



Old Scotch Collegians' Association

Annual Report 2022

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OLD SCOTCH COLLEGIANS' ASSOCIATION
A.B.N. 98 004 198 403

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE, 2022

REGISTERED OFFICE and PRINCIPAL PLACE of BUSINESS:
1 MORRISON STREET
HAWTHORN VICTORIA 3122

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Photography: William Hung, James Grant, Scott Montgomery

Editing: Philip Wright, Scott Montgomery, Will Dixon

Front cover: The 2022 OSCA Annual Dinner

OSCA Council

2022



Andrew Wilson ('78)
President



Stephen Webster ('73)
Senior Vice President



Matthew Guthridge ('91)
Junior Vice President



Philip Wright ('69)
Treasurer



James Adams ('05)
Events & Branches



James Gallacher ('90)
Alumni Relations



Ben James ('89)
Governance, Finance &
Risk



Peter Lam ('99)
Alumni Relations



Alistair Macrae ('94)
Governance, Finance &
Risk



Nick Schiffer ('88)
Alumni Relations



Mark Tolson ('73)
Data & Communications

Secretary



Scott Montgomery ('85)
Executive Director

President's Report 2021-22

Catching up

In the second half of the year OSCA was able to catch up on programs that had been delayed by the pandemic, and OSCA's people were again able to catch up with each other. The first half of the year was dominated by COVID-19 lockdowns and COVID hesitancy while the second half involved a huge effort to make up on two lost years.

'Catching up' is grounded in OSCA's three priorities: that we provide each other with reasons to connect, ways to connect and opportunities to give back. And why? It's *The Cardinal Thread* – that intangible and invisible connection, that feeling and emotion, that draws the Scotch Family together. More than that, it matters, and it matters to health and well-being.

Traditional events

Most of OSCA's decadal reunions in the calendar year 2021 had, as in 2020, not proceeded. However, whereas some schools abandoned such events altogether, OSCA set about running them all in 2022. In most cases this involved joining three year-groups together (anniversaries 5, 6 and 7 years, and 10, 11 and 12 years) whereas the three 'forty years on' reunions (40, 41 and 42) were scheduled individually. Only one reunion was needed for 30 years (class of 1992) and a joint reunion for 20, 21 and 22 years was postponed until later in 2022. Year groups would have preferred to have been kept separate but the effort and practicalities of catching up were appreciated. Covid and isolation still caused late cancellations and no-shows – but after so many months of video-conferencing the Old Boys who could attend were delighted to be face-to-face with real people again.

To cater for the increased numbers, and to take advantage of the spectacular opportunity now offered by Keon Cohen Dining Hall and St. Andrew's square, a new format was successfully trialled. This involved a stand-up event with drinks and a food van dispensing souvlaki.

The class of 2021 had missed many of the normal Year 11 and Year 12 school experiences, including the Year 12 formal, so OSCA was particularly keen to welcome them as Old Boys and in some way compensate for their loss. To that effect OSCA hosted a valedictory dinner with their parents at the Caulfield Racecourse in December.

In November, as in 2020, OSCA decided to hold its Annual General Meeting via video-conferencing, and did not stage the usual Presidents' Dinner. The decision was made reluctantly in the face of continuing uncertainty about lockdowns and concern that many Old Boys would still be hesitant about gathering in a large group. Some tweaks to the constitution were agreed – mainly to restore some items to the way they had been prior to the wholesale changes of 2018.

This year the Annual Dinner was able to proceed and it continued the trend of increasing numbers attending. The Guest of Honour was Andrew Shearer ('83), Australia's Director General of National Intelligence (or 'Chief Spy'), and Tom Batty gave his last address as Principal. Andrew was still in his first week after a change of government and had already flown to Japan with the new Prime Minister to participate in a meeting of the QUAD. Young Old Boys in their first decade after school again provided a quarter of the Old Boys in attendance, and the feedback from all generations was very positive (92% rated the event as 8/10 or better).

The Sydney Branch event was modestly attended but enthusiasm to strengthen Old Boy connectivity in Sydney was high. This has resulted in some initiatives to better-integrate Sydney and Melbourne together, including having a Sydney Old Boy join one of OSCA's committees. Many Old Boys travel frequently between the two cities for business, and significant numbers of Old Boys relocate from one to the other. In June when Scotch's 10th Principal (who lives in Sydney) was announced, some Sydney Old Boys immediately reached out to Dr Scott Marsh and met with him.

