



OLD SCOTCH
COLLEGIANS
ASSOCIATION

Old Scotch Collegians' Association

Annual Report 2019–20

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OLD SCOTCH COLLEGIANS’ ASSOCIATION
A.B.N. 98 004 198 403
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

REGISTERED OFFICE:
1 MORRISON STREET
HAWTHORN VIC 3122

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OSCA Council

For the year 2019–20

Council



James Douglas ('84)
President



Andrew Wilson ('78)
Senior Vice President



Stephen Webster ('73)
Junior Vice President



Philip Wright ('69)
Treasurer



James Gallacher ('90)
Alumni Relations



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



James Adams ('05)
Events & Branches



Pauline Westmore
SC Staff (1995–2016)
Alumni Relations

Secretary



Scott Montgomery ('85)
Executive Director

ANNUAL GENERAL MEETING 2020 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 86th Annual General Meeting of the Association as an incorporated body, and the 107th meeting of the Association as originally formed, will be a digital meeting, held online via 'Zoom' due to the current COVID 19 non-essential work and travel restrictions on Wednesday 18 November 2020 at 6.30 pm.

The link to access the Zoom meeting is: www.oscanet.com.au

Please note that pre-registration via the link is required in order for a member to access the meeting.

To ensure your pre-registration can be recorded to enable attendance at the meeting, please ensure you have processed your pre-registration at least 5 minutes before the scheduled meeting start time. To assist, further instructions with regard to the conduct of the meeting will be sent to pre-registered members prior to the AGM date.

Business

1. Reception and adoption of the Annual Report and Financial Statements.
2. Appointment of Auditor.

To consider and if thought fit, pass the following as an ordinary resolution:

"That, for the purposes of the Corporations Act 2001 (Cth) and for all other purposes, BDO Audit Pty Ltd, having been nominated by a member and consented in writing to act in the capacity of auditor, be appointed as auditor of the Association."

3. Election of Councillors.

An election shall, if necessary, be held to appoint up to six (6) Council members from those nominated as Council members.

4. Other business legally brought before the meeting.

By Order of the Council



S R Montgomery
Executive Director,
21 September 2020

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.

ANNUAL GENERAL MEETING 2020 NOTICE TO ALL MEMBERS OF THE OLD SCOTCH COLLEGIANS' ASSOCIATION

Annual report and financial statements

A copy of the OSCA annual report and financial statements for 2019-20 will be made available via the Association's website at least seven (7) days prior to the Annual General Meeting.

Nominations for Appointment as Council Members

1. Messrs M Barr, A Coates, J Gallacher, P Wright and Mrs P Westmore shall cease to hold office at the conclusion of the Association's Annual General Meeting. Each of them is eligible for re election for a new term of office. Messrs A Coates, J Gallacher, P Wright and Mrs P Westmore each offer themselves for re-election. Mr M Barr does not seek re-election.
2. Messrs P Lam, A Macrae and J Adams continue to hold office for a further one (1) year.
3. Messrs M Guthridge, A A G Wilson, S Webster continue to hold office for a further two (2) years.
4. J Douglas has resigned effective at the conclusion of the AGM.

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 is to 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 35 business days before the Annual General Meeting to be held on Wednesday 18 November 2020. For 2020, this submission may occur as a pdf document sent by email to the Executive Director at: scott.montgomery@scotch.vc.edu.au

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. Given the interruption of the COVID-19 pandemic, a list of candidates' names in alphabetical order will also be posted on the Association's website for at least seven (7) days immediately preceding the Annual General Meeting.

Appointment of auditor

BDO East Coast Partnership, as part of an internal restructure, resigned as auditor of the Association in August 2020. At that time, OSCA Council appointed BDO Audit Pty Ltd as the Association's auditor until this AGM.

The members at the general meeting will be asked to vote on the appointment of BDO Audit Pty Ltd as the Association's auditor effective from the general meeting.



