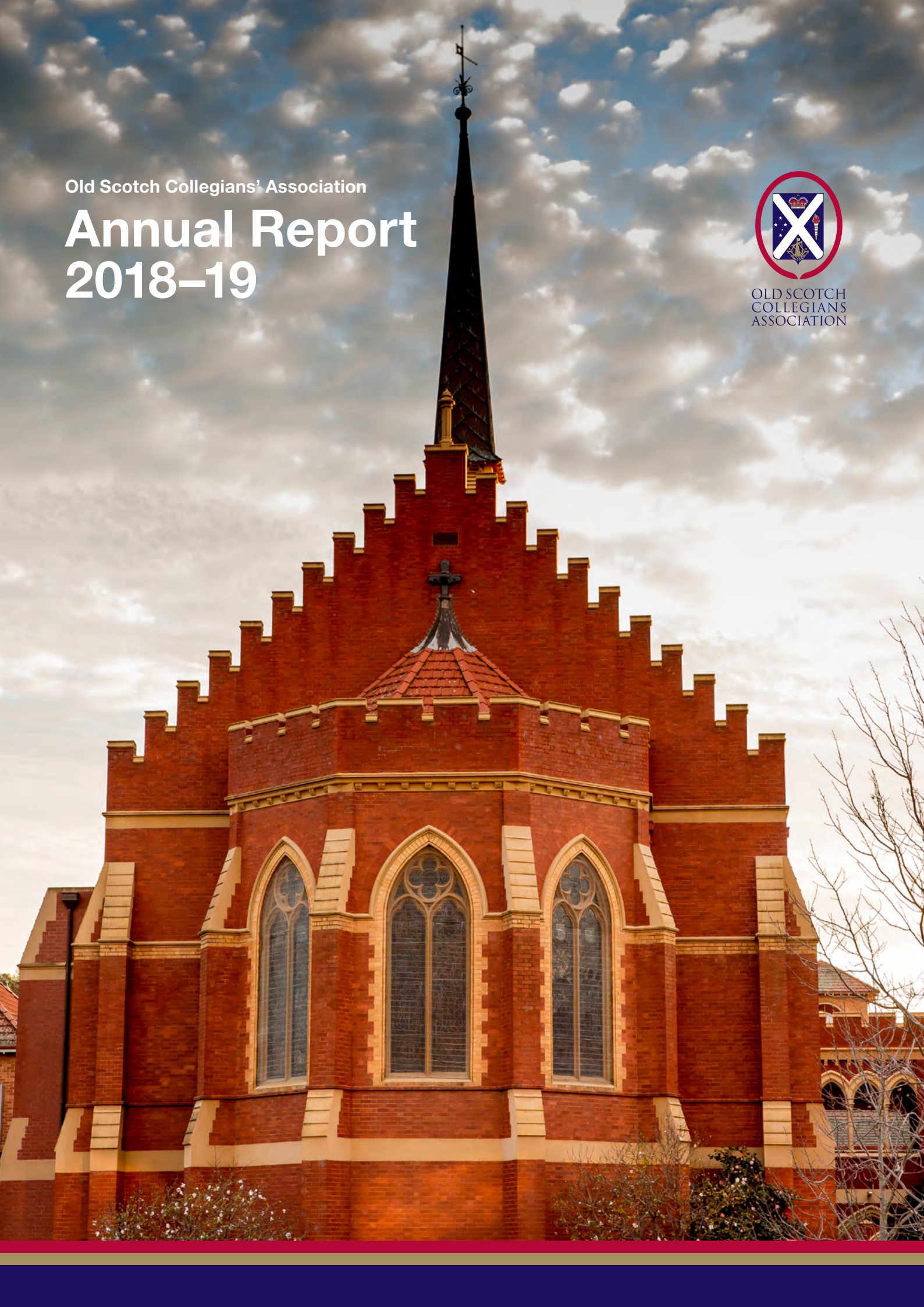


Old Scotch Collegians' Association

Annual Report 2018–19



OLD SCOTCH
COLLEGIANS
ASSOCIATION



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OLD SCOTCH COLLEGIANS' ASSOCIATION
A.B.N. 98 004 198 403
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

REGISTERED OFFICE:
1 MORRISON STREET
HAWTHORN VIC 3122

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Scotch College

Printed for the Old Scotch Collegians' Association



OLD SCOTCH
COLLEGIANS
ASSOCIATION

OSCA Council

For the year 2018–19

Executive



James Douglas ('84)
President



Andrew Wilson ('78)
Senior Vice President
Events & Branches



Stephen Webster ('73)
Junior Vice President
Clubs & Societies



Nicholas Stone ('92)
Treasurer



James Gallacher ('90)
Alumni Relations

Council



Matthew Guthridge ('91)
Clubs & Societies



Peter Lam ('99)
Clubs & Societies



Martin Barr ('96)
Events & Branches



Andrew Coates ('85)
Communications & Data



Alistair Macrae ('94)
Finance & Governance



Chris Karagounis ('92)
Alumni Relations



Pauline Westmore
SC Staff (1995–2016)
Alumni Relations

Ex-Officio



Andrew Crawford ('89)
Immediate Past President



Scott Montgomery ('85)
Executive Director

ANNUAL GENERAL MEETING 2019 NOTICE TO ALL MEMBERS OF THE OLD SCOTCH COLLEGIANS' ASSOCIATION

Annual General Meeting

The Old Scotch Collegians' Association was founded in 1913 and incorporated on 15 December 1934.

