Epping RSL Sub-Branch Inc.

ABN 31 438 045 766

Annual Report - 31 December 2021

Epping RSL Sub-Branch Inc.
Committee members' report
31 December 2021

Your Committee members submit the financial statements of the association for the financial year ended 31 December 2021.

Committee members
The names of the Committee members throughout the year and at the date of this statement are:

Kevin Ind (President)
Peter Egan (Vice President)
John Merrett (Senior Vice President)
Leslie Luscombe
Phillip Creek
Terry Power
Mary Bell
Mark Stewart
Michael Reid

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities
The principal activities of the association during the year was to provide welfare and charitable activities in respect of its members and returned servicemen.

Significant changes in state of affairs
No significant change in the nature of these activities occurred during the year.

Operating results
The surplus of the association for the financial year amounted to $175,577 (2020 loss of $442,112).

On behalf of the Committee members

Kevin Ind
President

16 March 2022

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General information

The financial statements cover Epping RSL Sub-Branch Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Epping RSL Sub-Branch Inc.'s functional and presentation currency.

Epping RSL Sub-Branch Inc. is a not-for-profit incorporated association.

The financial statements were authorised for issue on 16 March 2022.

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Auditor's Independence Declaration

To the Members of Epping RSL Sub-Branch Inc.

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Epping RSL Sub-Branch Inc. for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Darren Scammell

D M Scammell
Partner - Audit & Assurance

Melbourne, 16 March 2022

Epping RSL Sub-Branch Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	2021 $	2020 $
Revenue			
Bar & food sales	3	1,279,046	601,908
Gaming revenue	3	2,909,585	1,478,694
Government subsidies	3	431,318	785,832
Interest & other revenue	3	705,950	678,131
		5,325,899	3,544,565
Expenses			
Raw materials and consumables used	4	(1,876,245)	(944,396)
Accounting, legal & consulting expenses		(19,906)	(16,231)
Advertising expenses		(1,686)	(5,710)
Bar expenses		(7,691)	(6,161)
Cleaning costs		(71,798)	(50,680)
Amortisation - intangibles	4	(153,036)	(153,036)
Depreciation - leases		(500,714)	(500,713)
Employee benefits expense		(1,221,547)	(1,319,968)
Finance costs		(72,744)	(88,683)
Other expenses		(87,225)	(52,892)
Gaming expenditure		(21,350)	(5,471)
Occupancy costs		(1,030,801)	(803,587)
Welfare & charitable expenses		(85,579)	(39,149)
Surplus/(deficit) for the year attributable to the members of Epping RSL Sub-Branch Inc.		175,577	(442,112)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of Epping RSL Sub-Branch Inc.		175,577	(442,112)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Epping RSL Sub-Branch Inc.
Statement of financial position
As at 31 December 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	5	1,812,119	1,318,397
Trade and other receivables	6	27	78,065
Inventories	7	33,159	27,618
Total current assets		1,845,305	1,424,080
Non-current assets			
Trade and other receivables	6	1,396,192	1,561,192
Right-of-use assets	8	292,083	792,797
Intangibles	9	193,366	346,401
Total non-current assets		1,881,641	2,700,390
Total assets		3,726,946	4,124,470
Liabilities			
Current liabilities			
Trade and other payables	10	470,277	524,843
Lease liabilities	11	313,220	517,222
Provisions	12	309,517	311,462
Total current liabilities		1,093,014	1,353,527
Non-current liabilities			
Lease liabilities	11	-	313,220
Provisions	12	18,083	17,451
Total non-current liabilities		18,083	330,671
Total liabilities		1,111,097	1,684,198
Net assets		2,615,849	2,440,272
Equity			
Retained surpluses		2,615,849	2,440,272
Total equity		2,615,849	2,440,272

The above statement of financial position should be read in conjunction with the accompanying notes

Epping RSL Sub-Branch Inc.
Statement of changes in equity
For the year ended 31 December 2021

	Retained profits $	Total equity $
Balance at 1 January 2020	2,882,384	2,882,384
Deficit for the year	(442,112)	(442,112)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(442,112)	(442,112)
Balance at 31 December 2020	2,440,272	2,440,272