S R Montgomery
Executive Director,
21 September 2020

President's Report 2019–20

The Old Scotch Collegians' Association

To say that 2020 was a difficult year for the whole community is no exaggeration: first, there were the bushfires which raged through summer, then the major disruption caused by the COVID-19 pandemic. OSCA certainly felt COVID-19's impact, but its effect on our broader community was profound. Our thoughts and prayers are with those who have been sick, with those who have been directly affected by the wide societal and economic consequences of the pandemic, and with all who have struggled throughout this year.

Within our Scotch community we particularly think of the Year 12 students who have missed out on so many of the ceremonies that mark the end of their time at school. We wish them the best with completion of VCE and in the transition to the next stage of their lives. Hopefully 2021 is a little brighter for them, and for our entire community.

While we certainly had a difficult and disrupted year, I am very proud of what OSCA has achieved. In a year where most events could not proceed and many clubs and societies were inactive, rather than focusing on what we could not do, our Executive and Council pivoted to focus on what we could do.

In 2019 we revisited OSCA's strategy. Our vision was to provide the best alumni experience in the world by strengthening connections within the Scotch Family and by focusing on three interrelated priorities:

- 1. Providing reasons to connect
- 2. Providing ways to connect
- 3. Providing opportunities to give back

During the year we added to our strategy the concept of the 'Cardinal Thread' – the invisible connection that draws the Scotch Family together. This formed the touchstone of how we responded to this year and was the basis of our thinking on the role of OSCA.

There are many examples of each of these elements of our strategy in what we sought to achieve this year. I want to mention a number of which I am most proud.

We have thought for a long time about how we can most effectively help Old Boys during the transition stages of their lives. In 2020 we undertook a project focusing on the transition years immediately after Year 12. This can be a difficult, uncertain period, and our feedback from young Old Boys was that there were ways OSCA could help. As this had also been a focus for the School, we felt it was an area we could work on together.

The OSCA Alumni Relations team worked hard to get a grip on the issues, and consulted with young Old Boys to design a series of events aligned to their life stage. The idea was to move from thinking in terms of individual events, to setting up a tightly-related network to maximise the impact we could have. You will see the results of this during 2021.

During the year the team launched OSCA Live, a series of events and interviews to connect and engage with the OSCA community. Many of you will have participated in the webinars, which included some excellent interviews with the Hon Dan Tehan MP, Federal Minister for Education, Russel Howcroft ('83), and a truly memorable one with Tom Batty. The opportunity to connect in this way was really positive, and something that OSCA will continue to do.

We also held a very well attended virtual Annual Dinner – though we sincerely hope that in 2021 the OSCA community can be back together for this event.



OSCA Councillor's at the 2019 OSCA Presidents' Dinner

President’s Report 2019–20

OSCAconnect, our digital platform, continued to gain traction through 2020, with almost 1000 Old Boys now on the platform. OSCAconnect allows Old Boys to reconnect with former classmates, engage with our branches, clubs and societies, and use the trusted Old Scotch Collegians’ Association community to expand their professional networks. It’s easy to subscribe to OSCAconnect, and I encourage Old Boys to consider linking up and gaining access to this excellent new avenue of engagement. Check out the alumni portal: www.oscaconnect.com.au.

In 2021 we will continue these initiatives, and we hope there will be more than 40 events, including reunions, branch events, and of course our flagship event, the Annual Dinner.

OSCA Council welcomed two new members this year: Phil Wright (‘69) who is well known in the Scotch rowing community and particularly in the Cardinal Club; and James Adams (‘05), whose family has been much involved with Pipes and Drums. Phil stepped into the role of Treasurer and James is chairing the Events and Branches Committee. I would also like to congratulate James and his wife Mon on the birth of their son, George, during 2020 (a prospective member of the Class of 2038!).

During the year OSCA House was completed. As we had hoped, this is a wonderful facility that will provide a permanent home for OSCA, and a place for our clubs and societies to meet and for Old Boys to get together. OSCA House is a component of the Tolson Centre, which also includes the Scotch Shop, which provides a full-service school uniform retail experience, and the Archives and Museum, which is playing such an important role in preserving and displaying items from Scotch’s rich history.

