue is recognised using the effective interest rate method.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year. As the membership year is a calendar year, membership income received for the period 1 July to 31 December is allocated to the deferred income liability account as unearned income.

(f) Goods and Services Tax (GST)

The association is not registered for GST and accordingly GST is recognised as part of the cost of acquisition of assets or as part of the expense items.

(g) Income Tax

The principle of mutuality provides for the association's liability for income tax to relate only to net revenue from non-members, interest and other income, less any deductions that can be claimed under the *Income Tax Assessment Act 1997*.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which the committee expect to recover or settle the carrying amount of the related asset or liability.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(g) Income Tax (continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(h) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(i) Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(i) Fair Value of Assets and Liabilities (continued)

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the association at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in the highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the association's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

(k) Critical Accounting Estimates and Judgements

The committee members evaluate estimates and judgements 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(I) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the association:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010 7 / AASB 2012 6 / AASB 2013 9 / AASB 2014 1 / AASB 2014 7 / AASB 2014 8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.	The available-for-sale investments held will be classified as fair value through OCI and will no longer be subject to impairment testing. Other impacts on the reported financial position and performance have not yet been determined.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (continued)

(I) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15	30 June 2018	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.	The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	30 June 2016	AASB 2015-3 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	There is not expected to be any changes to the reported financial position, performance or cash flows of the entity.

SCOA Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2015

2 Cash and Cash Equivalents

	2015	2014
Note	\$	\$
CURRENT		
Cash at bank	41,182	48,182
9, 11	<u>41,182</u>	<u>48,182</u>

3 Other assets

	2015	2014
Note	\$	\$
CURRENT		
Prepayments	22,628	20,824
	<u>22,628</u>	<u>20,824</u>

4 Property, Plant and Equipment

	2015	2014
Note	\$	\$
Plant and equipment		
At cost	4,750	-
Accumulated depreciation	(454)	-
Total property, plant and equipment	<u>4,296</u>	<u>-</u>

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Total
	\$	\$
Balance at the beginning of year	-	-
Additions	4,750	4,750
Depreciation expense	(454)	(454)
Carrying amount at the end of 30 June 2015	<u>4,296</u>	<u>4,296</u>

SCOA Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2015

5 Trade and Other Payables

	Note	2015 \$	2014 \$
CURRENT			
Unsecured liabilities			
Deferred income		37,459	40,889
		<u>37,459</u>	<u>40,889</u>

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2015 \$	2014 \$
Trade and other payables:			
- Total Current		37,459	40,889
Less:			
Deferred income		(37,459)	(40,889)
Financial liabilities as trade and other payables	11	<u>-</u>	<u>-</u>

6 Tax

	Note	2015 \$	2014 \$
CURRENT			
Income tax payable		684	317
Current tax liabilities		<u>684</u>	<u>317</u>

7 Revenue and Other Income

	Note	2015 \$	2014 \$
Revenue			
- member subscriptions		87,215	36,887
- donations		1,703	5,918
- interest received		1,112	1,254
- sundry revenue		3,409	2,378
Total Revenue		<u>93,439</u>	<u>46,437</u>

During the previous year donated funds were received from the South Australian State branch as part of their winding up process.

SCOA Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2015

8 Income Tax Expense

(a) The major components of tax expense comprise:

	2015	2014
Note	\$	\$
Current tax expense		
Current tax	367	317
Total income tax expense	<u>367</u>	<u>317</u>

(b) Reconciliation of income tax to accounting profit:

	2015	2014
Note	\$	\$
Prima facie tax payable on loss before income tax at 30% (2014: 30%)	759	(4,492)
Less:		
Tax effect of:		
- non-taxable member income (expense) arising from principle of mutuality	392	(4,809)
Income tax expense	<u>367</u>	<u>317</u>

9 Cash Flow Information

(a) Reconciliation of cash

	2015	2014
Note	\$	\$
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	2 <u>41,182</u>	<u>48,182</u>
	<u>41,182</u>	<u>48,182</u>