	Retained profits $	Total equity $
Balance at 1 January 2021	2,440,272	2,440,272
Surplus for the year	175,577	175,577
Other comprehensive income for the year	-	-
Total comprehensive income for the year	175,577	175,577
Balance at 31 December 2021	2,615,849	2,615,849

The above statement of changes in equity should be read in conjunction with the accompanying notes

Epping RSL Sub-Branch Inc.
Statement of cash flows
For the year ended 31 December 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		5,194,908	2,321,978
Payments to suppliers and employees		(4,957,513)	(3,214,389)
		237,395	(892,411)
Interest received		1,767	1,629
Interest paid		(72,744)	(88,683)
Government subsidies received		431,318	785,832
Net cash from/(used in) operating activities	18	597,736	(193,633)
Net cash from investing activities		-	-
Cash flows from financing activities			
Repayment of related party loan receivable		165,000	-
Repayment of lease liabilities		(269,014)	(104,233)
Net cash used in financing activities		(104,014)	(104,233)
Net increase/(decrease) in cash and cash equivalents		493,722	(297,866)
Cash and cash equivalents at the beginning of the financial year		1,318,397	1,616,263
Cash and cash equivalents at the end of the financial year	5	1,812,119	1,318,397

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Epping RSL Sub-Branch Inc. is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012.

New or amended Accounting Standards and Interpretations adopted

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012, the Fundraising Act 1998 and associated regulations, as appropriate for not-for profit oriented entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. The committee members have determined that the association is a not-for-profit entity as the principal objective is not the generation of profit.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparative figures

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

Revenue recognition

The association recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 1. Significant accounting policies (continued)

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Gaming revenue
Commission revenues arising from gaming operations are recognised net of amounts collected on behalf of third parties.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants
Government grants are recognised when the right to receive a grant has been established and performance obligations have been met.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The ongoing Income Tax Exempt Charity status is subject to the Sub-Branch meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia dated 24 September 2002.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Inventories
Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

Note 1. Significant accounting policies (continued)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Gaming licenses
Intangible assets represent the cost of gaming licenses acquired. These gaming licenses have been recognised at fair value of consideration paid and will be amortised over the term of the license, being 10 years, from August 2012.

Impairment of non-financial assets
Intangible assets that have an indefinite useful live, or which have not yet commenced production and are not subject to amortisation are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Trade and other payables
These amounts represent liabilities for goods and services provided to the association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the association is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy
The association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the association estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Sales revenue and other income

	2021 $	2020 $
Gaming	2,909,585	1,478,694
Bar	504,459	262,732
Food	774,587	339,176
Membership	34,850	19,750
Keno	28,881	9,664
TAB	334,700	181,459
JobKeeper subsidy and government grants	431,318	685,832
PAYG subsidy	-	100,000
Rent concession on gaming machines	248,208	389,066
Other	59,311	78,192
	5,325,899	3,544,565

Note 4. Expenses

The following expense items have been included in the operating result for the year:

	2021 $	2020 $
Cost of sales - gaming	1,048,136	526,331
Cost of sales - food	298,775	142,316
Cost of sales - bar	171,100	83,094
Cost of sales - TAB	361,003	182,457
Cost of sales - keno	24,525	10,198
	1,903,539	944,396
Amortisation - gaming entitlements	153,036	153,036
Rental expense	561,235	480,261

Note 5. Cash and cash equivalents

	2021 $	2020 $
Current assets		
Cash on hand	321,513	219,446
Cash at bank	1,490,606	1,098,951
	1,812,119	1,318,397

Note 6. Trade and other receivables

	2021 $	2020 $
Current assets		
Trade receivables	27	78,065
Non-current assets		
Loan receivable	1,396,192	1,561,192

Note 7. Inventories

	2021 $	2020 $
Current assets		
Bar stock	29,553	22,230
Food stock	3,606	5,388
	33,159	27,618

Note 8. Right-of-use assets

	2021 $	2020 $
Non-current assets		
Gaming machines - right-of-use	1,794,224	1,794,224
Less: accumulated depreciation	(1,502,141)	(1,001,427)
	292,083	792,797

Additions to the right-of-use assets during the year were $nil.