While COVID-19 restrictions have limited how much we could use OSCA House during this year, when we are able to meet again, I look forward to seeing you there.

In 2021 we will continue our focus on engagement, built around our core themes of reasons, places and opportunities to connect, linked by the Cardinal Thread.

Finances

OSCA has recorded a small operating loss of \$26,478 for the year, largely due to additional costs associated with COVID-19, limited events, and some pressure on investment income. Net assets decreased slightly over the year, primarily due to increased provisioning for life memberships received in advance, though I note that investment returns were broadly flat on 2019.

Special thanks

It has been a privilege to be OSCA’s President for the past two years. The Presidents and Council members who preceded me, particularly in the past 10 years, had worked incredibly hard to put OSCA in a very strong position. OSCA’s relationship with the School, the Foundation and the broader Scotch Family is very strong, and we are in a sound financial position. This has enabled OSCA Council to focus on those things that matter to our Old Boys, and to look at how we can make OSCA better over the next 10 years and beyond. I’m grateful to the former Presidents and Councillors for all that they did to build those strong foundations and allow us to focus firmly on the future.

I am also very grateful for the energetic work of the OSCA Executive Director, Scott Montgomery (‘85), and Caroline Taylor (OSCA Events and Communications Coordinator). Scott has maintained and strengthened OSCA’s excellent relationships with the School, the Scotch Foundation and the OSCA community, and Caroline has worked tirelessly throughout the year, particularly in managing our move to a digital focus.

During the year, Annika Dusek, transitioned out of her role as OSCA and Community Administration Assistant and was redeployed to another role for the school. I want to particularly thank Annika for her hard work, passion and commitment to OSCA and wish her well.

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:

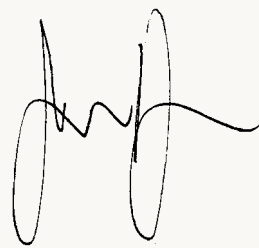
- The Hon Dr David Kemp AC (‘59), Chairman of the School Council
- Tom Batty, School Principal
- Tim Shearer (‘85), Director of Development and Foundation Executive Director
- School staff, including Bursar, Ross Congleton (‘76), Finance Manager, Simon Reichelt, and Accountant, Joyce Zhou

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 Marty Barr (‘96), who is stepping down from OSCA Council this year, for all of the work that he has done throughout his time on Council. Marty has been a great partner and always a source of enthusiasm and warmth. He will be missed.

OSCA Council has resolved to elect Andrew Wilson (‘78) to serve as incoming OSCA President, after the annual general meeting in November. Andrew is a passionate supporter of OSCA and the School, and I am delighted that he is taking on the presidency. He will be a terrific leader of OSCA.

I am sad to be stepping down from OSCA after seven years on the Council, but excited for OSCA’s future, 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 2020. 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) promote the welfare and advancement of Scotch College through the activities of Old Collegians and present and former Staff Members of the College;
- (b) provide a means for Old Collegians to keep in touch with each other, to promote unity among them and to foster and develop in them a desire to assist in the welfare and advancement of the College;
- (c) raise, aid or contribute to the raising of funds for the use and benefit of the College, whether for endowment, building, embellishment, improvement, educational, recreational 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) establish and encourage, aid, assist and take part in the establishment of funds, exhibitions, scholarships, bursaries and prizes for students or Old Collegians of the College;
- (e) contribute or undertake to contribute to any fund or assist in attaining any object established or designed to foster friendly relationships with the Associated Public Schools of Victoria or other similar schools;
- (f) 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;
- (g) promote sport, wellbeing, entertainment and education among Old Collegians, encourage social interaction between Members of the Association and promote the formation of affiliated clubs for any such purpose, on terms determined by the Council from time to time, including the provision of management and financial support to any clubs affiliated with the Association;
- (h) render financial or other assistance to former office-bearers of the Association or their dependents and to Old Collegians or their dependents in distress and to pay for or contribute to the maintenance and education of the dependants of deceased Old Collegians;
- (i) provide Old Collegians with information on all matters affecting their interests or welfare and to print, publish, issue and circulate (whether in hard copy or electronically) such communications as may be beneficial to any of the objects of the Association;
- (j) do all or any of the things authorised in its Constitution either alone or in conjunction with or as a trustee or agent for others and by or through trustees or agents;
- (k) do all such lawful acts, matters and things as are incidental or conducive to 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 <ul style="list-style-type: none">• Event, clubs and societies• OSCA• Informal friendship groups Create and support networking and mentoring opportunities <ul style="list-style-type: none">• Early career support• Career transition Support alumni well being <ul style="list-style-type: none">• Create avenues for confidential support and conversation	Provide regular opportunities for alumni to connect <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• OSCA website• Great Scot digital magazine• Social media• Easy access, customisable on-line alumni communities	Give back to the School and Scotch Family <ul style="list-style-type: none">• Foundation• Scotch Family Groups Supporting the Leadership of the School Creating opportunities for the Scotch Family to give back <ul style="list-style-type: none">• Volunteering• Supporting Social Enterprise Support and contribute to improving Scotch's position in the community
	Scotch and OSCA values		