SCOA Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2015

9 Cash Flow Information (continued)

(b) Reconciliation of Cash Flow from Operations with Profit (Loss) after Income Tax

	Note	2015 \$	2014 \$
Profit (loss) for the year		2,163	(15,289)
Non-cash flows in profit (loss)			
- Depreciation		454	-
Changes in assets and liabilities			
- (Increase)/decrease in prepayments		(1,804)	(20,824)
- Increase/(decrease) in deferred income		(3,430)	40,889
- Increase/(decrease) in income taxes payable		367	317
Cash flow from operations		<u>(2,250)</u>	<u>5,093</u>

(c) Credit Standby Arrangements with Banks

The association has no credit standby or financing facilities in place.

(d) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the year.

10 Auditors' Remuneration

	Note	2015 \$	2014 \$
Remuneration of the auditor of the association for:			
- auditing or reviewing the financial statements		1,870	715

11 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	2	<u>41,182</u>	<u>48,182</u>
Total Financial Assets		<u><u>41,182</u></u>	<u><u>48,182</u></u>

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Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Financial Risk Management (continued)

Financial Risk Management Policies

The committee members' risk management strategy seeks to assist the association in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee members on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The association has no significant concentration of credit risk with any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by committee members. The following table provides information regarding credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Financial Risk Management (continued)

	Note	2015 \$	2014 \$
Cash and cash equivalents			
- AA Rated	2	41,182	48,182
		<u>41,182</u>	<u>48,182</u>

(b) Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total Contractual Cash Flow	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable								
Cash and cash equivalents	41,182	48,182	-	-	-	-	41,182	48,182
Total anticipated inflows	41,182	48,182	-	-	-	-	41,182	48,182
Net (outflow)/inflow on financial instruments	41,182	48,182	-	-	-	-	41,182	48,182

(c) Market risk

Interest rate risk

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Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Financial Risk Management (continued)

(c) Market risk (continued)

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The association is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the association to interest rate risk are limited to cash and cash equivalents.

Sensitivity Analysis

The following table illustrates sensitivities to the association's exposures to changes in interest rates. The table indicates the impact on how profit or loss and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year Ended 30 June 2015		
+/- 2% in interest rates	780	780
Year Ended 30 June 2014		
+/- 2% in interest rates	860	860

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position and notes to the financial statements. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the association. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the fair value figures calculated bear little relevance to the association.

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Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Financial Risk Management (continued)

The fair values of financial assets and financial liabilities as disclosed in the statement of financial position and in the notes to the financial statements have been determined based on the following methodologies: Cash and cash equivalents and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude deferred income which is not considered to be a financial instrument.

12 Capital Management

The committee members control the capital of the association to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised within tolerable risk parameters. The committee members ensure that the overall risk management strategy is in line with this objective.

The association's capital consists of financial liabilities, supported by financial assets.

The committee members effectively manage the association's capital by assessing the association's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by the committee members to control the capital of the association since the previous year.

The gearing ratio for the years ended 30 June 2015 and 30 June 2014 are as follows:

	Note	2015 \$	2014 \$
Borrowings		-	-
Less Cash and cash equivalents	2	(41,182)	(48,182)
Net debt		(41,182)	(48,182)
Equity		29,963	27,800
Total capital		(11,219)	(20,382)
Gearing ratio		- %	- %

13 Association Details

The principal place of business of the association is:

SCOA Australia Incorporated

Building 3, Pearce Community Centre

Collect Place

Pearce ACT 2607

Independent Auditor's Report

To the members of SCOA Australia Incorporated

Report on the Financial Report

We have audited the accompanying financial report of SCOA Australia Incorporated, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Committee Members' Responsibility for the Financial Report

The committee members are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991 (ACT)*, and for such internal control as the committee members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report

To the members of SCOA Australia Incorporated

Opinion

In our opinion, the financial report gives a true and fair view of, the financial position of SCOA Australia Incorporated as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991 (ACT)*.

Hardwickes
Chartered Accountants

Hardwickes
R Johnson

Robert Johnson FCA
Partner

Canberra

Dated: 27 August 2015