Notice is hereby given that the 85th Annual General Meeting of the Association as an incorporated body, and the 106th meeting of the Association as originally formed, will be held at the Boykett Room in the Cardinal Pavilion, Scotch College, Hawthorn on Wednesday 20 November 2019 at 6.30 pm.

Business

1. Reception and adoption of the Annual Report and Financial Statements
2. Appointment of Auditor
3. Election of Councillors. An election shall, if necessary, be held to appoint five (5) Council members from those nominated as Council members.
4. Special Resolution – adopting new Constitution (refer: oscanet.com.au)
5. Honorary Life Membership

To consider, and if thought fit, to pass the following resolution – ‘that the class of Honorary Life Membership be established’.

Explanation: Rule 12(a) of the new constitution, if adopted by the above special resolution, provides for an AGM to ‘establish new classes of membership including Honorary Life Membership’.

6. Other business legally brought before the meeting.

Notice of Special Resolution - Amendment of the Constitution (Item 4) ¹

Notice is hereby given pursuant to section 249L(1)(c) of the Corporations Act 2001, that at the upcoming Annual General Meeting, it is intended that the following motion be proposed as a special resolution:

THAT the current Memorandum and Articles of Association of the Old Scotch Collegians' Association (OSCA) be repealed and a proposed new Constitution as published on OSCAnet, be approved and adopted as the new Constitution of OSCA.

The Council is proposing to and recommends the replacement of the existing Memorandum and Articles of Association with a Constitution which is in modern form and updated to reflect the Corporations Act. Please see the summary of differences (as published on OSCAnet) between the existing Memorandum and Articles of Association and the proposed new Constitution (in addition to referring to the form of new constitution itself).

By Order of the Council



S R Montgomery

Executive Director,
29 October 2019

Notes

Any member of the Association is entitled to appoint another member as his proxy or attorney under power. The notice of appointment of proxy or attorney under power must be received by the Association at least 48 hours before the meeting.

1. This resolution requires a special resolution, which means that, to be passed, the item needs the approval of at least 75% of the votes cast by members present at the meeting and entitled to vote on the resolution.

ANNUAL GENERAL MEETING 2019 NOTICE TO ALL MEMBERS OF THE OLD SCOTCH COLLEGIANS' ASSOCIATION

Nominations for Appointment as Council Members

Under the Articles of Association

1. Messrs A A G Wilson, J Douglas, S Webster and M Guthridge shall cease to hold office at the conclusion of the Association's Annual General Meeting. Each of them is eligible for reappointment for a new term of office and each offers himself for re-election.
2. Messrs J Gallacher, M Barr, A Coates and Mrs P Westmore continue to hold office for a further one (1) year.
3. Messrs P Lam, A Macrae and J Adams continue to hold office for a further two (2) years.
4. Mr N Stone has resigned effective at the conclusion of the AGM.
5. Mr A Crawford continues in his appointment as an ex officio member of the Council as the Immediate Past President.

In accordance with the Association's Articles of Association, A A G Wilson, J Douglas, S Webster and M Guthridge will retire from the Council and offer themselves for re-election.

Nominations are hereby called for election as Council members.

Any two members may nominate a member who is a member for election as a Council member. The nomination must be in writing and signed by the member and the member's proposer and seconder and be lodged with the Executive Director between the hours of 8.30 am and 5.00 pm at least ten (10) days before the Annual General Meeting to be held on Wednesday 20 November 2019.

A list of candidates' names in alphabetical order will be posted in a conspicuous place at the Registered Office of the Association in the Randall Building, Scotch College, 1 Morrison Street, Hawthorn for at least seven (7) days immediately preceding the Annual General Meeting.



S R Montgomery

Executive Director

29 October 2019

President's Report 2018–19

The Old Scotch Collegians' Association has had a rewarding year, during which we fully engaged with the School, the Scotch College Foundation, and our ever-growing OSCA community.

During the year OSCA went back to basics: we spent considerable time refining our purpose. We are acutely aware that OSCA is all about engagement with our community and building a strong network to support the School and each other, and so once we had defined our purpose we wanted to put it into action. To facilitate this, we defined our purpose and strategy in three simple messages: reasons to connect, places to connect, and opportunities to give back.

Reasons to connect can be through participating in one of the many clubs and societies supported by OSCA. We have 27 clubs and societies and they are extraordinarily vibrant, ranging across music, drama, sports and social pursuits, and engaging thousands of our Old Boys and members of the broader Scotch Family. Connection can also be as simple as catching up with mates, running or cycling with them on a weekend, or participating in many of the other ways our community informally connects. OSCA encourages all these reasons to connect.

Places to connect are both physical and digital. In a physical sense, OSCA runs more than 40 events every year, including reunions, branch events and of course our flagship event, the Annual Dinner. Each event is a ready-made place to connect.

