

Special Purpose Financial Statements

Epping RSL Sub-Branch Inc.
General Appeals Patriotic Fund

31 December 2020

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Auditor's Independence Declaration

To the Members of Epping RSL Sub-Branch Inc. General Appeals Patriotic Fund

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. General Appeals Patriotic Fund for the year ended 31 December 2020, 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 AUDIT PTY LTD
Chartered Accountants



D M Scammell
Partner - Audit & Assurance

Melbourne, 17 March 2021

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Committee's Report

Your committee members submit the financial statement of the Fund for the financial year ended 31 December 2020.

Committee Members

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

Kevin Ind (President)	Terry Power
Peter Egan (Vice President)	Mary Bell
John Merrett (Senior Vice President)	Mark Stewart
Leslie Luscombe	Michael Reid (Appointed on 25 February 2020)
Philip Creek	

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 Fund during the year were to provide welfare and charitable activities in respect of its members and returned serviceman and servicewoman.

Significant changes in state of affairs

No significant change in the nature of these activities occurred during the year.

Operating results

The profit of the Fund for the financial year amounted to \$1,227 (2019 loss: \$9,151).



Kevin Ind
President

Dated this 17th day of March 2021

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	2020	2019
	\$	\$
Badge, poppys & appeal collections	5,000	58,652
Less amounts retained by RSL General Appeals Patriotic Fund	-	(35,325)
Badge, poppys & appeal revenue	<u>5,000</u>	<u>23,327</u>
Funeral expenses	(536)	(9,444)
Volunteer management expenses	(301)	-
Welfare assistance expenses	(2,936)	(22,851)
Remembrance day expenses	-	(170)
Bank charges	-	(13)
Profit/(loss) before income tax	<u>1,227</u>	<u>(9,151)</u>
Income tax expense	-	-
Net profit/(loss) for the year	<u>1,227</u>	<u>(9,151)</u>
Other comprehensive income	-	-
Total comprehensive profit (loss) for the year	<u><u>1,227</u></u>	<u><u>(9,151)</u></u>

Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	2	<u>11,152</u>	<u>9,925</u>
Total current assets		<u>11,152</u>	<u>9,925</u>
Total assets		<u><u>11,152</u></u>	<u><u>9,925</u></u>
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u><u>11,152</u></u>	<u><u>9,925</u></u>
Equity			
Retained earnings		<u>11,152</u>	<u>9,925</u>
Total equity		<u><u>11,152</u></u>	<u><u>9,925</u></u>

The accompanying notes form part of the financial statements.

Statement of Changes in Equity

For the year ended 31 December 2020

	Retained Earnings
	\$
Balance as at 1 January 2019	19,076
Total comprehensive loss for the year	(9,151)
Balance as at 31 December 2019	<u>9,925</u>
Balance as at 1 January 2020	9,925
Total comprehensive profit for the year	1,227
Balance as at 31 December 2020	<u>11,152</u>

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		5,000	23,327
Payments to suppliers		(3,773)	(32,478)
Net cash (used in)/provided by operating activities	3	<u>1,227</u>	<u>(9,151)</u>
Cash flows from investing activities			
Net cash used in investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net change in cash and cash equivalents held			
Cash and cash equivalents at beginning of financial year		9,925	19,076
Cash and cash equivalents at end of financial year	2	<u><u>11,152</u></u>	<u><u>9,925</u></u>

The accompanying notes form part of the financial statements.

Notes to the Financial Statements

31 December 2020

1. Statement of significant accounting policies

Basis of preparation

This financial report is a special purpose financial report, prepared in order to satisfy the financial reporting requirements of the Committee of the Epping RSL. The committee has determined that the Agency Account is not a reporting entity.

The financial report of the entity has been presented separately from that of Epping RSL Patriotic Fund and in accordance with the Branch Bylaw 7A. The Agency Account has been created under this bylaw to facilitate the administration and management of designated Appeal funds by Epping RSL in its capacity as agent for the Returned & Services League of Australia (Victorian Branch) ("ANZAC House"), in order to preserve the Deductible Gift Recipient status of the fund represented by the Agency Account. The bylaw specifies that if these Appeals Funds (representing funds raised from ANZAC and Poppy Day Appeals) are not spent within one year of the initial receipt, they must be remitted back to the RSL General Appeals Fund.

This financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations.

The financial report has been prepared on an accruals basis and is based on historic costs.

Comparative figures

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

Adoption of new and revised accounting standards

In the current year, the Fund has adopted all recognition and measurement requirements of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. There was no impact on the Fund's financial performance or position.

Revenue - Based on standard AASB 15 & 1058

Revenue is recognised for the major business activities as follows:

(i) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the member/customer obtains control of the goods, which is generally at the time of delivery. Invoices for goods or services transferred are due upon receipt by the customer.

All revenue is stated net of the amount of goods and services tax.

Notes to the Financial Statements

31 December 2020

1. Statement of significant accounting policies (continued)

Income tax

No provision for income tax has been raised as the Agency Account is exempt from income tax.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Financial instruments

Initial Recognition and Measurement

Financial assets are classified according to the nature and purpose of the financial assets at the time of initial recognition. The Fund's financial assets include cash and cash equivalents. The Agency Account's financial liabilities include trade and other payables only. They are initially measured at fair value, and subsequently at amortised cost using the effective interest method.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed, is recognised in the statement of surplus or deficit and other comprehensive income.

Notes to the Financial Statements

31 December 2020

1. Statement of significant accounting policies (continued)

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Agency Account during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Critical accounting estimates and judgments

The committee members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Standards and interpretations not yet effective which have not been early adopted

There are several standards and interpretations which have been issued but are not yet effective. The impact of these pronouncements on the Fund's reported financial position and performance has not yet been determined, but are not expected to be material to the financial statements.

The committee members anticipate that all pronouncements will be adopted in the Fund's financial statements for the first period beginning after the effective date of the pronouncement.

Notes to the Financial Statements

31 December 2020

2. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	11,151	9,925
	<u>11,151</u>	<u>9,925</u>

3. Cashflow information

Reconciliation of net cash provided by operating activities to net profit

Net profit (loss) for the year	1,227	(9,151)
Changes in assets and liabilities:	-	-
Net cash provided by operating activities	<u>1,227</u>	<u>(9,151)</u>

4. Events after reporting date

On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The COVID-19 pandemic and the measures undertaken to contain it have materially changed the global economic outlook, causing large-scale economic disruption in all markets. In an attempt to mitigate the economic effect of the COVID-19 pandemic, the government have offered significant fiscal and regulatory support to allow businesses to remain liquid and solvent, and to support employees and the unemployed. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. The Committee cannot reasonably estimate the length or severity of this pandemic.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years.

5. Fund details

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

Epping RSL Sub-Branch Inc. General Appeals Patriotic Fund
195 Harvest Home Road
Epping VIC 3076

Committee's Declaration

In the opinion of the committee, the financial statements and notes of Epping RSL Sub-Branch Inc. General Appeals Patriotic Fund are in accordance with Branch Bylaw 7A, including:

1. The financial report and notes, as set out on pages 4 to 11, gives a true and fair view the company's financial position as at 31 December 2020 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 of the financial report; and

2. At the date of this statement, there are reasonable grounds to believe that Epping RSL Sub-Branch Inc. General Appeals Agency Fund will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



Kevin Ind
President

Dated this 17th day of March 2021

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Independent Auditor's Report

To the Members of Epping RSL Sub-Branch Inc. General Appeals Patriotic Fund

Report on the audit of the financial report

Opinion

We have audited the financial report of Epping RSL Sub-Branch Inc. General Appeals Patriotic Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2020, 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, except for the possible effects of the matter described in the *Basis for Qualified Audit Opinion* paragraph, the financial report of the Epping RSL Sub-Branch-Inc. General Appeals Patriotic Fund is prepared in accordance with the accounting policies described in Note 1 and Branch Bylaw 7A.

Basis for opinion

Cash donations are a significant source of fundraising revenue for the Fund. The Committee has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded cash donations of the Fund are complete.

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 Fund 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.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of reporting to the Victorian RSL. As a result, the financial report may not be suitable for another purpose.

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 Fund's annual report for the year ended 31 December 2020 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 Fund 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 *Veterans Act 2005*, and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Fund'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 Audit Pty Ltd
Chartered Accountants



D M Scammell
Partner – Audit & Assurance

Melbourne, 17 March 2021