

**SUNSHINE RSL SUB-BRANCH  
PATRIOTIC FUND NO 444**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018**

## SUNSHINE RSL SUB-BRANCH PATRIOTIC FUND

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### Statement of Profit or Loss for the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
<b>Operating Profit Before Income Tax</b>		136,170	190,474
Income Tax Expense		-	-
<b>Operating Profit After Income Tax</b>		136,170	190,474

The accompanying notes form part of these financial statements

## SUNSHINE RSL SUB-BRANCH PATRIOTIC FUND

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### Statement of Comprehensive Income for the Year Ended 31 December 2018

	2018 \$	2017 \$
Profit / (Loss) for the year	136,170	190,474
Other comprehensive income for the year	-	-
<b>Total comprehensive profit / (loss) attributable to: Members of the organisation</b>	<b>136,170</b>	<b>190,474</b>

The accompanying notes form part of these financial statements

## SUNSHINE RSL SUB-BRANCH PATRIOTIC FUND

### Statement of Financial Position as at 31 December 2018

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	2	66,895	70,094
<b>Total Current Assets</b>		66,895	70,094
<b>Non Current Assets</b>			
Property, plant & equipment	3	5,368,254	4,631,229
<b>Total Non Current Assets</b>		5,368,254	4,631,229
<b>Total Assets</b>		5,435,149	4,701,323
<b>Current Liabilities</b>			
Trade Creditors		44,384	5,676
Accruals		32,115	-
Financial Liabilities	4	682,670	217,071
Current Tax Liabilities		-	708
<b>Total Current Liabilities</b>		759,169	223,455
<b>Total Liabilities</b>		759,169	223,455
<b>Net Assets</b>		4,675,980	4,477,868
<b>Accumulated Funds</b>			
Balance – Beginning of Year		4,477,868	4,287,394
Transfer from Welfare Patriotic Fund		61,942	-
Profit / (Loss) for the year		136,170	190,474
<b>Total Accumulated Funds</b>		4,675,980	4,477,868

The accompanying notes form part of these financial statements

## SUNSHINE RSL SUB-BRANCH PATRIOTIC FUND

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### Statement of Changes of Equity For the Year Ended 31 December 2018

	Accumulated Funds \$	Total \$
<b>Balance at 1 January 2017</b>	4,287,394	4,287,394
Profit attributable to members	190,474	190,474
<b>Balance at 31 December 2017</b>	4,477,868	4,477,868
Loss/ (Profit) attributable to members	136,170	136,170
Transfer to Patriotic Fund	61,942	61,942
<b>Balance at 31 December 2017</b>	4,675,980	4,675,980

## SUNSHINE RSL SUB-BRANCH PATRIOTIC FUND

### Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
<b>Cash flows from Operating Activities</b>			
Receipts in the ordinary course of business		421,670	460,107
Payments to Suppliers and Employees		(33,398)	(59,648)
Interest received		8	268
<b>Net Cash Provided by / (Used in) Operating Activities</b>	(i)	388,280	400,727
<b>Cash flows from Investing Activities</b>			
Property, Plant and Equipment acquired		(919,020)	(63,624)
<b>Net Cash (Used in) / Provided by Investing Activities</b>		(919,020)	(63,624)
<b>Cash flows from Financing Activities</b>			
Loans made/(Repayment) of borrowings		465,600	(325,475)
<b>Net Cash (Used in) / Provided by Financing Activities</b>		465,600	(325,475)
<b>Net Increase / (Decrease) in Cash Held</b>		(65,140)	11,628
Cash Transferred – Welfare Fund		61,942	-
Cash at Beginning of Financial Year		70,094	1,026
<b>Cash at End of Financial Year</b>		66,896	12,654
<b>Notes to Statement of Cash Flows</b>			
<b>(i) Reconciliation of profit before income tax to net cash provided by operating activities</b>			
<b>Profit Before Income Tax</b>		136,170	190,474
Add/(Less):			
Depreciation		181,995	172,650
(Increase)/ Decrease in Other Receivables		-	3,768
(Increase) / Decrease in Trade Creditors/Accruals		70,823	(325)
Increase / (Decrease) in Tax Liabilities		(708)	(6,858)
<b>Net Cash Provided by Operating Activities</b>		388,280	359,709

## Notes to and Forming Part of the Financial Statements for the Year Ended 31 December 2018

### 1. STATEMENT OF ACCOUNTING POLICIES

This special purpose financial report has been prepared for distribution to the members of the Sub- Branch to fulfil the Fund's financial reporting requirements under the Associations Incorporation Reform Act 2012 and the Australian Charities and Not for Profits Commission Act 2012. The accounting policies used in the preparation of this report, as described below, are in the opinion of the committee, appropriate to meet the needs of members.

The financial report has been prepared on the accrual basis of accounting including the historical cost convention and the going concern assumption.