Our community also connects online and via social media. I am delighted to announce that this year we have launched a new digital platform for Old Boys to connect and engage – OSCAconnect. This is an exciting initiative, supported by the OSCA Collegians, an OSCA-affiliated club. OSCAconnect allows you to re-connect with old classmates, engage with our branches, clubs and societies, and use the trusted Old Scotch Collegians' Association community to expand your professional network. It's easy to subscribe to OSCAconnect, and I do encourage Old Boys to register to consider linking up and gaining access to this excellent new avenue of engagement. Check out the alumni portal. Go to www.oscconnect.com.au.

Opportunities to give back are also important, and include giving back to the School, in recognition of the excellent education it gave us, and also giving back to the OSCA and broader community. Our clubs and societies would not exist without the dedicated work of an army of volunteers – people working long hours as presidents, treasurers and committee members, and others who organise events and ensure club and society activities run smoothly,



enabling thousands of people to enjoy being part of the OSCA community. I am most grateful for the dedication of everyone involved in this way.

We have also been looking at what other APS alumni associations do to create engagement opportunities for their own communities, and we will consider adopting any of their ideas that we believe will benefit the OSCA community.



OSCA council welcomed two new members this year – Alistair Macrae ('94) and Pauline Westmore. Alistair is a fourth-generation Old Boy with strong Scotch Family links and a sound business background. Alistair has been a valuable acquisition to Council, and has capably led the Finance and Governance committee.

Pauline is a former member of staff (1995-2016) who is well known to our younger Old Boys. She is the first female member of OSCA Council. I am very pleased that Pauline has joined Council; her involvement is important not just because of the skills she brings to Council, but also because we strongly encourage Scotch staff members to become OSCA Life Members and to become involved and engaged as Pauline has done.

The 2019 OSCA Annual Dinner year was a highly successful event, which more than 420 Old Boys and guests thoroughly enjoyed. The dinner's focus was on innovation, building on the School's program of fostering innovation (centring on the new Spencer Centre for Design and Technology) and entrepreneurship. We were very fortunate to have Rob Phillpot ('91) as guest speaker – Rob is one of the founders of Aconex, a world-leading construction software company. Rob founded it with his mate from Scotch, Leigh Jasper ('91), and took on the world, with the company ultimately being acquired by Oracle in 2018. We were delighted to hear from Rob and to reflect on how Scotch can equip boys with the skills they need to succeed in a changing world.

Perhaps one of our least exciting but nevertheless important activities during the year has been to review the OSCA constitution. While retaining the core principles and purpose of the existing constitution, the amendments, submitted for adoption at OSCA's annual general meeting on 20 November, will modernise the constitution and ensure it is compatible with OSCA's current activities and aspirations.

During the year we also announced a plan to provide material support to the Old Scotch Football Club's new Foundation. The Foundation has been set up to create a long-term funding structure and ensure OSFC is strong and vibrant, now and in the future. The implementation of this funding support marked a change in the way OSCA supports its clubs and societies. We are encouraging our clubs and societies to think in a long-term, strategic way and to engage OSCA as a partner in their strategy.

Construction is now well under way on the Archives Museum and OSCA House project. This is an exciting development for OSCA, giving us a new, dedicated home which is linked closely to the Archives, and hence the history of the School. We anticipate that the project will be completed in mid-2020. It will provide space for our clubs and societies to meet, and create a gathering place for Old Boys: for the first time ever, we will have a real home for our OSCA community. The redeveloped Archives will enable our history to be properly preserved and maintained.

In 2020 we will continue our focus on engagement, built around our core themes of reasons, places and opportunities to connect.

President's Report 2018–19

Finances

OSCA has recorded a \$35,605 surplus for the year, which was better than the amount budgeted, largely due to higher Life membership income, sponsorship interest and dividends as well as lower administration costs. Net assets increased over the 12 month period by \$152,280 as a result of investment returns as well as increased invested cash and payables due to increased Life Membership subscriptions.

OSCA's investments in equities achieved a positive result due to total returns in Australian shares (All Ordinaries Accumulation index) achieving an 11.0 per cent increase throughout 2018/19.

Special thanks

I'm most grateful for the energetic work of the OSCA Executive Director, Scott Montgomery ('85), and the OSCA office staff. Scott has maintained and strengthened OSCA's excellent relationships with the School, the Scotch Foundation and the OSCA community.

During the year, OSCA Events Coordinator, Bec Marshall resigned and was replaced by Ferry Seifzadeh, who transferred to the OSCA office from Scotch's Maintenance department. We wish Bec well in her new life at Wentworth, NSW. Ferry has quickly and enthusiastically settled into her new role, supported very well by Annika Dusek, OSCA and Community Administration Assistant. I thank all OSCA staff members for their dedicated work for the Association.