The COVID-19 pandemic that commenced in February, 2020 continues to have a significant impact on the general community and it has prevented OSCA delivering its usual program of events during the latter part of the financial year.

Whilst postponement and, in some cases, cancellation of a number of regular events has restricted OSCA from delivering on the second of its three priorities (refer "Providing ways to connect" above), the Association is well-placed to resume hosting events as soon as government restrictions are lifted. Its long-term 'Priorities' and 'Key activities' (see above) remain unchanged and the Council looks forward with great anticipation to delivering on them.

COUNCILLORS’ REPORT

THE OLD SCOTCH COLLEGIANS’ ASSOCIATION’S PRINCIPAL ACTIVITIES, 2019-20

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 Victoria – Mornington* and Bellarine Peninsulas, 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 Breakfast (Mother & Son)*, Year 12 Breakfast (Father & Son) 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
Great Scot magazine	April, September, December
OSCA clubs & societies engagement	Ongoing
OSCAconnect & eNewsletter	Ongoing
Membership campaign	Ongoing

*Note: some of the above activities were postponed in 2019/20 due to the Covid-19 pandemic.

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
A A G Wilson	14 February 2011		7	7
A S Crawford	17 November 2011	Refer below*	3	3
S R Montgomery**	15 October 2012		7	7
C Karagounis	15 October 2013	20 November 2019	3	1
J Douglas	21 November 2013		7	7
N P Stone	26 November 2015	20 November 2019	3	3
S Webster	23 November 2016		7	7
J Gallacher	23 November 2016		7	7
M Barr	14 August 2017		7	7
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		7	7
P Westmore	4 December 2018		7	6
J Adams	14 October 2019		6	6
P N Wright	20 November 2019		4	4

* Andrew Crawford's position as Immediate Past President lapsed at the conclusion of the 20 November, 2019 Annual General Meeting following amendments to the Constitution passed at the meeting.
** The company secretary, Mr Scott Montgomery, B. Bus., 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 deficit of the Association for the financial year after provision for income tax was \$26,478 (2019: Surplus \$35,605).

INDEMNIFICATION OF OFFICERS

The Association has paid a premium of \$3,528 (2019: \$3,503) in respect of a contract insuring all Councillors and Officers of the Association against liability up to a limit of \$10,000,000 (2019: \$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 2020.

RESOLUTION

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



J Douglas

President

6 October, 2020
Melbourne



P N Wright

Treasurer

DECLARATION OF INDEPENDENCE BY TIM FAIRCLOUGH TO THE COUNCILLORS OF OLD SCOTCH COLLEGIANS' ASSOCIATION

As lead auditor of Old Scotch Collegians' Association for the year ended 30 June 2020, 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.