A challenging start to 2022

In January the School Council announced that it has discontinued the employment of its recently appointed, but not yet commenced, new Principal. This led to a considerable amount of discussion across the OSCA community with OSCA Council monitoring the situation closely and liaising with its Group B nominees to School Council.

Then two days after that announcement, OSCA's longstanding Executive Director, Scott Montgomery, suffered a cardiac arrest. As would be expected, this was traumatic to Scott, to his family and friends, and to the numerous Old Boys with whom Scott so warmly relates. It also left OSCA 'one man down' on the eve of an ambitious program of events.

Fortunately, Caroline Taylor (OSCA's Events and Communications Co-ordinator) and Will Dixon ('19) (OSCA Digital Content and Communication Support) were magnificent, and OSCA's Treasurer, Philip Wright ('69) stepped into Scott's role seamlessly. It was half a year before Scott returned to work full time, and even then, a full recovery takes more like 12 months.

Other initiatives

During the year OSCA Council funded the acquisition of kilts for the Old Scotch Pipes and Drums Band. This displays the new tartan widely and has enabled the band to compete and play in the cardinal, gold and blue of the new OSCA/Scotch tartan rather than in the Gordon clan tartan that numerous other bands also wear. The tartan is being received favourably and many Old Boys have already purchased a kilt for occasions such as the Annual Dinner. Lambswool scarves in the tartan, woven in Scotland, have also been ordered.

In recognition that the history of OSCA's first century was published in 2013, the OSCA Council commissioned a history of the subsequent decade, 2013-2023. It is anticipated that the history will remain unpublished for the time being but that it will provide invaluable insights to future historians and their sources who would otherwise 'look back and forgetfully wonder'.

Governance and risk

OSCA Council is increasingly conscious of its governance role in relation to the School and the need to cultivate a strong School Council. OSCA continues to strengthen its relationships with its five Group B nominees to School Council and has provided feedback to School Council on what OSCA is hearing from Old Boys – whether anecdotally or via formal survey.

In turn, OSCA Council continues to work on improving its governance of itself. This includes assuring that future Councils are positioned to embrace the best talent available, and further embedding risk management as a central theme. OSCA Council is grateful to Paul Deschepper ('00) for continuing to provide the Council with the benefit of his professional expertise in that area.

Young Old Boys

The Young Old Boys (YOBs) in supporting the transition beyond Year 12, were again a central part of OSCA's year. The YOBs committee, led by Lachie Strathmore ('15), Teddy Webster ('17) and Will Dixon ('19) was active.

In a refocusing on priorities Teddy Webster as President of the YOBs group replaced the OSCA President and OSCA Executive Director in addressing the various events involving parents and Year 12 boys – the valedictory dinner, mother and son breakfast (Mothers' Day), and father and son breakfast (Fathers' Day). The *Beyond the Gates* online webinars were again run with Year 12 students. Just as a Year 9 boy looks up to a Year 12 boy, so also, three years later, does that same boy in Year 12 look up to that same boy who is by then three years out into the world.

The transition out of school was supported in several ways. Visits to OSCA House were systematically organised for groups of the Year 12 students, and this involved connecting them into OSCA's social media. For each university the YOBs collated and circulated to new students a contact list of YOBs who were already

at that university and happy to connect. A meet-up of the class of 2021 and their partners was hosted at a Richmond bar, with about 200 attending.

Last year's webinar called the 'Changing role of the parent' was successfully run again – this time for the parents of the class of 2021. It was hosted by Teddy Webster ('17), Jum Lamont ('06) and Nick Clark the School's psychologist, and it addressed the transition that our newest Old Boys find themselves navigating. Again, the sub-text was to encourage parents to point their sons towards OSCA – to their mates and to other Old Boys. OSCA has made good progress, especially via the YOBS, in smoothing the all-important transition out of school.

Professional development activities for YOBS included a Zoom session on interview skills and writing resumes and cover-letters.

Digital

Times of difficulty are also times of opportunity – so OSCA was delighted to be awarded first place in the digital marketing category of the annual excellence awards by 'EducatePlus', which is the professional body for alumni and advancement organisations in education (including universities). The award was in recognition of the *OSCA Live* initiative (live interviews over Zoom video-conferencing) and *The OSCA Podcasts* by the Young Old Boys.

The Podcasts are pitched to Young Old Boys but have received much wider interest with the median number of listens per episode of the Podcast exceeding 200. The subject of the 10th podcast was an interview with outgoing Principal Tom Batty on the eve of his last day at Scotch. The podcasts are available at www.oscanet.com.au/stay-connected/theoscapodcast.