Finally, OSCA values its close relationship with all sections of the School community, and is particularly grateful for the support of the following people:

- The Hon Dr David Kemp AC, Chairman of the School Council
- Tom Batty, School Principal
- Tim Shearer, Director of Development and Foundation Executive Director
- School staff, including Bursar, Ross Congleton ('76), Finance Manager, Simon Reichelt, and Accountant, Joyce Zhou

I also thank all members of OSCA Council most sincerely for their dedicated work throughout the year. I'm very grateful for all they do and the considerable hours they devote to furthering the Association's aims. I thank Chris Karagounis, who resigned late in the year, for his six years as a valuable Council member. The casual vacancy caused by Chris's resignation was filled by James Adams ('05), the Chairman of Council's Events and Branches Committee. In addition, Nick Stone ('92) has elected not to stand for Council in 2019/20, and I thank Nick for four outstanding years as Treasurer.

OSCA Council has elected me to serve a second term as OSCA President, after the annual general meeting in November. I am most grateful for the opportunity of continuing to serve the Association, its members, and the wider Scotch community in 2019/20. I am excited to be part of it all, and I thank all of you for your continuing strong support for and engagement in OSCA.

James Douglas ('84)

Councillors' Report

The Councillors have pleasure in presenting their report together with the accounts of the Old Scotch Collegians' Association for the year ended 30 June 2019. This report is made pursuant to the provisions of the Corporations Act 2001.

THE OLD SCOTCH COLLEGIANS' ASSOCIATION'S LONG-TERM OBJECTIVES

The objects for which the Association is formed are:

- (a) To promote the welfare and advancement of the Scotch College, Melbourne (hereafter referred to as "the College") through the activities of Old Boys and present and former masters of the College.
- (b) To provide means whereby Old Boys of the College may be kept in touch with each other and to promote unity and good fellowship among them, and to foster and develop in them affection for the welfare and devotion to the advancement of the College.
- (c) To raise or aid or contribute to the raising of funds for the use and benefit of the College, whether for endowment, building, embellishment, improvement, educational, recreation or any other purposes considered to be advantageous to the College, and with the consent of the proper authorities to erect, equip and maintain buildings, structures, grounds, memorials and improvements of any kind on the property of the College or at any other place or places.
- (d) To establish and to encourage, aid, assist and take part in the establishment of funds, exhibitions, scholarships, bursaries and prizes for boys or Old Boys of the College.
- (e) To contribute or undertake to contribute to any fund or assist in the attainment of any object established or designed to foster friendly relations among the Public Schools of Victoria, or between them or any of them and similar schools elsewhere, or among the Old Boys of any such schools, or to benefit all or any of such schools or their Old Boys.
- (f) To take or accept any gift of property whether real or personal and whether subject to any special trust or not, for any one or more of the objects of the Association, and to undertake and execute any trust for the purpose of directly or indirectly carrying out the objects of the association or any of them.
- (g) To promote sport, recreation, entertainment, amusement and education among Old Boys and to organise, manage, control and give financial assistance to associations, clubs, and teams for any such purpose and to encourage social intercourse between members of the Association.
- (h) To provide and maintain premises, rooms, libraries, reading rooms, refreshment rooms and other conveniences for the members of the Association or for boys or Old Boys of the College.

COUNCILLORS' REPORT

- (i) To render financial or other assistance to former office bearers of the Association or their dependants, and to Old Boys of the College or their dependants in distress, and to pay for or contribute to the maintenance and education of the dependants of deceased Old Boys of the College.
- (j) To purchase, take on lease or in exchange, hire, or otherwise acquire for the purposes of the Association any real or personal property whatsoever.
- (k) To register and badge, colours and or design as the badge, colours or design of the Association under any law of the Commonwealth or the State of Victoria, giving to the Association or its members the right to use the same whether subject to specified limitations, terms and conditions or not, and to permit the same when registered to be used by members of the Association subject to the same limitations, terms and conditions (if any) and such further limitations, terms and conditions as the Association may from time to time impose.
- (l) To diffuse among Old Boys of the College information on all matters affecting its interests or welfare, and to print, publish, issue and circulate such papers, periodicals, books, circulars and other literary undertakings as may seem conducive to any of the objects of the Association.
- (m) To sell, let, mortgage or otherwise deal with the whole or any part or parts of any land, buildings or other property whether real or personal of the Association in such manner and upon such terms and subject to such conditions as may be deemed expedient.
- (n) To borrow or raise money from the members or otherwise for the purposes of the Association and in order to record the same or secure the repayment thereof to create, execute and issue mortgages, debentures, debenture stock or other securities with or without a charge upon all or any of the property of the Association.
- (o) To invest the moneys of the Association upon such securities or otherwise as may from time to time be determined.
- (p) To draw, accept and negotiate bills of exchange, promissory notes and other negotiable instruments, and to give guarantees to lend money with or without security, and to subscribe or contribute to any charitable, benevolent or useful object, and to raise funds for or procure contributions to the Association.
- (q) To transfer the undertaking of all or any of the property of the Association to any other Society or Association whether corporate or unincorporated, on such terms and conditions as the Association may approve.
- (r) To do all or any of the things herein authorised either alone or in conjunction with or as trustees or agents for others and by or through trustees or agent.
- (s) To do all such lawful acts, matters and things as are incidental or conducive to the attainment of any of the objects of the Association.

COUNCILLORS' REPORT

THE OLD SCOTCH COLLEGIANS' ASSOCIATION'S STRATEGY, 2020–2024

In March 2019, the OSCA Council adopted a five year strategic plan.