	2021 $	2020 $
Amounts recognised in the statement of surplus or loss		
Depreciation charge of the right-of-use assets	500,714	500,713
Interest expense (included in finance costs)	28,252	52,175

The total cash outflow for leases in 2021 was $297,266.

The association leases 45 Gaming Machines from Max/Bytecraft Systems. The arrangement runs for a fixed period of 10 years, expiring in 2022, with an associated purchase option and extension available. The agreement includes charges per machine covering hire and maintenance services, at a set rate each annum.
These form the basis for the consideration recognised on the lease, with no make-good provision requiring to be met. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. During the 2021 financial year, the company was granted a rent concession of foregone rental expenditure as a direct result of the COVID-19 pandemic. The company has elected to apply the practical expedient available to all rent concessions which has resulted in sundry income of $248,208 being recognised as other revenue in the face of the profit or loss.

Note 9. Intangibles

	2021 $	2020 $
Non-current assets		
Electronic gaming machines - at cost	1,224,286	1,224,286
Less: Accumulated amortisation and impairment	(1,122,262)	(969,227)
	102,024	255,059
Prepayment of Gaming Entitlement 2022	91,342	91,342
	193,366	346,401

Note 10. Trade and other payables

	2021 $	2020 $
Current liabilities		
Trade payables	426,007	495,337
Other payables	44,270	29,506
	470,277	524,843

Note 11. Lease liabilities

	2021 $	2020 $
Current liabilities		
Lease liability	313,220	517,222
Non-current liabilities		
Lease liability	-	313,220

Note 12. Provisions

	2021 $	2020 $
Current liabilities		
Annual leave	123,082	113,856
Long service leave	186,435	197,606
	309,517	311,462
Non-current liabilities		
Long service leave	18,083	17,451

Note 13. Financial liabilities

Banking facilities
The Sub-branch has a $30,000 overdraft facility (2020: $30,000) of which $nil (2020: $nil) has been used.
The overdraft facility is secured by a fixed and floating charge over the assets and undertakings of the Sub-branch.

Note 14. Financial risk management

The association's financial instruments consist mainly of deposits with banks, loans to related entities, short term investments, accounts receivable and payable.

The totals for each category of financial instrument are as follows:

Note 14. Financial risk management (continued)

	2021 $	2020 $
Financial assets		
Cash and cash equivalents	1,778,281	1,318,397
Loans and receivables	1,396,219	1,639,257
Total financial assets	3,174,500	2,957,654
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	467,203	524,843
Total financial liabilities	467,203	524,843

Note 15. Contingent assets and contingent liabilities

The association has provided a registered mortgage over all of its assets to the NAB Bank in relation to borrowings by the Epping RSL Patriotic Fund.

Note 16. Related party transactions

	2021 $	2020 $
Loan to related party		
Loan to The Epping RSL Sub-Branch Inc. Patriotic Fund		
Opening balance	1,561,192	1,561,192
Less: repayments made	(165,000)	-
Closing balance	1,396,192	1,561,192
Rent paid to related party		
The Epping RSL Sub-Branch Inc. Patriotic Fund	561,235	480,261
Key management personnel		
Total key management personnel	100,000	106,000

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

Note 18. Reconciliation of surplus/(deficit) to net cash from/(used in) operating activities

	2021 $	2020 $
Surplus/(deficit) for the year	175,577	(442,112)
Adjustments for:		
Depreciation and amortisation	653,750	653,749
Rent expense foregone	(248,208)	(389,066)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	78,038	(46,060)
Decrease/(increase) in inventories	(5,541)	17,419
Decrease in trade and other payables	(54,567)	(10,246)
Increase/(decrease) in employee benefits	(1,313)	22,683
Net cash from/(used in) operating activities	597,736	(193,633)

Note 19. Association details

The registered office and principal place of business of the association is:

Epping RSL Sub-Branch Inc.
195 Harvest Home Road
Epping VIC 3076

Epping RSL Sub-Branch Inc.
Committee members' declaration
31 December 2021

In the Committee members' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012, the Fundraising Act 1998 and associated regulations;

- the attached financial statements and notes give a true and fair view of the association's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

On behalf of the Committee members

Kevin Ind
President

16 March 2022

Grant Thornton

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Independent Auditor's Report

To the Members of Epping RSL Sub-Branch Inc.

