

SUNSHINE RSL SUB-BRANCH INC.

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

SUNSHINE RSL SUB-BRANCH INC.

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

	Note	2018 \$	2017 \$
Operating Profit Before Income Tax		358,620	356,400
Income Tax Expense		-	-
Operating Profit After Income Tax		358,620	356,400

The accompanying notes form part of these financial statements

SUNSHINE RSL SUB-BRANCH INC.

Statement of Comprehensive Income for the Year Ended 31 December 2018

	2018 \$	2017 \$
Profit for the year	358,620	356,400
Other comprehensive income for the year	-	-
Total comprehensive income attributable to: Members of the organisation	358,620	356,400

The accompanying notes form part of these financial statements

SUNSHINE RSL SUB-BRANCH INC.**Statement of Financial Position
as at 31 December 2018**

	Note	2018 \$	2017 \$
Current Assets			
Cash at bank and on hand		1,978,543	1,857,417
Inventories		25,631	22,603
Trade and other receivables	3	734,342	226,317
Prepayments		19,864	15,066
Total Current Assets		2,758,380	2,121,403
Non Current Assets			
Intangible assets	6	592,805	759,435
Total Non-Current Assets		592,805	759,435
Total Assets		3,351,185	2,880,838
Current Liabilities			
Trade and other payables	4	293,743	206,721
Provisions	5	209,804	185,099
Total Current Liabilities		503,547	391,820
Total Liabilities		503,547	391,820
Net Assets		2,847,638	2,489,018
Accumulated Funds			
Balance at beginning of year		2,489,018	2,132,618
Profit for the year		358,620	356,400
Total Accumulated Funds		2,847,638	2,489,018

The accompanying notes form part of these financial statements

SUNSHINE RSL SUB-BRANCH INC.

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

	Accumulated Funds \$	Total \$
Balance at 1 January 2017	2,132,618	2,132,618
Profit attributable to members	356,400	356,400
Balance at 31 December 2017	2,489,018	2,489,018
Profit attributable to members	358,620	358,620
Balance at 31 December 2018	2,847,638	2,847,638

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

	Note	2018 \$	2017 \$
Cash flows from Operating Activities			
Receipts in the ordinary course of business		4,215,665	4,006,286
Payments to Suppliers and Employees		(3,608,543)	(3,559,264)
Interest received		21,270	14,140
Net Cash Provided by Operating Activities	(i)	628,392	461,162
Cash flows from Financing Activities			
Deposit- Entitlements		(41,667)	-
Loan Patriotic Fund		(465,599)	(208,265)
Net Cash (Used in) Financing Activities		(507,266)	(208,265)
Net (Decrease) / Increase in Cash & Cash Equivalents		121,126	252,897
Cash & Cash Equivalents at Beginning of Financial Year		1,857,417	1,604,520
Cash & Cash Equivalents at End of Financial Year		1,978,543	1,857,417
Notes to Statement of Cash Flows			
(i) Reconciliation of Profit before taxation to net cash provided by operating activities			
Profit Before Income Tax		358,620	356,400
Adjusted for non cash flow items:			
Depreciation / amortisation		166,629	166,629
Add(Less):			
Decrease (Increase) in Trade and Other Receivables		(758)	1,378
Decrease (Increase) in Inventory		(3,028)	(2,913)
Decrease (Increase) in Prepayments		(4,798)	(884)
Increase (Decrease) in Trade Creditors & Other Payables		87,022	(54,427)
Increase (Decrease) in Employee Entitlements		24,705	(5,021)
Net Cash Provided by Operating Activities		628,392	461,162

The accompanying notes form part of these financial statements

**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 Association's financial reporting requirements under the Australian Charities and Not For Profits Commission Act 2012 the Act. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements of the Act, and 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 Sub-Branch, except to the extent required by the Act, because it is not a "reporting entity".

Income Tax

The Sub-Branch is not liable for income tax. The ongoing Income 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.

Inventories

Inventories are measured at the lower of cost and net realisable value using a FIFO basis.

Employee Entitlements

Provision is made for the Sub-Branch's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Sub-Branch to an employee superannuation fund and are charged as expenses when incurred.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

Gaming Machine Entitlements / Victorian State Gaming Loan

The Sub-Branch has elected to account for its gaming entitlements on a cost basis. That is, entitlements are recorded at cost and amortised on a straight-line basis over their useful lives, whilst the Victorian State Gaming loan is reduced by instalment paid on quarterly basis.

Comparative Information

Where necessary, comparative information has been adjusted to comply with current year presentation of the accounts.

Agency Account

Anzac House required RSL sub-branches to act as an agent for the appeals account. Accordingly, such amounts have not been included in the financial report of this Sub-branch.