OSCA must pursue three priorities to deliver one of the best alumni experiences in the world by 2030

Mission

Promote the advancement and welfare of the School and Old Boys

Vision

Provide the best alumni experience in the world by strengthening connections within the Scotch family

Priorities

1

Providing reasons to connect

2

Providing ways to connect

3

Providing opportunities to give back

Key Activities

Foster deep friendships between alumni to share similar interests

- Event, clubs and societies
- OSCA
- Informal friendship groups

Create and support networking and mentoring opportunities

- Early career support
- Career transition

Support alumni well being

- Create avenues for confidential support and conversation

Provide regular opportunities for alumni to connect

- OSCA Annual Dinners
- Alumni events around Australia and the rest of the world
- Diverse range of clubs and societies that cater to all alumni interests/passions

Provide world-class digital engagement via

- OSCA website
- Great Scot digital magazine
- Social media
- Easy access, customisable on-line alumni communities

Give back to the School and Scotch Family

- Foundation
- Scotch Family Groups

Supporting the Leadership of the School

Creating opportunities for the Scotch Family to give back

- Volunteering
- Supporting Social Enterprise

Support and contribute to improving Scotch's position in the community

Scotch and OSCA values

COUNCILLORS' REPORT

THE OLD SCOTCH COLLEGIANS' ASSOCIATION'S PRINCIPAL ACTIVITIES, 2018-19

Activity	Timing
Annual Dinner	May
AGM and Past Presidents' dinner	November
Branches - Australian - Sydney, Perth, Adelaide, Canberra and Tasmania	Various
Branches - International – Hong Kong, New York and London	Various
Branches - Regional - Mornington and Bellarine Peninsula, North East (Rutherglen) and Central Victoria (Bendigo)	Various
Reunion year dinners [6]	10, 20, 30, 40, 50, 60
Valedictory Dinner	October
Special Events – Chinese New Year dinner, Cordner Eggleston Cup Lunch, Year 12 Breakfasts and YOB Coach & Services awards night	Various
OSCA clubs support	Ongoing
OSCA sponsorships	Ongoing
OSCA/Wesley Golf Event and APS Golf Day event	April, November
<i>Great Scot magazine</i>	April, September, December
OSCA clubs engagement	Ongoing
OSCAnet and ENewsletter	Ongoing
Membership campaign	Ongoing

COUNCILLORS' REPORT

COUNCILLORS

The names of the Councillors in office at any time during or since the end of the financial year:

Name	Appointed	Resigned	No. of Meetings Eligible to Attend during the year	No. of Meetings Attended during the year
I T Batty	1-July-2008	21-November 2018	4	3
A S Crawford	17-November-2011		7	5
A A G Wilson	14-February-2011		7	5
S R Montgomery	15-October-2012		7	7
D W Lording	15-October-2013	21-November 2018	3	2
C Karagounis	15-October-2013		7	4
J Douglas	21-November-2013		7	7
N P Stone	26-November-2015		7	6
J Long	26-November-2015	13-August 2018	0	0
S Webster	23-November-2016		7	6
J Gallacher	23-November-2016		7	7
M Barr	14-August-2017		7	6
A Coates	14-August-2017		7	7
M Guthridge	22-November-2017		7	6
P Lam	22-November-2017		7	7
A Macrae	8 October 2018		6	3
P Westmore	4-December 2018		4	3
C Schilling (2018 Captain)	8-December-2017	21-November 2018	4	1

The company secretary, Mr Scott Montgomery, Bachelor of Business, Victoria University, has been secretary since October 2012.

QUALIFICATIONS AND EXPERIENCE OF COUNCILLORS

The above-mentioned Councillors are all Life Members of the Association. The Councillors have various business, professional, academic, religious, social or sporting experience and qualifications appropriate to the running of the Association.

PRINCIPAL ACTIVITIES

The principal activities of the Association in the course of the financial year remain unchanged and are the advancement of the objects of the Old Scotch Collegians' Association.

RESULT OF OPERATIONS

The net amount of the operating profit of the Association for the financial year after provision for income tax was \$35,605 (2018: \$64,097).

INDEMNIFICATION OF OFFICERS

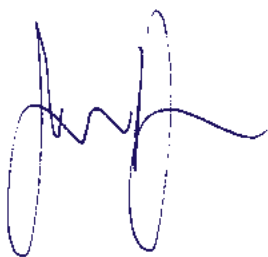
The Association has paid a premium of \$3,503 (2018: \$3,493) in respect of a contract insuring all Councillors and Officers of the Association against liability up to a limit of \$10,000,000 (2018: \$10,000,000). This contract provides indemnity for loss arising from any claims made against the Councillors and Officers by reason of any wrongful act as defined in the contract.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration is set out following this report and forms part of the Councillors' Report for the year ended 30 June 2019.

RESOLUTION

This report is made in accordance with a resolution of the Council.