The requirements of Australian Accounting Standards, Accounting Interpretations, and other professional reporting requirements, do not have mandatory applicability to the Fund, because it is not a "reporting entity".

#### **Property, Plant and Equipment**

Property, plant and equipment are included at cost or at valuation.

All assets, excluding freehold land and buildings from which rental income is derived are depreciated over their estimated economic lives. The carrying value of property, plant and equipment is reviewed regularly such that it does not exceed its recoverable amount.

#### **Accounting for Income**

Rental and all other sources of income are accounted for on an accruals basis, such that revenue is recognised when it is earned.

#### **Fair Value of Assets and Liabilities**

Fair value is the price the Fund would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

## SUNSHINE RSL SUB-BRANCH PATRIOTIC FUND

### Notes to and Forming Part of the Financial Statements for the Year Ended 31 December 2018

	2018 \$	2017 \$
<b>2. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank- NAB	4,131	69,279
Cash at Bank - ANZ 64337	822	815
Cash Transferred from Welfare Fund	61,942	-
	<b>66,895</b>	<b>70,094</b>
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>		
Land- Independent Valuation	2,790,000	2,790,000
Freehold Improvements- cost	1,779,207	1,779,207
Freehold improvements – 2018 at cost	840,043	-
Accumulated Depreciation	(424,201)	(354,769)
	<b>4,985,049</b>	<b>4,214,438</b>
Plant and Equipment- cost	1,162,608	1,083,631
Accumulated Depreciation	(779,403)	(666,840)
	<b>383,205</b>	<b>416,791</b>
<b>Total Property, Plant and Equipment</b>	<b>5,368,254</b>	<b>4,631,229</b>
<b>4. BORROWINGS</b>		
<b>Current Liability</b>		
Sunshine RSL Sub Branch - the loan is interest free, Unsecured and has no set repayment terms.	682,670	217,071
	<b>682,670</b>	<b>217,071</b>

### 5. CONTINGENT LIABILITY

The Fund has signed a contract with Bultec for \$709,906 for the construction of a new administration building. The project is being funded by loan of \$600,000 from the Sub Branch, permission was received for this funding structure from Anzac House.

### 6. SUBSEQUENT EVENTS

On 7<sup>th</sup> of February 2018, the cash of the Sunshine RSL Welfare Fund was transferred to the Patriotic Fund, as part of the effective closure of the Welfare Fund.



**SUNSHINE RSL SUB-BRANCH PATRIOTIC FUND**

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**Declaration by Members of the Committee**

The Members of the Committee ('the Committee') of Sunshine Sub-Branch RSL Patriotic Fund declare that:

- (a) in the Committees' opinion the financial statements and notes are in accordance with the Australian Charities and Not for Profits Commission Act (The Act) including:
  - (i) giving a true and fair view of its financial position as at 31 December 2018 and of its performance and cash flows for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Act 2012; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the committee members

\_\_\_\_\_  
Committee Member

\_\_\_\_\_  
Committee Member

Date:

**Independent Audit Report  
To the Members of Sunshine RSL Patriotic Fund**

**Report on the Audit of the Financial Report**

***Opinion***

We have audited the accompanying financial report, being a special purpose financial report, of Sunshine RSL Patriotic Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

In our opinion the financial report of the Fund is properly drawn up, including:

- a. giving a true and fair view of the Fund financial position as at 31 December 2018 and of its financial performance for the year ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and with the Australian Charities and Not For Profits Commission Act 2012 (ACNC Act).

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility 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 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.

***Emphasis of Matter – Basis of Accounting***

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

***Committee's Responsibility for the Financial Report***

The Committee of the Fund is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is 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 intends 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

Stannards Accountants and Advisors

Michael Shulman  
Partner  
Date:

## SUNSHINE SUB-BRANCH RSL PATRIOTIC FUND

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### Detailed Statement of Profit and Loss for the Year Ended 31 December 2018

	2018 \$	2017 \$
<b>Income</b>		
Interest Received	8	121
Rent	421,670	460,004
Other Income- Grant	6,160	-
<b>Total Income</b>	<b>427,838</b>	<b>460,125</b>
<b>Expenditure</b>		
Audit Fees	2,600	2,000
Bank Fees	18	781
Consultants	33,000	56,116
Depreciation	181,995	172,650
Grant – DVA – Jean King	6,160	-
Interest	-	5,767
Repairs & Maintenance	67,895	32,337
<b>Total Expenditure</b>	<b>291,668</b>	<b>269,651</b>
<b>Profit from ordinary activities before income tax</b>	<b>136,170</b>	<b>190,474</b>
<b>Income tax revenue relating to ordinary activities</b>	<b>-</b>	<b>-</b>
<b>Net profit attributable to the association</b>	<b>136,170</b>	<b>190,474</b>