

***Ballina Sub-Branch of The  
Returned and Services League  
of Australia (New South Wales  
Branch)***

**ABN 37 373 414 970**

**2019 Financial Report**



### Committee's Report

Your committee members submit the financial report of the Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch) (the Sub Branch) for the financial year ended 31 December 2019.

### Committee Members

The names of the members of the committee at any time during or since the end of the year are:

Tony Tartaro <sup>2 5</sup>	Kristopher Skimmings	Alan Hayes	Alan Watt <sup>3</sup>
Richard Wills <sup>1 3 6</sup>	James Strang <sup>4</sup>	Bill Thompson	Darren Murmane <sup>3</sup>
Edward Walsh	Norm Mulholland	Patricia Drake	

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated as follows: 1 - Resigned 30th January 2019; 2 - Resigned committee position 27th February 2019; 3 - Appointed 27th February 2019.; 4 - Appointed 27th November 2019; 5 - Resigned as trustee 26 September 2019; 6 - Appointed Trustee 30th October 2019

### Principal Activities

The principal activities of the Sub-Branch during the financial year were to provide social facilities and support services to members of the Sub-Branch, whilst providing service to and raising money for the local and ex-services communities.

### Significant Changes

There were no significant changes in the nature of these activities during the year. The Ballina RSL Youth Club ceased its activities with effect from 31 December 2018.


### Operating Result


The surplus after providing community services amounted to \$1,713,013.

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2019 has been received and can be found on page 2 of the financial report.

Signed in accordance with a resolution of the Committee of Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch)

  
Richard Wills - President

  
Edward Walsh - Treasurer

Dated: 25-02-2020

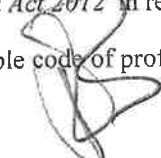
25/2/2020

### Auditor's Independence Declaration

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Committee members of the Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch)

As the auditor of the financial report of Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch), I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and
- (i) any applicable code of professional conduct in relation to the audit.

  
Paul Morris - Registered Company Auditor  
OnTrack Chartered Accountants  
53 River Street Ballina NSW 2478 Dated:



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
Revenue	2	2,007,427	254,919
Administration		(189,942)	(513,817)
Members		(75,262)	(46,269)
Fundraising		(4,755)	(10,366)
Commemorations		(3,018)	(5,887)
Welfare		(745)	(1,123)
Other Expenses		(4,256)	(26,898)
Donations Made		(16,436)	(52,864)
<b>Current year surplus/(deficit) before income tax</b>		<b>1,713,013</b>	<b>(402,305)</b>
Income tax expense		-	-
<b>Net current year surplus/(deficit)</b>		<b>1,713,013</b>	<b>(402,305)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,713,013</b>	<b>(402,305)</b>
Total comprehensive income attributable to members of the Sub Branch		1,713,013	(402,305)

To be read in conjunction with the attached audit report.