J Douglas

President



N P Stone

Treasurer

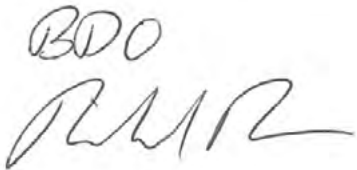
14 October 2019

Melbourne

**DECLARATION OF INDEPENDENCE BY RICHARD DEAN
TO THE DIRECTORS OF OLD SCOTCH COLLEGIANS' ASSOCIATION**

As lead auditor of Old Scotch Collegians' Association for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



Richard Dean
Partner

BDO Audit Pty Ltd

Melbourne, 14 October 2019

Financial Statements



OLD SCOTCH COLLEGIANS' ASSOCIATION
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue	3	433,573	398,721
Expenses	4	397,968	334,624
Profit/(Loss) before income tax expense		<u>35,605</u>	<u>64,097</u>
Income tax expense	2(c)	-	-
Net profit/(loss)		<u>35,605</u>	<u>64,097</u>
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Net fair value gains		116,675	200,506
Total comprehensive income for the year		<u>152,280</u>	<u>264,603</u>

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

OLD SCOTCH COLLEGIANS' ASSOCIATION STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents		263,058	298,216
Trade and Other Receivables	6	80,803	77,914
Inventory	7	23,549	26,680
TOTAL CURRENT ASSETS		367,410	402,810
NON-CURRENT ASSETS			
Other Financial Assets	8	2,698,293	2,483,511
Plant and Equipment	9	-	-
TOTAL NON-CURRENT ASSETS		2,698,293	2,483,511
TOTAL ASSETS		3,065,703	2,886,321
CURRENT LIABILITIES			
Trade and Other Payables	10	757,628	730,526
TOTAL LIABILITIES		757,628	730,526
NET ASSETS		2,308,075	2,155,795
EQUITY			
Reserves		402,592	209,737
Retained Profits		1,905,483	1,946,058
TOTAL MEMBERS' EQUITY		2,308,075	2,155,795

The above Statement of Financial Position is to be read in conjunction with the attached notes.

OLD SCOTCH COLLEGIANS' ASSOCIATION STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings \$	Available for Sale Revaluation Reserve \$	Total \$
As at 1 July 2017	1,173,357	717,835	1,891,192
Changes in Equity			
Net decrease in value of investments	-	200,506	200,506
Profit for the year	64,097	-	64,097
Total comprehensive income for the year	64,097	200,506	264,603
Transfer balance of Available for Sale Revaluation Reserve related to assets disposed during the year to Retained Earnings	708,604	(708,604)	-
As at 30 June 2018	1,946,058	209,737	2,155,795
Changes in Equity			
Net increase in value of investments	-	116,675	116,675
Profit for the year	35,605	-	35,605
Total comprehensive income for the year	35,605	116,675	152,280
Transfer balance of Available for Sale Revaluation Reserve related to assets disposed during the year to Retained Earnings	(76,180)	76,180	-
As at 30 June 2019	1,905,483	402,592	2,308,075

The above Statement of Changes in Equity is to be read in conjunction with the attached notes.

OLD SCOTCH COLLEGIANS' ASSOCIATION STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities:			
- Receipts from Members, Functions and Donations		397,797	329,304
- Payments to Suppliers and Others		(435,604)	(257,313)
- Dividends Received		99,148	73,362
- Interest Received		1,607	3,558
Net Cash provided by Operating Activities	12(b)	62,948	148,911
Cash Flows from Investing Activities:			
- Payments for Investments		(851,470)	(2,844,842)
- Proceeds from Sale of Investments		753,364	2,467,526
Net Cash used in Investing Activities		(98,106)	(377,316)
Net Increase/(Decrease) in Cash Held		(35,158)	(228,405)
Cash at Beginning of Year		298,216	526,621
Cash at End of Financial Year	12(a)	263,058	298,216

The above Statement of Cash Flows is to be read in conjunction with the attached notes.

OLD SCOTCH COLLEGIANS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. INTRODUCTION

The Old Scotch Collegians' Association ("the Association") is a company limited by guarantee, incorporated and domiciled in Victoria with its registered office and principal place of business being Morrison Street, Hawthorn. The operations and principal activities of the Association are the advancement of the objects of the Old Scotch Collegians' Association. The financial statements are presented in Australian dollars.

The financial report was authorised for issue by the Board of Councillors of the Association on the date shown on the Councillors' Declaration attached to the financial statements.

2. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted by the Old Scotch Collegians' Association are stated in order to assist in a general understanding of the financial report. The financial report of the Old Scotch Collegians' Association is a general purpose financial report prepared in accordance with Australian Accounting Standards and Interpretations and the Corporations Act 2001.

(a) Overall Policy

The financial report has been prepared on an accruals basis using the historical cost method, and except where stated does not take into account current valuations of non-current assets.

There are no significant judgements or key assumptions made in applying accounting policies or concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial Report Complies with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS).

The Association is considered to be a Not for Profit entity and has prepared the financial statements in accordance with the requirements regarding Not for Profit entities as contained in Australian Accounting Standards.

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

The Association adopted AASB9 from 1 July 2011. AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9.

Other accounting standards and interpretations which have been issued but are not yet effective, AASB 15 "Revenue from Contracts with Customers", AASB 16 "Leases" and AASB 1058 "Income for Not-for Profit Entities" have not been applied. The Councillors do not consider there will be any material impact on the measurement basis adopted for the financial reporting of the Association in the future.