In a new initiative, OSCA embarked on creating video clips to promote OSCA and each of the Old Scotch clubs. Clips were created for the clubs relating to athletics, cricket, hockey and piping, with others to follow. A clip called Our Cardinal Thread was played to its first audience at the Annual Dinner.

OSCA's usage of digital technologies continued to increase. Connections via OSCAconnect.com.au, Instagram, Facebook and LinkedIn all increased significantly, and photos of reunions, published on OSCAconnect, were a significant attractor. Engagement was strong – for example, 'Get well Scotty' reached 1,476 with engagement 46.5%. Digital digests were issued approximately monthly, and text messages were used successfully to communicate with reunion groups.

OSCA-affiliated clubs

It is said that OSCA's heartbeat is strongest in the OSCA-affiliated clubs – and OSCA Council has remained keen to help the clubs become stronger. This includes encouraging them to understand and manage their risks and engaging with them about mutual interests. A new mechanism for engaging with club representatives has been to meet for drinks at OSCA House before convening in the lecture theatre as a 'gathering of the clans'.

Finances

Financially the year to 30 June 2022 ended with a surplus of approximately \$58,000 (2021: \$31,000). Net assets reduced by \$302,875 (2021: increased \$534,113), primarily due to volatility in the investment markets flowing through to OSCA's investment portfolio. The portfolio is outsourced to investment professionals (Credit Suisse Management (Australia) Pty Limited) with strong oversight by OSCA's Governance, Finance and Risk Committee. Managed with a long-term growth focus, the portfolio continues in a sound position to provide ongoing income for OSCA's operations, as well as slowly growing its capital base for required expenditures. Financial outcomes will always vary and OSCA Council is conscious that strong finances are beneficial only insofar as they help OSCA fulfil its purpose.

Special thanks

The success of OSCA is grounded in the numbers of people who contribute their time, talents, expertise and humour. The number is too extensive to count and name – but OSCA’s staff – Scott Montgomery ('85) and Philip Wright ('69), Caroline Taylor and Will Dixon ('19) – deserve enormous thanks for all they've done in delivering programs, supporting the expanding group of volunteers and improving the rigour of OSCA's practices.

It is also important to acknowledge that OSCA doesn't operate in a vacuum but is instead inter-dependent with the School. OSCA is grateful for the efforts of:

School Council (chaired by Mr Alex Sloan ('71)

School staff including Tim Shearer ('85), Director of Development and Executive Director of the Scotch College Foundation, the Bursar, Ross Congleton ('76), the Finance Manager, Simon Reichelt, and the Accountant, Joyce Zhou and

The Scotch College Foundation led by its President Assoc. Prof. Doug Lording AM ('64).

In June the Principal, Mr Tom Batty, finished up at Scotch and returned to England. OSCA wishes him the very best in his future endeavours and thanks him for his support of OSCA. As I noted last year a significant part of Tom's legacy is embodied in a global diaspora of 14 year-groups of Old Boys who completed Year 12 under his leadership, a further 12 year-groups of future Old Boys who experienced School with Tom at the helm and future students (hence future Old Boys) who will benefit from the conditions that Tom strove to create.

Soon afterwards the appointment of Dr Scott Marsh as OSCA's 10th Principal was announced. OSCA eagerly looks forward to welcoming Scott, his wife Anna and children Denzel and Stella to the Scotch Family, and to partnering with them in strengthening *The Cardinal Thread*.

Lastly, but importantly, I thank all the OSCA Councillors. The Council continues to build on the foundations laid by generations of Councils before it and the Councillors have given their President every support.

After being a member of OSCA Council for 12 years I will retire at the 2022 AGM; I'll stay involved but the reins of President will be ably taken by Stephen Webster ('73). Stephen has been a member of Council for six years including four years as Vice President, and I'm sure he will make a strong President. I wish him and OSCA the very best.



Andrew A.G. Wilson AFSM ('78)

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 2022. This report is made pursuant to the provisions of the Corporations Act 2001.

LONG-TERM OBJECTIVES

The objects of the Association are to:

- (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.

OSCA Council adopted a five-year strategic plan in March 2019, and refreshed it in October 2020 and again in 2021. The plan states that OSCA must pursue three priorities to deliver one of the best alumni experiences in the world by 2030.