Tim Fairclough

Partner

BDO Audit Pty Ltd

Melbourne, 6 October 2020

Financial Statements

OLD SCOTCH COLLEGIANS' ASSOCIATION STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Revenue	3	297,438	433,573
Expenses	4	(323,916)	(397,968)
Profit/(Loss) before income tax expense		(26,478)	35,605
Income tax expense	2(c)	-	-
Net profit/(loss)		(26,478)	35,605
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss		(62,316)	116,675
Net fair value gains		(62,316)	116,675
Total comprehensive income for the year		(88,794)	152,280

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 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents		215,909	263,058
Trade and Other Receivables	6	79,681	80,803
Inventory	7	30,449	23,549
TOTAL CURRENT ASSETS		<u>326,039</u>	<u>367,410</u>
NON-CURRENT ASSETS			
Investment securities	8	2,687,865	2,698,293
TOTAL NON-CURRENT ASSETS		<u>2,687,865</u>	<u>2,698,293</u>
TOTAL ASSETS		<u>3,013,904</u>	<u>3,065,703</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	794,623	757,628
TOTAL LIABILITIES		<u>794,623</u>	<u>757,628</u>
NET ASSETS		<u>2,219,281</u>	<u>2,308,075</u>
EQUITY			
Reserves		225,374	402,592
Retained Profits		1,993,907	1,905,483
TOTAL MEMBERS' EQUITY		<u>2,219,281</u>	<u>2,308,075</u>

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 2020

	Retained Earnings \$	Available for Sale Revaluation Reserve \$	Total \$
As at 1 July 2018	1,946,058	209,737	2,155,795
Changes in Equity			
Net decrease 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
Changes in Equity			
Net increase in value of investments	-	(62,316)	(62,316)
Profit for the year	(26,478)	-	(26,478)
Total comprehensive income for the year	(26,478)	(62,316)	88,794
Transfer balance of Available for Sale Revaluation Reserve related to assets disposed during the year to Retained Earnings	114,902	(114,902)	-
As at 30 June 2020	1,993,907	225,374	2,219,281

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 2020

	Notes	2020 \$	2019 \$
Cash Flows from Operating Activities:			
- Receipts from Members, Functions and Donations		250,838	397,797
- Payments to Suppliers and Others		(323,795)	(435,604)
- Dividends Received		76,496	99,148
- Interest Received		1,200	1,607
Net Cash provided by Operating Activities	11(b)	4,739	62,948
Cash Flows from Investing Activities:			
- Payments for Investments		(1,228,130)	(851,470)
- Proceeds from Sale of Investments		1,176,242	753,364
Net Cash used in Investing Activities		(51,888)	(98,106)
Net Increase/(Decrease) in Cash Held		(47,149)	(35,158)
Cash at Beginning of Year		263,058	298,216
Cash at End of Financial Year	11(a)	215,909	263,058

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 2020

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.

Coronavirus (COVID-19) pandemic

The Council has considered the impacts that the COVID-19 pandemic has had, or may have, on the Association based on known information. This consideration extends to the events we normally manage, the welfare of our members and staff and the locations in which we operate. The Association is in a strong financial position and there does not currently appear to be either any significant impact from COVID-19 upon the financial statements or any significant uncertainties which may impact the Association as at the reporting date or subsequently.

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.

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.

Accounting standards and interpretations which have been adopted this year are AASB 15 "Revenue from Contracts with Customers", AASB 16 "Leases" and AASB 1058 "Income for Not-for Profit Entities". The adoption of these standards has had no material impact on the measurement of assets and liabilities or the reported results.

OLD SCOTCH COLLEGIANS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

(b) Life Membership

Life Membership fees of \$481.82 (2019: \$481.82) per member net of GST are treated as revenue in the Income Statement.

(c) Income Tax

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

(d) Inventory

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

(e) Revenue Recognition

Revenue from the sale of goods is recognised as an amount that reflects the consideration to which the Association expects to be entitled when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. 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.

(f) 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.

(g) 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.