(b) Life Membership

Life Membership fees of \$481.82 (2018: \$463.64) per member net of GST are treated as revenue in the Income Statement.

OLD SCOTCH COLLEGIANS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

(c) Income Tax

The Association is exempt from Income Tax under Section 50-5 of the Income Tax Assessment Act 1997.

(d) Depreciation of Plant and Equipment

OSCANet was depreciated on a straight line basis over its estimated useful life of 5 years.

(e) Inventory

Inventory is valued at the lower of cost and net realisable value. Cost is assigned on a first-in-first-out basis.

(f) Revenue Recognition

Revenue from the sale of goods is recognised when control has passed to the purchaser. Revenue from the rendering of a service is recognised upon delivery of the service to the customer. Revenue from life members is recognised upon receipt when students have completed Year 12. Dividend revenue and distributions are recognised when the right to receive payment is established. Interest revenue is recognised using the effective interest method.

(g) Impairment

At each reporting date the Association reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The Councillors are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

(h) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised on the balance sheet when the Association becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the Association.

A financial liability is removed from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(i) Financial Assets at Fair Value through Other Comprehensive Income

Shares and units held by the Association are classified as being at fair value through Other Comprehensive Income, recognised at trade date and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the Investment Revaluation Reserve. When an investment is disposed of the cumulative gain or loss previously recognised in the Investment Revaluation Reserve is transferred to Retained Earnings.

OLD SCOTCH COLLEGIANS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

(j) **Fair Values**

The table below identifies the methodologies used to value financial instruments at fair value. The different levels have been defined as follows:

Level	Valuation Method
Level 1	Quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Level	Valuation Method
Cash, cash equivalents and short-term deposits	The carrying amount approximates fair value because of their short-term to maturity (Level: n/a).
Receivables and payables	The carrying amounts approximate fair value (Level: n/a).
Available-for-sale investments	The fair value is calculated using quoted prices in active markets (Level 1) for shares and units listed on a prescribed stock exchange and published prices for unlisted trusts (Level 2).

OLD SCOTCH COLLEGIANS' ASSOCIATION NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
3. REVENUE		
Interest Received	1,607	2,234
Dividends Received	95,761	80,603
Gross Proceeds from Functions etc	147,632	150,746
Life Members' Fees	117,849	114,421
Sales of Wines, Ties, Badges etc	23,494	20,558
Donations for Student Assistance	455	500
Sponsorships	46,775	29,659
	433,573	398,721
4. EXPENSES		
Cost of Sales	20,842	19,181
Administrative Expenses	130,207	111,578
Assistance and Contributions	28,275	31,177
Donation – Scotch College Building Fund	-	6,000
Donation – OSCA House	50,000	-
Functions and Presentations	153,647	146,668
Life Member Promotion	4,636	7,607
Public Relations	13,961	11,213
Pavers refurbishment	(3,600)	1,200
	397,968	334,624

The Expense item "Assistance and Contributions", \$28,275 (2018 \$31,177) consists of two elements. The first is assistance provided by OSCA towards the payment of tuition or boarding fees to the School on behalf of sons of Old Boys who have died or suffered other trauma and so that the education of the students at the School may continue. These decisions are taken in conjunction with the School and amounted to \$8,500 (2018 \$8,500). The remainder of this item, \$19,775 (2017 \$22,677) represents financial support provided by OSCA to Old Scotch clubs. The OSCA House donation represented the satisfaction of a 5 year commitment of \$10,000 a year paid up front to assist with establishment of OSCA House.

OLD SCOTCH COLLEGIANS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

5. AUDITORS' REMUNERATION

The auditors of the Association are appointed in an honorary capacity and received no other benefits in the year ended 30 June 2019 or 30 June 2018.

6. TRADE AND OTHER RECEIVABLES

Current

Accrued Dividends and Interest

Sundry Debtors

Prepayments

	2019 \$	2018 \$
	15,692	19,079
	6,458	8,679
	58,653	50,156
	80,803	77,914

The carrying amount of accounts receivable approximates net fair value, no interest is charged and all amounts are receivable in Australian dollars. All amounts are considered current and collectability is monitored on an on-going basis.

7. INVENTORY

The inventory comprises wines, polar fleeces, ties and bow ties, and OSCA history books and is shown at cost.

	23,549	26,680
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OLD SCOTCH COLLEGIANS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
8. OTHER FINANCIAL ASSETS		
Financial Assets at fair value through Other Comprehensive Income:		
Investments in shares and unit trusts	2,698,293	2,483,511
Net fair value has been determined by reference to current quoted market bid prices (Level 1) and to published redemption prices for unlisted trusts (Level 2). For descriptions of the valuation methods see note 1(j).		
9. PLANT AND EQUIPMENT		
Plant and Equipment - OSCAnet - at cost	75,000	75,000
Accumulated Depreciation	(75,000)	(75,000)
	<u>-</u>	<u>-</u>
10. PAYABLES		
Life Membership Fees in advance	719,073	659,682
Other creditors	38,555	70,844
	<u>757,628</u>	<u>730,526</u>

The carrying amount of accounts payable approximates net fair value, no interest is charged and all amounts are payable in Australian dollars.