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

Mission	<i>Promote the advancement and welfare of Scotch College and its Old Boys</i>		
Vision	<i>Provide one of the best alumni experiences in the world by strengthening the “Cardinal Thread” – the connections within the Scotch Family</i>		
Priorities	1 Providing reasons to connect	2 Providing ways to connect	3 Providing opportunities to give back
Key activities	<p>A. Foster deep friendships between Old Boys to share similar interests</p> <ul style="list-style-type: none"> • Events, clubs and societies • Committees and projects • Informal connections <p>B. Support networking and mentoring opportunities</p> <ul style="list-style-type: none"> • Early career and career transition support <p>C. Support Old Boys to thrive</p> <ul style="list-style-type: none"> • Making sense of School and life experiences • Career and wellbeing support <p>D. Cultivate a worthy sense of Scotch identity, belonging and pride (“Cardinal Thread”)</p>	<p>E. Provide regular opportunities for Old Boys to connect face-to-face</p> <ul style="list-style-type: none"> • Events – reunions, dinners (Australia and globally) • Clubs and societies that cater to Old Boy interests/passions • Committees and projects <p>F. Provide world-class digital engagement via</p> <ul style="list-style-type: none"> • OSCAconnect and website • Video-conferencing • Great Scot digital magazine • Social media • Easy to access, customisable on-line communities 	<p>G. Give back to the School and Scotch Family</p> <ul style="list-style-type: none"> • Foundation • Scotch Family groups <p>H. Support the Leadership of the School</p> <p>I. Create opportunities for the Scotch Family to give back</p> <ul style="list-style-type: none"> • Volunteering • Supporting social enterprise <p>J. Improve Scotch’s position / reputation in the community</p>
<i>Scotch and OSCA values</i>			

Approved as a 5 year strategy by OSCA Council 01/04/19. Updated on 06/10/2020 then 26/10/2021.

The COVID-19 pandemic that commenced in February, 2020 continued to have a significant impact on the general community and it prevented OSCA delivering its usual program of events during parts of the financial year. Whilst some events were able to be held in the early part of 2021, the relaxation of COVID-19 restrictions was short-lived and events scheduled for the first half of the financial year were either postponed or cancelled.

Whilst postponement and, in some cases, cancellation of a number of regular events restricted OSCA from delivering on the second of its three priorities (refer “Providing ways to connect” above), the Association was well-placed to resume hosting events as soon as government restrictions were lifted in the third and fourth quarters of the financial year.

PRINCIPAL ACTIVITIES, 2021–22

Activity	Timing
Annual Dinner	May
AGM and Past Presidents' address (via Zoom)	November
Branches - Australian – Sydney, Perth*, Adelaide, Canberra* and Tasmania	Various*
Branches - International – Hong Kong*, New York* and London*	Various*
Branches Regional Victoria – Mornington Peninsular*, Bellarine Peninsula*, North East (Rutherglen)* and Central Victoria (Bendigo)*	Various*
Reunion year dinners [8]	1, 5, 10, 20*, 30, 40, 50*, 60*
Valedictory Dinner / Scotch College Heads of House celebration	December
Special Events – Cordner-Eggleston Cup Lunch*, Year 12 Breakfast (Father & Son)* and Year 12 Breakfast (Mother & Son)	September*, May
APS Golf Day event and OSCA/Wesley Golf Event*	November, April*
Great Scot magazine	Ongoing
Membership campaign	Ongoing
OSCA Clubs & Societies engagement	Ongoing
OSCA Clubs support	Ongoing
OSCA Live events	Ongoing
OSCA Podcast series	Ongoing
OSCA sponsorships	Ongoing
OSCAconnect, OSCAnet & eNewsletter	Ongoing

***Note:** a number of the above activities in the first and second quarter of the 2021/22 financial year were postponed or cancelled due to the Covid-19 pandemic.

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
S R Montgomery*	15 October 2012		7	5
S Webster	23 November 2016		7	6
J Gallacher	23 November 2016		7	7
A Coates	14 August 2017	17 November 2021	3	3
M Guthridge	22 November 2017		7	7
P Lam	22 November 2017		7	7
A Macrae	8 October 2018		7	7
P Westmore	4 December 2018	17 November 2021	3	2
J Adams	14 October 2019		7	6
P N Wright	20 November 2019		7	7
B James	18 November 2020		7	6
J Paterson	18 November 2020	17 November 2021	3	3
N Schiffer	17 November 2021		4	4
G M Tolson	17 November 2021		4	4

* 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 \$58,160 (2021: \$30,980).

INDEMNIFICATION OF OFFICERS

The Association has paid a premium of \$3,805 (2021: \$3,698) in respect of a contract insuring all Councillors and Officers of the Association against liability up to a limit of \$10,000,000 (2021: \$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.

CONTRIBUTIONS ON WINDING UP

In the event of the Company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the Company are liable to contribute if the Company is wound up is \$95,000 based on 9,500 ordinary members.

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

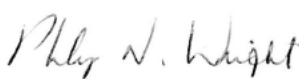
The Auditor's Independence Declaration is set out following this report and forms part of the Councillors' Report for the year ended 30 June 2022.

RESOLUTION

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



A A G Wilson
President



P N Wright
Treasurer

10 October, 2022

Melbourne

Declaration of Independence



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

As lead auditor of Old Scotch Collegians' Association for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink that reads 'Tim Fairclough'. The signature is written in a cursive style with a horizontal line above the first few letters.

Tim Fairclough
Director

BDO Audit Pty Ltd

Melbourne, 10 October 2022

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Old Scotch Collegians' Association

Financial Statements

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 \$	2021 \$
Revenue	3	447,006	225,688
Expenses	4	(388,846)	(194,708)
Profit before income tax expense		<u>58,160</u>	<u>30,980</u>
Income tax expense	2(c)	-	-
Net profit		<u>58,160</u>	<u>30,980</u>
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss			
Net fair value (losses) gains		(361,035)	503,133
Total comprehensive (loss) income for the year		<u>(302,875)</u>	<u>534,113</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash and Cash Equivalents		369,625	324,002
Trade and Other Receivables	6	58,929	88,279
Inventory	7	29,475	39,473
TOTAL CURRENT ASSETS		<u>458,029</u>	<u>451,754</u>
NON-CURRENT ASSETS			
Investment securities	8	2,900,884	3,171,018
TOTAL NON-CURRENT ASSETS		<u>2,900,884</u>	<u>3,171,018</u>
TOTAL ASSETS		<u>3,358,913</u>	<u>3,622,772</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	908,394	869,378
TOTAL LIABILITIES		<u>908,394</u>	<u>869,378</u>
NET ASSETS		<u>2,450,519</u>	<u>2,753,394</u>
EQUITY			
Investments Revaluation Reserve		197,305	555,493
Retained Profits		2,253,214	2,197,901
TOTAL MEMBERS' EQUITY		<u>2,450,519</u>	<u>2,753,394</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Retained Earnings	Assets Revaluation Reserve	Total
	\$	\$	\$
As at 1 July 2020	1,993,907	225,374	2,219,281
Changes in Equity			
Net increase in value of investments	-	503,133	503,133
Surplus for the year	30,980	-	30,980
Total comprehensive income for the year	30,980	503,133	534,113
Transfer balance of Investment Revaluation Reserve related to assets disposed during the year to Retained Earnings	173,014	(173,014)	-
As at 30 June 2021	2,197,901	555,493	2,753,394
Changes in Equity			
Net decrease in value of investments	-	(361,035)	(361,035)
Surplus for the year	58,160	-	58,160
Total comprehensive income for the year	58,160	(361,035)	(302,875)
Transfer balance of Investment Revaluation Reserve related to assets disposed during the year to Retained Earnings	(2,847)	2,847	-
As at 30 June 2022	2,253,214	197,305	2,450,519

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022	2021
		\$	\$
Cash Flows from Operating Activities:			
- Receipts from Members, Functions and Donations		430,730	203,766
- Payments to Suppliers and Others		(390,938)	(169,628)
- Dividends Received		96,732	53,974
Net Cash provided by Operating Activities	11(b)	<u>136,524</u>	<u>88,112</u>
Cash Flows from Investing Activities:			
- Payments for Investments		(202,348)	(1,152,269)
- Proceeds from Sale of Investments		111,447	1,172,250
Net Cash used in / (provided by) Investing Activities		<u>(90,901)</u>	<u>19,981</u>
Net Increase in Cash Held		45,623	108,093
Cash at Beginning of Year		324,002	215,909
Cash at End of Financial Year	11(a)	<u>369,625</u>	<u>324,002</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 an individual entity and 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.

No new accounting standards or interpretations that have been issued but are not yet effective have been early adopted or will have a material impact on adoption.

(b) Life Membership

Life Membership fees of \$481.82 (2021: \$481.82) per member net of GST are treated as revenue in the Income Statement. Students are encouraged to pay life membership fees when entering the school and prior to completing Year 12; such receipts are recorded as Life Member Fees in Advance in Note 9 until being recognised as income on completion of Year 12 or in the event that they leave the school before commencing Year 12.