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	341,703	284,399
Accounts receivable and other receivables	4	4,846	29,102
Other current assets	5	10,359	15,802
Financial Assets	6	<u>6,999,083</u>	<u>4,990,814</u>
<b>TOTAL CURRENT ASSETS</b>		<u><u>7,355,991</u></u>	<u><u>5,320,117</u></u>
<b>NON-CURRENT ASSETS</b>			
Property plant and equipment	7	<u>136,678</u>	<u>475,874</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><u>136,678</u></u>	<u><u>475,874</u></u>
<b>TOTAL ASSETS</b>		<u><u><u>7,492,669</u></u></u>	<u><u><u>5,795,991</u></u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	8	9,282	40,466
Grants received in advance	9	<u>12,549</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><u>21,831</u></u>	<u><u>40,466</u></u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Employee Benefits	10	<u>2,300</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><u>2,300</u></u>	<u><u>-</u></u>
<b>TOTAL LIABILITIES</b>		<u><u><u>24,131</u></u></u>	<u><u><u>40,466</u></u></u>
<b>NET ASSETS</b>		<u><u><u>7,468,538</u></u></u>	<u><u><u>5,755,525</u></u></u>
<b>EQUITY</b>			
Retained surplus		<u><u>7,468,538</u></u>	<u><u>5,755,525</u></u>
<b>TOTAL EQUITY</b>		<u><u><u>7,468,538</u></u></u>	<u><u><u>5,755,525</u></u></u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Retained Surplus
<b>Balance at 1 January 2018</b>	<u>6,157,830</u>
<b>Comprehensive Income</b>	
Surplus for the year attributable to the Sub Branch	(402,305)
Other comprehensive income for the year	<u>-</u>
<b>Total comprehensive income attributable to the Sub Branch</b>	<u>(402,305)</u>
<b>Balance at 31 December 2018</b>	<u>5,755,525</u>
<b>Balance at 1 January 2019</b>	5,755,525
<b>Comprehensive Income</b>	
Surplus/(deficit) for the year attributable to the Sub Branch	1,713,013
Other comprehensive income for the year	<u>-</u>
<b>Total comprehensive income attributable to the Sub Branch</b>	<u>1,713,013</u>
<b>Balance at 31 December 2019</b>	<u><u>7,468,538</u></u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from donations, fundraising, sponsorship, and contributions		53,483	351,022
Commonwealth, State and Local Government Grants		42,150	26,284
Merchandise		10,031	596
Investment income received		3,964	6,519
Other income		6,490	12,537
Payments to suppliers and employees		(266,865)	(532,277)
Donations Made		(16,436)	(52,864)
Net cash generated from operating activities	11	<u>(167,183)</u>	<u>(188,183)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Proceeds from Sale of Property		1,426,770	-
Investment income received		315,470	272,874
Investment Management Fees		(28,946)	(26,681)
Withdrawals/(Investment) - Portfolio		(1,486,923)	(86,193)
Payment for property, plant and equipment		(1,884)	(37,905)
Net cash used in investing activities		<u>224,487</u>	<u>122,095</u>
Net increase/(decrease) in cash held		57,304	(66,088)
Cash on hand at the beginning of the financial year	3	<u>284,399</u>	<u>350,487</u>
Cash on hand at the end of the financial year	3	<u>341,703</u>	<u>284,399</u>

The accompanying notes form part of these financial statements.  
To be read in conjunction with the attached compilation report.



## **Notes to the Financial Statements** for the Year Ended 31 December 2019

The financial statements cover Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch) as an individual entity domiciled in Australia.

The financial statements were authorised for issue on 19 February 2020 by the Committee members of the Sub Branch.

### **Note 1: Summary of Significant Accounting Policies**

#### **Financial Reporting Framework**

The financial statements have been prepared on the basis that the Sub Branch is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Sub Branch is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the Committee have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

#### **Statement of Compliance**

The financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the disclosure requirements of Accounting standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 127: *Consolidated and Separate Financial Statements*, AASB 1031: *Materiality*, AASB 1048: *Interpretation of Standards* and AASB 1054: *Australian Additional Disclosures*.

#### **Basis of Preparation**

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

## **Notes to the Financial Statements** for the Year Ended 31 December 2019

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Accounting Policies**

##### **(a) Revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the Sub Branch obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Sub Branch and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the Sub Branch is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Sub Branch incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch) receives non-reciprocal contributions of assets for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

##### **(b) Property, Plant and Equipment**

###### **Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

## **Notes to the Financial Statements** for the Year Ended 31 December 2019

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **(b) Property, Plant and Equipment (Continued)**

##### **Depreciation**

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation</b>
Leasehold Improvements	2.5-10%
Motor Vehicles	20%
Plant and Equipment	20%-33%
Museum	20%
Memorial Gardens	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### **(c) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Sub Branch, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

#### **(d) Impairment of Assets**

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

## **Notes to the Financial Statements** for the Year Ended 31 December 2019

### **Note 1: Summary of Significant Accounting Policies (Continued)**

(e) **Employee Provisions**

**Short-term employee benefits**

Provision is made for the Sub Branch's obligation for short-term employee benefits. Short-term employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Sub Branch obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of accounts payable and other payables in the statement of financial position.

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

(g) **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) **Goods and Services Tax (GST)**

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting year. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) **Critical Accounting Estimates and Judgements**

The Committee evaluate estimates and judgements 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 Sub Branch.

**Notes to the Financial Statements** for the Year Ended 31 December 2019

**Note 1: Summary of Significant Accounting Policies (Continued)**

**(k) Critical Accounting Estimates and Judgements (Continued)**

*Key estimates*

(i) *Impairment*

The Sub Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Sub Branch that may be indicative of impairment triggers.