**Notes to and Forming Part of the Financial Statements
for the Year Ended 31 December 2018 (Cont'd)**

	2018 \$	2017 \$
2. OPERATING PROFIT		
Operating surplus before income tax has been determined after:		
Sales Revenue	4,049,118	4,010,933
Commission	11,017	11,378
Interest revenue	21,270	14,140
Members subscription & nomination fees	24,745	23,309
Functions and room hire income	26,764	23,500
Rebates and refunds	30,828	19,442
Rent received	21,182	20,098
Other income	26,603	12,160
	4,211,527	4,134,960
3. TRADE AND OTHER RECEIVABLES		
Trade Receivables	7,294	7,196
Loan –Patriotic Fund, the loan is interest free, unsecured and no date has been fixed for repayment		
Deposit – 60 EGM entitlements	682,670	217,071
	41,667	-
Sundry Receivables	2,710	2,050
	734,341	226,317
4. TRADE AND OTHER PAYABLES		
Trade Creditors	73,121	6,579
GST	63,453	57,245
Accruals and other payables	157,169	142,897
	293,743	206,721
5. PROVISIONS		
Annual Leave	108,667	88,572
Long Service Leave	101,137	96,527
	209,804	185,099

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2018 (Cont'd)**

	2018 \$	2017 \$
6. INTANGIBLE ASSETS		
At cost	1,666,294	1,666,294
Less: Accumulated amortisation	(1,073,489)	(906,859)
	592,805	759,435
7. CONTINGENT LIABILITY		
<p>The Sub-Branch has now executed an 'Offer Deed Poll', where in it will acquire (at a minimum), 60 gaming entitlements at a cost of \$27,778 each (total cost: \$1,666,680 covering the period 16 August 2022 to 15 August 2032). A deposit of 2.5% (ie.\$41,667) has been paid , a further deposit of \$41,667 is payable in 2019 and the balance in 2022.</p>		

Declaration by Members of the Committee

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

- (a) in the Committee's opinion the financial statements and notes are in accordance with the Australian Charities and Not For Profits Commission Act 2012, 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 Australian Charities and Not For Profit Commission Act 2012; and
- (b) there are reasonable grounds to believe that the Sub-Branch will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Committee

Committee Member

Committee Member

Date:

**Independent Audit Report
To the Members of Sunshine RSL Sub-Branch Inc.**

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 Sub-Branch Inc. ("the h"), 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 Sub Branch is properly drawn up, including:

- a. giving a true and fair view of the Sub Branch's 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.

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 Sub Branch 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 Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose.

Committee's Responsibility for the Financial Report

The Committee of the Sub Branch 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 Australian Charities and Not For Profits Commission Act 2012. 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 Sub Branch'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 Sub Branch or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Sub Branch'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 RSL SUB-BRANCH INC.

**Detailed Profit and Loss - Gaming
for the Year Ended 31 December 2018**

	2018 \$	2017 \$
Income		
Gaming Commission	3,581,876	3,509,077
Total Income	3,581,876	3,509,077
Cost of sales		
Cash Collection Costs	8,407	11,143
Keno & TAB Costs	20,402	22,006
Consumables	6,642	7,499
Promotions - Members	65,317	60,367
Salaries & Wages	321,638	306,947
Superannuation	33,794	32,304
Workers Compensation	6,990	5,841
Monitoring and Service Fees	785,375	767,595
State Government Tax	945,594	906,198
Total Cost Of Sales	2,194,159	2,119,900
Gross Profit	1,387,717	1,389,177

SUNSHINE RSL SUB-BRANCH INC.

**Detailed Profit and Loss – Bar Trading
for the Year Ended 31 December 2018**

	2018 \$	2017 \$
Income		
Gross Takings - Beverages	467,242	501,856
Total Income	467,242	501,856
Cost of sales		
Opening Inventory – Beverages	22,603	19,690
Purchases	154,937	172,788
Salaries & Wages	80,749	76,849
Superannuation	8,449	8,076
Workers Compensation	1,615	1,460
	268,353	278,863
Less:		
Inventory - Beverages	(25,631)	(22,603)
Total Cost Of Sales	242,722	256,260
Gross Profit	224,520	245,596

SUNSHINE RSL SUB-BRANCH INC.

Detailed Profit and Loss for the Year Ended 31 December 2018

	2018 \$	2017 \$
Income		
Trading Profit	1,612,237	1,634,773
Members subscriptions & nomination fees	24,745	23,309
Functions and room hire income	26,764	23,500
Other commissions	11,017	11,378
Interest received	21,270	14,140
Rebates and refunds	30,828	19,442
Rent received	21,182	20,098
Other income	26,603	12,160
Total Income	1,774,646	1,758,800
Expenses		
Accountancy	9,960	10,480
Advertising and promotion	8,368	20,931
Amortisation	166,629	166,629
Audit fees	4,800	4,400
Bank fees	3,225	2,351
Bar supplies	12,443	12,750
Bowling Club Subsidy	20,101	35,790
Cleaning	65,351	41,625
Computer expenses	3,881	8,500
Donations & welfare	50	1,592
Electricity & gas	93,457	89,926
Employee amenities	9,742	5,940
Function, bands and artists	38,290	37,600
Insurance	28,172	23,156
Legal Fees	1,090	1,812
License fees	3,474	7,765
Payroll tax	(581)	4,469
Printing & stationery	5,646	5,536
Promotions – members	105,010	90,610
Provision for annual leave	42,542	42,920
Provision for long service leave	12,139	11,296
Rates & land taxes	16,699	14,101
Rent on land & buildings	460,004	460,004
Repairs & maintenance	14,841	20,867
Salaries & wages	151,425	146,672
Security	81,114	71,195
Service fees	3,226	8,412
Sundry expenses	3,567	2,496
Superannuation	26,178	31,371
Telephone	12,461	12,960
Travel	2,870	2,700
Workcover	5,698	5,217
Uniforms	1,154	327
Total expenses	1,416,026	1,402,400
Profit from ordinary activities before income tax	358,620	356,400
Income tax revenue relating to ordinary activities	-	-
Net profit attributable to the association	358,620	356,400