

Epping RSL Sub-Branch Inc.

ABN 31 438 045 766

Reg. No. A0038356T

31 December 2020

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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 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

Committee's Report

Your committee members submit the financial statement of the association 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 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 loss of the association for the financial year amounted to \$442,112 (2019: \$152,104).



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

	Note	2020 \$	2019 \$
Bar & food sales	2	601,908	1,756,961
Gaming revenue	2	1,478,694	4,402,094
Government subsidies	2	785,832	-
Interest & other revenue	2	678,131	822,821
Raw materials and consumables used	3	(944,396)	(2,948,383)
Accounting, legal and consulting expenses		(16,231)	(27,912)
Advertising expenses		(5,710)	(26,975)
Bar expenses		(6,161)	(28,474)
Cleaning costs		(50,680)	(116,972)
Depreciation - Property, Plant & Equipment	3	(153,036)	(153,036)
Depreciation - Leases	8	(500,713)	(500,714)
Employee benefits expenses		(1,319,968)	(1,758,508)
Finance costs		(88,683)	(117,074)
Gaming expenditure		(5,471)	(21,284)
Occupancy costs		(803,587)	(945,780)
Other expenses		(52,892)	(322,631)
Welfare & charitable expenses		(39,149)	(166,237)
Loss before income tax		(442,112)	(152,104)
Income tax expense		-	-
Net loss for the year		(442,112)	(152,104)
Other comprehensive income		-	-
Total comprehensive income for the year		(442,112)	(152,104)

The accompanying notes form part of the financial statements.

Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	4	1,318,397	1,616,263
Trade and other receivables	5	78,065	32,005
Inventories	6	27,618	45,037
Total current assets		<u>1,424,080</u>	<u>1,693,305</u>
Non-current assets			
Intangible assets	7	346,401	499,437
Trade and other receivables	5	1,561,192	1,561,192
Right of use asset	8	792,797	1,293,510
Total non-current assets		<u>2,700,390</u>	<u>3,354,139</u>
Total assets		<u><u>4,124,470</u></u>	<u><u>5,047,444</u></u>
Current liabilities			
Trade and other payables	9	524,843	535,089
Provisions	10	311,462	272,196
Lease liability	12	517,222	493,299
Total current liabilities		<u>1,353,527</u>	<u>1,300,584</u>
Non-current liabilities			
Lease liability	12	313,220	830,442
Provisions	10	17,451	34,034
Total non-current liabilities		<u>330,671</u>	<u>864,476</u>
Total liabilities		<u>1,684,198</u>	<u>2,165,060</u>
Net assets		<u><u>2,440,272</u></u>	<u><u>2,882,384</u></u>
Equity			
Retained earnings		<u>2,440,272</u>	<u>2,882,384</u>
Total equity		<u><u>2,440,272</u></u>	<u><u>2,882,384</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	Total
	\$	\$
Balance as at 1 January 2019	3,034,488	3,034,488
Total comprehensive loss for the year	(152,104)	(152,104)
Balance as at 31 December 2019	<u>2,882,384</u>	<u>2,882,384</u>
Balance as at 1 January 2020	2,882,384	2,882,384
Total comprehensive loss for the year	(442,112)	(442,112)
Balance as at 31 December 2020	<u><u>2,440,272</u></u>	<u><u>2,440,272</u></u>

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,321,978	6,980,259
Payments to suppliers and employees		(3,214,390)	(6,252,237)
Interest received		1,629	1,541
Interest paid		(88,683)	(117,074)
Government subsidies received		785,832	-
Net cash provided by/(used in) operating activities		<u>(193,634)</u>	<u>612,489</u>
Cash flows from investing activities			
Payment for gaming licenses		-	(45,671)
Net advances to related parties		-	-
Net cash used in investing activities		<u>-</u>	<u>(45,671)</u>
Cash flows from financing activities			
Advances from/(to) Epping RSL Sub-Branch Inc. Patriotic Fund			
Repayment of Lease Liabilities		(104,233)	(470,483)
Net cash used in financing activities		<u>(104,233)</u>	<u>(470,483)</u>
Net change in cash and cash equivalents held		(297,867)	96,334
Cash and cash equivalents at beginning of financial year		<u>1,616,263</u>	<u>1,519,929</u>
Cash and cash equivalents at end of financial year		<u><u>1,318,397</u></u>	<u><u>1,616,263</u></u>

The accompanying notes form part of the financial statements.