(ii) *Plant and equipment*

The Sub Branch reviews the useful life of plant and equipment on an annual basis.

**(l) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Sub branch. The Sub Branch has decided not to early adopt any of the new and amended pronouncements. The Sub Branch has assessed the impact of the new and amended pronouncements that are relevant to the Sub Branch but applicable in future reporting periods as insignificant.

	2019	2018
	\$	\$
<b>Note 2: Revenue and Other Income</b>		
Revenue from (Non-reciprocal) Government Grants and Other Grants		
Grants Received - Club Ltd	8,400	5,255
Grants Received - DVA including BEST	19,201	21,029
Other Grants	2,000	-
	<u>29,601</u>	<u>26,284</u>
Other Revenue		
Member fees	2,457	3,866
Member Subscriptions & Fees	44,417	273,126
Registrations	-	46,849
Function Member Contributions	6,340	6,340
Donations Received	269	4,351
Other Fundraising	-	6,644
Retail Merchandise Sales	940	596
Sundry Income	6,490	12,537
	<u>60,913</u>	<u>354,309</u>
Total Revenue	<u>90,514</u>	<u>380,593</u>
Other Income		
Net Fair Value Gain on Re-measurement of Investments	521,618	(426,101)
Realised Gain on Sale of Investments	1,098,515	-
Investment Income Received	293,772	294,572
Interest Received	3,008	5,855
Total Other Income	<u>1,916,913</u>	<u>(125,674)</u>
Total Revenue & Other Income	<u>2,007,427</u>	<u>254,919</u>

**Notes to the Financial Statements** for the Year Ended 31 December 2019

	2019 \$	2018 \$
<b>Note 3: Cash &amp; Cash Equivalents</b>		
Cash at Bank – unrestricted	341,360	284,199
Cash on Hand	343	200
	<u>341,703</u>	<u>284,399</u>
<b>Note 4: Accounts Receivable and Other Receivables</b>		
Accounts Receivable	355	104
Accrued Income	192	1,151
Franking Credit Refund	-	21,698
GST Receivable	4,299	6,149
	<u>4,846</u>	<u>29,102</u>
<b>Note 5: Other Current Assets</b>		
Inventories	8,392	9,340
Prepaid Expenses	1,967	6,462
	<u>10,359</u>	<u>15,802</u>
<b>Note 6: Financial Assets</b>		
Other Financial Assets at Fair Value	<u>6,999,083</u>	<u>4,990,814</u>
	<u>6,999,083</u>	<u>4,990,814</u>
<b>Note 7: Property, Plant and Equipment</b>		
Buildings - At Cost	-	583,647
Less: Accumulated Depreciation	-	(248,869)
	<u>-</u>	<u>334,778</u>
Plant & Equipment - At Cost	329,067	327,183
Less: Accumulated Depreciation	(192,389)	(186,087)
	<u>136,678</u>	<u>141,096</u>
	<u>136,678</u>	<u>475,874</u>
<b>Note 8: Accounts Payable and Other Payables</b>		
Accounts Payable	3,323	10,340
Accrued Expenses	3,500	4,352
Income Received In Advance	1,060	-
GST Payable	-	6,027
PAYG Withheld Payable	1,153	18,802
Superannuation Payable	246	360
Sundry Creditors	-	585
	<u>9,282</u>	<u>40,466</u>

**Notes to the Financial Statements** for the Year Ended 31 December 2019

	2019	2018
	\$	\$
<b>Note 9: Grants Received in Advance</b>		
Department of Veterans Affairs	12,549	-
	<u>12,549</u>	<u>-</u>

**Note 10: Provision for Employee Benefits**

Long Service Leave	2,300	-
	<u>2,300</u>	<u>-</u>

**Note 11: Cash Flow Information**

**Reconciliation of cash flows from operating activities with net current year surplus**

Net current year surplus/(deficit)	1,713,013	(402,305)
Adjusted for:		
- depreciation and amortisation	13,097	28,331
- Realised Change in Value of Investments	(1,098,515)	-
- Unrealised Change in Value of Investments	(521,618)	426,101
- Investment Income	(293,772)	(294,572)
- Investment Management Fees	28,946	26,681
Movements in working capital:		
-(increase)/decrease in accounts receivable and other debtors	8,001	13,681
-increase/(decrease) in grants received in advance	12,549	-
-increase/(decrease) in accounts payable and other payables	(28,884)	13,900
	<u>(167,183)</u>	<u>(188,183)</u>

**Note 12: Sub Branch Details**

The address of the Sub Branch is:  
 Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch)  
 1 Grant Street  
 Ballina NSW 2478

**Note 13: Events after the balance sheet date**

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

**Note 14: Volunteer Dependence**

The Sub Branch is dependent on the services provided by volunteers. At the date of this report the Committee has no reason to believe volunteers will not continue to support the Sub Branch.

**Notes to the Financial Statements** for the Year Ended 31 December 2019

	2019	2018
	\$	\$
<b>Note 15: Charitable Fundraising</b>		
	2019	2018
	\$	\$
<b>Fundraising Income</b>		
Donations and Fundraising Proceeds	269	10,995
Grants Received	27,601	26,284
Total Fundraising Income	<u>27,870</u>	<u>37,279</u>
<b>Fundraising Expense</b>		
Direct Fundraising Costs	4,755	10,366
Total Fundraising Expenditure	<u>4,755</u>	<u>10,366</u>
Annual Fundraising Surplus	<u>23,115</u>	<u>26,913</u>
<b>Application of fundraising funds</b>		
Donations	16,436	-
Purchase of Equipment & Resources	6,679	26,913
Total Fundraising Expenditure	<u>23,115</u>	<u>26,913</u>

There were no material matters or occurrences relating to fundraising activities for the current financial year.

There were no traders engaged in fundraising activities during the current financial year.

A comparison of activities is as follows:

	2019		2018	
	\$	%	\$	%
a) Total cost of fundraising /	4,755	17.1	10,366	27.8
Gross income from fundraising	27,870		37,279	
b) Net surplus from fundraising /	23,115	82.9	26,913	72.2
Gross income from fundraising	27,870		37,279	



**Notes to the Financial Statements** for the Year Ended 31 December 2019

**Committee's Declaration**

Your Committee members are of the opinion that:

1. The financial statements are special purpose financial statements prepared in accordance with the financial reporting requirements of the Charitable Fundraising Act 1991 and the Australian Charities and Not-for-profits Commission Act 2012; and
  - a. comply with the Australian Accounting Standards applicable to the Sub Branch; and
  - b. give a true and fair view of the financial position of the Sub Branch as at 31 December 2019 and of its performance for the year ended on that date.
  - c. the accounting and associated records have been properly kept during the year in accordance with the Act and the Regulations; and
  - d. money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Act and the Regulations.
2. 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.

This declaration is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Richard Wills - President



Edward Walsh – Treasurer

Dated:

## **Independent Auditor's Report** to the Members of Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch) ABN 37 373 414 970 for the Year Ended 31 December 2019

### **Report on the Financial Report**

#### **Auditor's Qualified Opinion**

I have audited the financial report of Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch) (the Sub Branch), which comprises the statement of financial position as at 31 December 2019, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the Committees declaration.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial report of the Sub Branch is in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the *Charitable Fundraising Act 1991*, including:

- a. giving a true and fair view of the registered Sub Branch's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### **Basis for Qualified Opinion**

As is common with organisations of this type, it is not practical for Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch) to maintain an effective system of internal control over donations and other fundraising activities until their initial entry in the accounting records. Accordingly, my audit in relation to fundraising was limited to amounts recorded.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Sub Branch in accordance with the ACNC Act, 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter - Basis of Accounting**

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Sub Branch to meet the requirements of the Charitable Fundraising Act 1991, the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

#### **Responsibilities of the Committee for the Financial Report**

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Charitable Fundraising Act 1991, the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a 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 relating 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 has no realistic alternative but to do so.

**Independent Auditor's Report** to the Members of Ballina Sub-Branch of The Returned and Services League of Australia (New South Wales Branch) ABN 37 373 414 970 for the Year Ended 31 December 2019

**Auditor's Responsibilities for the Audit of the Financial Report**

My 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 my 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- (i) Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub Branch's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- (iv) Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub Branch's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Sub Branch to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



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