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of Epping RSL Sub-Branch Inc. (the "Entity"), which comprises the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee.

In our opinion, the financial report of Epping RSL Sub-Branch Inc. has been prepared in accordance with the *Associations Incorporation Reform Act 2012*, and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its financial performance for the year then ended; and

b complying with the Australian Accounting Standards – Reduced Disclosure Requirements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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

Information other than the Financial Report and Auditor's Report

The Committee are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 December 2021 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, 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.

Responsibilities of the Committee for the financial report

The Committee of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, and the *Associations Incorporations Reform Act 2012,* and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that is from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee are responsible for assessing the Entity'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 Committee either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf .

This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

D M Scammell
Partner – Audit & Assurance

Melbourne, 16 March 2022

Epping RSL Sub-Branch Inc.
Disclaimer to the members of Epping RSL Sub-Branch Inc.
31 December 2021

On the basis of information provided by the committee members of Epping RSL Sub-Branch Inc., we have compiled, in accordance with the basis of accounting policies stated in Note 1 and APES 315 Compilation of Financial Information, the detailed statement of comprehensive income for the year ended 31 December 2021 as set out on page 22.

The committee members are solely responsible for the information contained in the detailed statement of comprehensive income and have determined that the basis of accounting stated in Note 1 is appropriate to meet their needs and for the purpose that the detailed statement of comprehensive income was prepared.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the committee members provided, in compiling the detailed statement of comprehensive income. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The detailed statement of comprehensive income was compiled exclusively for the benefit of the committee members. We do not accept responsibility to any other person for the contents of the detailed statement of comprehensive income.

Grant Thornton

Grant Thornton Audit Pty Ltd
Tower 5, Collins Square, 727 Collins Street
Melbourne VIC 3008

Darren Scammell

D M Scammell
Partner – Audit & Assurance

16 March 2022

Epping RSL Sub-Branch Inc.
Detailed statement of comprehensive income
For the year ended 31 December 2021

	Note	2021 $	2020 $
Revenue			
Bar sales		504,459	262,732
Food sales		774,587	339,176
Gaming revenue		2,909,585	1,478,694
Tab sales		334,700	181,459
Keno sales		28,881	9,664
Membership revenue		34,850	19,750
Other revenue		59,311	33,192
Government subsidies and grants		431,318	830,832
Rent concession on gaming machines		248,208	389,066
		5,325,899	3,544,565
Cost of sales - bar		(171,100)	(83,094)
Cost of sales - food		(298,775)	(142,316)
Cost of sales - gaming		(1,048,136)	(526,331)
Cost of sales - tab		(334,518)	(182,457)
Cost of sales - keno		(23,716)	(10,198)
		(1,876,245)	(944,396)
Gross profit		3,449,654	2,600,169
Expenses			
Advertising and promotions		(1,686)	(5,710)
Bar expenses		(7,691)	(6,161)
Cleaning costs		(71,798)	(50,680)
Committee and member costs		(9,696)	(2,340)
Communications		(38,474)	(30,841)
Depreciation - property, plant and equipment		(153,036)	(153,036)
Depreciation - leases		(500,714)	(500,714)
Finance charges		(72,744)	(88,683)
Food expenses		(10,116)	(5,607)
Gaming expenses		(21,350)	(5,471)
Accounting, legal and consulting fees		(19,906)	(16,231)
Occupancy costs		(1,030,801)	(803,587)
Employee benefits expense		(1,221,547)	(1,319,968)
Travel and accommodation		(82)	(802)
Welfare and charitable expenses		(85,579)	(39,149)
Other expenses		(28,857)	(13,304)
Surplus/(deficit) for the year attributable to the members of Epping RSL Sub-Branch Inc.	14	175,577	(442,112)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of Epping RSL Sub-Branch Inc.		175,577	(442,112)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes