

The Currency

Scouting Ireland provides €7.4m for historic abuse cases

The cost of past sexual abuse cases has mounted again in new accounts filed by the youth organisation, with directors deciding its going concern status on a majority basis only.

Scouting Ireland has made a €7.4 million provision in its financial accounts to August 2022 relating to liabilities arising from historical child sexual abuse but managed to secure “going concern” status despite objections from a minority of directors of the organisation at the time of its accounts.

The historic abuse concerns relate to legacy organisations the Catholic Boy Scouts of Ireland and the Scout Association of Ireland. In its latest accounts, the youth organisation states that directors reviewed the amount of this provision annually, taking account of legal advice and estimates. It was €6.8 million in 2021. Scouting Ireland said it believed this provision was “appropriate” after the latest increase but warned that it may be notified of further claims against it.

“Since the nature of any such potential incidents or claims is not yet known, it is not possible to determine the probability of liability or estimate their value,” the accounts state.

“Therefore, there is an unquantifiable contingent liability in respect of such incidents and/or claims.” Scouting Ireland warned that its experience was that claims might take “many years” to be made.

“Detailed sensitivity analysis”

The Currency has previously reported that a minority of directors of Scouting Ireland had raised concerns about the size of the potential liability facing the organisation because of historic sexual abuse claims and whether this created “going concern” issues for it. An extensive note in Scouting Ireland’s new filing gives some insight into this.

“For the purposes of considering the going concern basis of preparation of the company, the board of directors met a significant number of times and undertook a robust assessment of going concern for a 15-month period to 31 January 2025,” a note to the accounts states.

“The assessment includes financial and cash flow projections with detailed assumptions contained within together with obtaining third party advice to support key expenditure liabilities of the company included in these projections.” Scouting Ireland said a “majority of the company directors acting on the behalf of the board” believed the organisation was a going concern.

It said this belief was based on several considerations including the cash position of the company, its ability to pay its debts as they fall due in the next financial year, and a projected increase in revenue and membership. Scouting Ireland said “detailed sensitivity analysis” on the potential outcome of ongoing arbitration with its insurers concerning historic abuse cases had been carried out and the potential impact of any outcome on its revenue streams carried out. The “timing of likely legal settlements” had also been considered after taking independent expert legal advice.

Scouting Ireland had a net income of €242,000 for the period, compared with a deficit of nearly €1.75 million due primarily to the pandemic. “The timing of the court cases and the potential financial impact has been phased in the company’s financial projections based on the legal advice obtained,” the accounts said. “Based on the cash position at year-end, the expected increase in membership and our prudent management of operational expenses, a

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majority of the directors of the board acting on the behalf of the board have assessed that the company will have the ability to meet its liabilities for a minimum period to 31 January 2025.”

Housing refugees

Scouting Ireland also said in its accounts it has made its centres at Larch Hill, Lough Dan and Killaloe available to the State to house refugees from Ukraine. “It has all been a very positive experience for all involved,” the accounts note. “A decision has been made to extend this contract with the government until 16 April 2024.”

Scouting Ireland said it had a membership of circa 38,000 and was active in 430 communities. The Currency has previously reported that Scouting Ireland had not completed its annual accounts due to a delay in the audit process, which caused it to defer its annual general meeting. Last weekend, The Irish Times reported further information about internal divisions within Scouting Ireland.