(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 as Life Membership Fees in Advance when received and as revenue 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 Statement of Financial Position 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 Statement of Financial Position 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 Investments Revaluation Reserve. When an investment is disposed of the cumulative gain or loss previously recognised in the Investments Revaluation Reserve is transferred to Retained Earnings.

(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 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)
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 (Level2).

3. REVENUE

	2022	2021
	\$	\$
Dividends Received	100,553	54,727
Gross Proceeds from Functions etc	161,865	25,516
Life Members' Fees	107,464	130,132
Sales of Wines, Ties, Badges, Kilts etc	65,124	9,073
Sponsorships	12,000	6,240
	447,006	225,688

4. EXPENSES

	2022	2021
	\$	\$
Cost of Sales	59,468	5,297
Administrative Expenses	98,677	121,973
Assistance and Contributions	42,702	23,979
Functions and Presentations	151,141	29,156
Life Member Promotion	9,638	8,337
Portrait	25,000	-
Public Relations	2,220	5,966
	<u>388,846</u>	<u>194,708</u>

The Expense item "Assistance and Contributions", \$42,702 (2021: \$23,979) represents financial support provided by OSCA to Old Scotch clubs.

5. AUDITOR'S REMUNERATION

The auditors of the Association are appointed in an honorary capacity and received no other benefits in the year ended 30 June 2022 or 30 June 2021.

6. TRADE AND OTHER RECEIVABLES

Current

Accrued Dividends and Interest	13,817	9,996
Sundry Debtors	6,457	40,144
Prepayments	38,655	38,139
	<u>58,929</u>	<u>88,279</u>

7. INVENTORY

The inventory comprises wines, kilts, ties and bow ties, and OSCA history books and is shown at cost

29,475	39,473
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8. OTHER FINANCIAL ASSETS

	2022	2021
	\$	\$
Financial Assets at fair value through Other Comprehensive Income:		
Investments in shares and unit trusts	2,900,884	3,171,018

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. PAYABLES

Life Membership Fee in advance	860,800	810,210
Other creditors	47,594	59,168
	<u>908,394</u>	<u>869,378</u>

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 did not have any employees at 30 June 2022 (2021: Nil). The salaries and wages of persons employed in the Old Scotch Collegians' office and other administrative expenses are paid by Scotch College. The Association reimbursed Scotch College to the extent of \$39,091 (2021: \$63,150) disclosed as Administrative Expenses.

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:

	2022	2021
	\$	\$
Cash at Bank	369,625	324,002

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

Operating Surplus after Income Tax	58,160	30,980
Changes in Assets and Liabilities:		
Decrease/(Increase) in Receivables	29,350	(8,598)
Decrease/(Increase) in Inventory	9,998	(9,024)
(Decrease)/Increase in Creditors	(11,574)	33,527
Increase in Unearned Income	50,590	41,227
Net Cash provided by Operating Activities	<u>136,524</u>	<u>88,112</u>

12. FINANCIAL INSTRUMENTS

Capital Management

The Councillors have outsourced the investment operations of the Association's investment corpus to Credit Suisse Management (Australia) Pty Limited (Credit Suisse). The mandate given to Credit Suisse is based on clearly defined parameters outlined within our Investment Policy Statement. The objectives of this corpus include the goals 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 diversified pool of investment assets (equities, fixed income, diversified funds) governed by an asset allocation approach, which comprise the investment portfolio. The Governance, Finance and Risk 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 Governance, Finance and Risk 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.

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 2022	As at 30 June 2021
	\$	\$
If the value of the investment was 10% lower than reported	2,160,431	2,436,292
Reported Net Assets	2,450,519	2,753,394
If the value of the investment was 10% higher than reported	2,740,607	3,070,496

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).

OLD SCOTCH COLLEGIANS' ASSOCIATION

A.B.N. 98 004 198 403

COUNCILLORS' DECLARATION

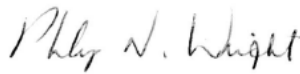
In the opinion of the Councillors of the Association:

- (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with Australian Accounting Standards and give a true and fair view of the Association's financial position as at 30 June 2022 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.



A A G Wilson
President



P N Wright
Treasurer

10 October 2022

Melbourne

Independent Auditor's Report



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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 2022, 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 directors' 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 2022 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 directors 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 president's report and 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.

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Responsibilities of the directors for the Financial Report

The directors 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 directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Tim Fairclough
Director

Melbourne, 10 October 2022