Notes to the Financial Statements

1. Statement of significant accounting policies

General information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Epping RSL Sub-Branch Inc.

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

Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012.

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.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

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.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

Revenue

Revenue arises mainly from the sale of goods and services. To determine whether to recognize revenue, the association follows a five step process:

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.

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.

(ii) Gaming revenue

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

(iii) Interest revenue

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.

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.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

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.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits held-at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the association commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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 profit or loss.

Intangible assets

Gaming licences

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

Impairment of assets

Intangible assets that have an indefinite useful life, 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 asset's fair value less costs 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.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

Employee benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Borrowing costs

The association expenses borrowing costs in the period the costs are incurred.

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.

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.

Notes to the Financial Statements

1. Statement of 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.

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.

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.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the association's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The association reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Notes to the Financial Statements

1. Statement of significant accounting policies (continued)

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.

Significant judgement

The committee members have made the judgement that the association does not exercise control over its sister entities, Epping RSL Sub-Branch Patriotic Fund and Epping RSL General Appeals Agency Fund. Accordingly, these entities have not been consolidated.

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 association'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 association's financial statements for the first period beginning after the effective date of the pronouncement.

Notes to the Financial Statements

2. Sales revenue and other income

	2020	2019
	\$	\$
Gaming	1,478,694	4,402,094
Bar	262,732	786,894
Food	339,176	970,067
Membership	19,750	29,486
Keno	9,664	45,190
TAB	181,459	643,521
JobKeeper subsidy	685,832	-
PAYG subsidy	100,000	-
Rental expense foregone	389,066	-
Other	78,192	104,624
	<u>3,544,565</u>	<u>6,981,876</u>

3. Expenses

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

	2020	2019
	\$	\$
Rental expense	480,261	476,292
Cost of sales - gaming	526,331	1,652,355
Cost of sales - food	142,316	384,220
Cost of sales - bar	83,094	241,220
Cost of sales - TAB	182,457	633,313
Cost of sales - keno	10,198	36,313
Cost of sales - other	-	961
Total cost of sales	<u>944,396</u>	<u>2,948,383</u>
Amortisation - gaming entitlements	153,036	153,036
Total depreciation and amortisation	<u>153,036</u>	<u>153,036</u>

Notes to the Financial Statements

4. Cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	219,446	245,429
Cash at bank	1,098,951	1,370,834
	<u>1,318,397</u>	<u>1,616,263</u>

5. Trade and other receivables

	2020	2019
Current	\$	\$
Trade receivables	78,065	31,998
	<u>78,065</u>	<u>31,998</u>
Non-current		
Loans to related parties	1,561,192	1,561,192
	<u>1,561,192</u>	<u>1,561,192</u>

6. Inventories

	2020	2019
Current	\$	\$
Bar stock	22,230	36,832
Food stock	5,388	8,205
	<u>27,618</u>	<u>45,037</u>

7. Intangible assets - electronic gaming machine licenses

	2020	2019
Intangible Assets - electronic gaming machine licence	\$	\$
At cost	1,224,285	1,224,285
Accumulated amortisation and impairment	(969,227)	(816,191)
	<u>255,058</u>	<u>408,094</u>
Opening net book value	408,094	561,130
Amortisation charge	(153,036)	(153,036)
Closing book value	<u>255,058</u>	<u>408,094</u>
Prepayment of Gaming Entitlement 2022	91,343	91,343
Total intangible assets	<u>346,401</u>	<u>499,437</u>

Notes to the Financial Statements

8. Non-current assets - right-of-use assets

	2020	2019
	\$	\$
Gaming Machines - right-of-use	1,794,224	1,794,224
Less: Accumulated depreciation	(1,001,427)	(500,714)
	<u>792,797</u>	<u>1,293,510</u>

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

	2020	2019
	\$	\$
Amounts recognised in the statement of profit or loss		
Depreciation charge of the right-of-use assets	500,713	500,714
Interest expense (included in finance cost)	52,175	74,991

The total cash outflow for leases in 2020 was \$156,408.

The company leases 45 Gaming Machines from Max/Bytcraft 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 2020 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 \$389,066 being recognised as other revenue in the face of the profit or loss.

9. Trade and other payables

	2020	2019
Current	\$	\$
Trade payables	467,337	457,756
Deferred revenues	28,000	-
Other payables	29,506	77,332
	<u>524,843</u>	<u>535,089</u>

10. Financial liabilities

Banking facilities

The Sub-branch has a \$30,000 overdraft facility (2019: \$30,000) of which \$nil (2019: \$nil) has been used. The overdraft facility is secured by a fixed and floating charge over the assets and undertakings of the Sub-branch.