(h) 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 2020

(i) 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
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).
Investment securities	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 2020

	2020 \$	2019 \$
3. REVENUE		
Interest Received	1,200	1,607
Dividends Received	70,047	95,761
Gross Proceeds from Functions etc	64,250	147,632
Life Members' Fees	115,770	117,849
Sales of Wines, Ties, Badges etc	14,071	23,494
Donations for Student Assistance	500	455
Sponsorships	31,600	46,775
	297,438	433,573
4. EXPENSES		
Cost of Sales	15,966	20,842
Administrative Expenses	175,506	130,207
Assistance and Contributions	45,015	28,275
Donation – OSCA House	-	50,000
Functions and Presentations	72,880	153,647
Life Member Promotion	6,934	4,636
Public Relations	5,665	13,961
Pavers refurbishment	1,950	(3,600)
	323,916	397,968

The Expense item "Assistance and Contributions", \$45,015 (2019: \$28,275) 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 \$Nil (2019: \$8,500). The remainder of this item, \$45,015 (2019: \$19,775) represents financial support provided by OSCA to Old Scotch clubs.

OLD SCOTCH COLLEGIANS' ASSOCIATION NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

5. AUDITOR'S REMUNERATION

The auditor of the Association is appointed in an honorary capacity and received no other benefits in the year ended 30 June 2020 or 30 June 2019.

6. TRADE AND OTHER RECEIVABLES

Current

	2020 \$	2019 \$
Accrued Dividends and Interest	9,243	15,692
Sundry Debtors	31,722	6,458
Prepayments	38,716	58,653
	79,681	80,803

7. INVENTORY

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

	30,449	23,549
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OLD SCOTCH COLLEGIANS' ASSOCIATION NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

8. INVESTMENT SECURITIES

Financial Assets at fair value through Other Comprehensive Income:
Investments in shares and unit trusts

	2020 \$	2019 \$
	2,687,865	2,698,293

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 2 (i).

9. TRADE AND OTHER PAYABLES

Life Membership Fees in advance
Other creditors

	768,983	719,073
	25,640	38,555
	794,623	757,628

10. KEY MANAGEMENT PERSONNEL

The Councillors do not receive 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 did not have any employees at 30 June 2020 (2019: 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 \$107,203 (2019: \$88,459) disclosed as Administrative Expenses.

OLD SCOTCH COLLEGIANS' ASSOCIATION NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

11. 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:

	2020 \$	2019 \$
Cash at Bank	215,909	263,058

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

Operating Surplus /(Deficit) after Income Tax	(26,478)	35,605
Changes in Assets and Liabilities:		
Decrease/(Increase) in Receivables	1,122	(2,889)
Decrease/(Increase) in Inventory	(6,900)	3,131
Increase/(Decrease) in Creditors	(12,915)	(32,290)
Increase/(Decrease) in Unearned Income	49,910	59,391
Net Cash provided by Operating Activities	4,739	62,948

12. 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.

Financial Risk Management

The Association has invested its surplus funds in a range of Financial Assets, which comprise the investment portfolio. The Finance and Governance 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 Finance and Governance 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.

12. 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 Financial Assets at fair value through Other Comprehensive Income 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	2020 \$	2019 \$
If the value of the investment was 10% lower than reported	1,993,106	2,077,268
Reported Net Assets	2,219,281	2,308,075
If the value of the investment was 10% higher than reported	2,445,456	2,538,883

Net Fair Values of Financial Assets and Liabilities

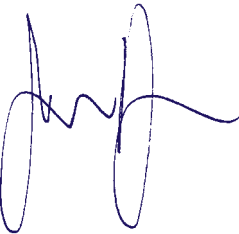
The carrying amounts of financial assets and liabilities approximate fair value. The aggregate net fair value of financial assets and liabilities is presented in the table above. Net fair value of financial assets and liabilities are determined on the following basis:

- 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 2(i).

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 Australian Accounting Standards and give a true and fair view of the Association's financial position as at 30 June 2020 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



P N Wright
Treasurer

6 October 2020
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 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the 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 2020 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 councillors 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 councillors 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 councillors 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

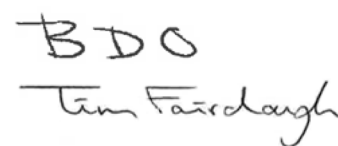
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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



Tim Fairclough

Partner

Melbourne, 6 October 2020

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