11. KEY MANAGEMENT PERSONNEL

The Councillors receive no remuneration or other benefits from the Association. They pay membership fees and are involved in other transactions with the Association on the same terms and conditions as available to other members.

The Association had no employees at 30 June 2019 (2018: Nil employees). The salaries and wages of persons employed in the Old Scotch Collegians' office and other administrative expenses are paid by Scotch College. The Association reimburses Scotch College to the extent of \$88,459 (2018: \$68,928) disclosed as Administrative Expenses.

OLD SCOTCH COLLEGIANS' ASSOCIATION NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts. 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 as follows:

	2019 \$	2018 \$
Cash at Bank	263,048	298,216

(b) Reconciliation of Net Cash Provided by Operating Activities to Profit after Income Tax

Operating Profit/(Loss) after Income Tax	35,605	66,159
Dividends reinvested	-	(9,911)
Changes in Assets and Liabilities:		
Decrease/(Increase) in Receivables	(2,889)	(8,144)
Decrease/(Increase) in Inventory	3,131	16,986
Increase/(Decrease) in Creditors	(32,290)	2,866
Increase/(Decrease) in Unearned Income	59,391	85,718
Net Cash provided by Operating Activities	62,948	153,674

13. FINANCIAL INSTRUMENTS

Capital Management

The Councillors control the capital of the Association to ensure that returns from investments are maximised so that adequate cash flows are generated to fund its activities and continue as a going concern.

There have been no changes in the strategy adopted by the Councillors to control the capital of the Association since the prior year. The aim of the Association remains to contribute half the life membership fees received during the course of the year to the Association's capital base.

Financial Risk Management

The Association has invested its surplus funds in a range of Financial Assets, which comprise the investment portfolio. The Investment Committee is responsible for the investment portfolio and has written guidelines to ensure that financial risk is managed appropriately to achieve the investment objectives, which are stated as:

- Maintaining a good spread of investments across the major asset classes with the objective of growing the capital base over the long term and minimising risk/volatility; and
- Maintaining/increasing the level of income generated by the portfolio.

The Association's investment activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Investment Committee regularly reviews the investment portfolio and manages the different types of risks to which it is exposed. No significant exposure to currency, interest, credit or liquidity risk is considered to exist.

All investments are readily tradeable investments that can be realised as required.

OLD SCOTCH COLLEGIANS' ASSOCIATION NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

13. FINANCIAL INSTRUMENTS (CONT'D)

Sensitivity Analysis

The Association does not have significant interest rate risk. The Association's investments are subject to risk, being essentially financial market investments, including shares and securities traded on the Australian and International Stock Exchange and Unit Trusts. As such fluctuations in the financial markets will impact the financial risks of the Association. For the purpose of the sensitivity analysis a 10% change in the value of the investments is a reasonable estimate of the sensitivity of the financial asset. The Association's investments are Available for Sale Financial Assets with changes in value recognised directly in the Available for Sale Revaluation Reserve. Movements in value do not impact the profit or loss.

	Reported Net Assets Adjusted for Impact of Movement	
	As at 30 June	
	2019 \$	2018 \$
If the value of the investment was 10% lower than reported	2,077,268	1,907,444
Reported Net Assets	2,308,075	2,155,795
If the value of the investment was 10% higher than reported	2,538,883	2,404,146

Net Fair Values of Financial Assets and Liabilities

The carrying amounts of financial assets and liabilities approximate fair value. The aggregate net fair value of financial assets and liabilities is presented in the table above. Net fair value of financial assets and liabilities are determined on the following basis:

- Cash, cash equivalents and short term investments: The carrying amount approximates fair value because of their short term to maturity.
- Receivable and payables: The carrying amount approximates fair value.
- Other financial assets: The fair value is estimated by reference to market values, refer note 1(j).

OLD SCOTCH COLLEGIANS' ASSOCIATION

A.B.N. 98 004 198 403

COUNCILLORS DECLARATION

In the opinion of the Councillors of the Association:

- (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with accounting standards and give a true and fair view of the Association's financial position as at 30 June 2019 and for the year ended on that date.
- (b) at the date of this declaration, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Councillors.



J Douglas
President



N P Stone
Treasurer

14 October 2019
Melbourne



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OLD SCOTCH COLLEGIANS' ASSOCIATION

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Old Scotch Collegians' Association (the Company), which comprises the statement of financial position as at 30 June 2019, 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 councillors' declaration.

In our opinion the accompanying financial report of Old Scotch Collegians' Association, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Company in accordance with the *Corporations Act 2001* 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the councillors as at the time of this auditor's report.

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 obtained at the date of this auditor's report is information included in the Councillors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

continued

Responsibilities of the councillors for the Financial Report

The councillors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the councillors 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 Company'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 councillors either intend to liquidate the Company or to cease operations, or have 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

The image shows a handwritten signature in black ink. The signature consists of the letters 'BDO' in a stylized, blocky font, followed by a cursive signature that appears to be 'R Dean'.

Richard Dean

Partner

Melbourne, 14 October 2019



OLD SCOTCH
COLLEGIANS
ASSOCIATION