Notes to the Financial Statements

11. Provisions

	2020	2019
Current	\$	\$
Annual leave	113,856	108,295
Long-service leave	197,606	163,901
	<u>311,462</u>	<u>272,196</u>
Non-current		
Long-service leave - Current	17,451	34,034
	<u>17,451</u>	<u>34,034</u>

12. Lease liabilities

	2020	2019
Current	\$	\$
Lease liability	<u>517,222</u>	<u>493,299</u>
Non-current		
Lease liability	<u>313,220</u>	<u>830,442</u>

13. 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 instruments are as follows:

	2020	2019
Financial assets	\$	\$
Cash and cash equivalents	1,318,397	1,616,263
Loans and receivables	1,639,257	1,593,190
Total financial assets	<u>2,957,654</u>	<u>3,209,453</u>
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	524,843	535,089
Total financial liabilities	<u>524,843</u>	<u>535,089</u>

Notes to the Financial Statements

14. 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 association, the results of those operations or the state of affairs of the association in future financial years.

15. Contingent assets and contingent liabilities

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

16. Related party transactions

	2020	2019
Loan to related party	\$	\$
Loan to The Epping RSL Sub-Branch Inc. Patriotic Fund		
Beginning of the year	1,561,192	1,561,192
Loans advanced	-	-
End of year	<u>1,561,192</u>	<u>1,561,192</u>
Rent paid to related party		
The Epping RSL Sub-Branch Inc. Patriotic Fund	<u>480,261</u>	<u>476,292</u>
Key management personnel		
Total key management personnel	<u>106,000</u>	<u>121,119</u>

17. Association details

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

Epping RSL Sub-Branch Inc.
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. are in accordance with the Association Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012, including:

1. Presenting fairly it's financial position as at 31 December 2020 and of its performance and cash flows for the year ended on that date; and
2. Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Association Incorporation Reform Act 2012, and the Australian Charities and Not-for-profits Commission Regulation 2013.

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

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

Collins Square, Tower 5
727 Collins Street
Melbourne Vic 3008

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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 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, 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 2020 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 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 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 free 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 Audit Pty Ltd
Chartered Accountants



D M Scammell
Partner – Audit & Assurance

Melbourne, 17 March 2021

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

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 2020 as set out on page 24.

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 Audit Pty Ltd

Tower 5, Collins Square, 727 Collins Street
Melbourne VIC 3008



D M Scammell

Partner - Audit & Assurance

Dated this 17th day of March 2021

Detailed Statement of Comprehensive Income

For the year ended 31 December 2020

	2020	2019
	\$	\$
Bar sales	262,732	786,894
Food sales	339,176	970,067
Gaming revenue	1,478,694	4,402,094
Tab sales	181,459	643,521
Keno sales	9,664	45,190
Membership revenue	19,750	29,486
Other revenue	78,192	104,624
JobKeeper subsidy	685,832	-
PAYG subsidy	100,000	-
Rental expense foregone	389,066	-
Total sales	3,544,565	6,981,876
Cost of sales - bar	83,094	241,220
Cost of sales - Food	142,316	384,220
Cost of sales - gaming	526,331	1,652,355
Cost of sales - tab	182,457	633,313
Cost of Sales - Other	-	961
Cost of sales - keno	10,198	36,313
Total cost of sales	944,396	2,948,382
Gross profit	2,600,169	4,033,494
Advertising & promotions	5,710	26,975
Bar expenses	6,161	28,474
Cleaning costs	50,680	116,972
Committee & member costs	2,340	29,432
Communications	30,841	45,026
Depreciation - Property, Plant & Equipment	153,036	153,036
Depreciation - Leases	500,714	500,714
Finance charges	88,683	117,075
Food expenses	5,607	17,471
Gaming expenses	5,471	21,284
Accounting, legal and consulting fees	16,231	27,912
Occupancy costs	803,587	945,780
Employee benefits expense	1,319,968	1,758,508
Travel & accommodation	802	353
Welfare & charitable expenses	39,149	165,582
Other expenses	13,301	223,004
Total expenses	3,042,281	4,185,598
Loss before income tax	(442,112)	(152,104)
Income tax expense	-	-
Net loss for the year	(442,112)	(152,104)
Other comprehensive income	-	-
Total comprehensive income for the year	(442,112)	(152,104)