

**City of Blacktown RSL Sub-branch
(RSL NSW) ABN 88 120 532 199**

Financial Statements

For the year ended 31 December 2020

City of Blacktown RSL Sub-branch (RSL NSW) ABN 88 120 532 199
Auditor's Independence Declaration

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Dated this 10th day of March 2021



William Tomiczek FIPA, Registered Company Auditor 1425
William Tomiczek & Associates
66 Emu Plains Road, Mount Riverview, NSW, 2774

City of Blacktown RSL Sub-branch (RSL NSW) ABN 88 120 532 199
Detailed Balance Sheet as at 31 December 2020

	Note	2020	2019
		\$	\$
Current Assets			
Cash Assets			
Cash at bank - NAB Weif & Benevol. a/c		8,001	4,976
Cash at Bank - AMB Cash Mgmt a/c		3,607,736	237,675
Cash at bank - AMB Comfort a/c		8,479	2,254
Cash at bank - AMB main debit card		820	
Cash at bank - AMB working a/c		170,632	60,729
Cash at bank - AMB Comfort card card		793	743
Cash at bank - Solicitors trust a/c		4,620	
Investment cash a/c - Mac Bank - capital		1,929,793	87,700
Investment a/c - Mac Bank - income		<u>347,754</u>	<u>51,492</u>
		<u>6,078,629</u>	<u>445,569</u>
Other Financial Assets			
Shares in other companies - at market value		<u>13,556,243</u>	<u>13,191,496</u>
		<u>13,556,243</u>	<u>13,191,496</u>
Other			
Short term deposits - AMB		1,100,000	7,250,001
Other - GST		4,855	7,849
		<u>1,104,855</u>	<u>7,257,850</u>
		<u>20,739,727</u>	<u>20,894,914</u>
Total Current Assets		<u>20,739,727</u>	<u>20,894,914</u>
Total Assets		<u>20,739,727</u>	<u>20,894,914</u>

The accompanying notes form part of these financial statements.

City of Blacktown RSL Sub-branch (RSL NSW) ABN 88 120 532 199
Statement of Cash Flows
For the year ended 31 December 2020

	2020	2019
	\$	\$
Cash Flow From Operating Activities		
Receipts from members	6,702	8,365
Receipts from dividends and trust distributions	587,134	621,265
Payments to Suppliers and employees	(601,586)	(730,980)
Interest received	174,488	91,891
Other income	24,452	56,737
Net cash provided by operating activities (note 3)	191,190	47,277
Cash Flow From Investing Activities		
Transfers from short term deposits to cash management account	6,150,001	
Net movement in investment portfolio	(708,131)	(397,572)
Net cash provided by (used in) investing activities	5,441,870	(397,572)
Net increase (decrease) in cash held	5,633,060	(350,295)
Cash at the beginning of the year	445,569	795,864
Cash at the end of the year (note 2)	6,078,629	445,569

The accompanying notes form part of these financial statements.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The trustees have prepared the financial statements on the basis that the Sub Branch is a non-reporting entity because it is unlikely there are users of these financial statements who are not in a position to require the preparation of report tailored to their information needs. The 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 financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the trustees have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise. The financial statements have also been prepared in accordance with the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031 Materiality, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional Disclosures. The special purpose financial statements do not comply with all the recognition and measurement requirements in Australian Accounting Standards.

The recognition and measurement requirements that have not been complied with are those specified by Accounting Standard AASB 16 Leases as the Sub Branch recognises commercial lease arrangements as an expense under AASB 117 Leases (superceded by AASB 16) and AASB 9 Financial Instruments as changes in the net market value of investments in shares in other companies along with net realised gains (or losses) on the investment portfolio are transferred directly to a Capital Profits Reserve and not in accordance with AASB 9 Financial Instruments.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Cash and Cash Equivalents

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

(b) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue. Revenue includes interest and dividend income, franking credit rebates from dividends received, Cash Flow Boost instalments, membership income and other income.

Interest and dividend revenue is recognised when received.

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

City of Blacktown RSL Sub-branch (RSL NSW) ABN 88 120 532 199
Statement of Cash Flows
For the year ended 31 December 2020

	2020	2019
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Note 2. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank - NAB Welf & Benevol. a/c	8,001	4,976
Cash at Bank - AMB Cash Mgmt a/c	3,607,736	237,675
Cash at bank - AMB Comfort a/c	8,479	2,254
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Cash at bank - AMB working a/c	170,632	60,729
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Cash at bank - Solicitors trust a/c	4,620	
Investment cash a/c - Mac Bank - capital	1,929,793	87,700
Investment a/c - Mac Bank - income	347,754	51,492
	<u>6,078,629</u>	<u>445,569</u>

Note 3. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Surplus

Net surplus	153,800	47,277
Changes in assets and liabilities:		
Increase (decrease) in other creditors	8,433	
Increase (decrease) in employee entitlements	28,957	
Net cash provided by operating activities	<u>191,190</u>	<u>47,277</u>

The accompanying notes form part of these financial statements.

City of Blacktown RSL Sub-branch (RSL NSW) ABN 88 120 532 199
Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
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|----------------------------------|--|--|
| - Mr Maximo Encomienda - Trustee | | |
| - Mr Bradley Lawless - Trustee | | |

Transactions with related parties:

Transactions with trustees:

- As required under the RSL NSW Standard Operating Procedure the Sub-Branch is required to make a Charitable Purpose Contribution to the RSL NSW from its annual surplus. An amount of \$123,600 was paid to RSL NSW from the net surplus for the 20FY and is included within donation expense in the Detailed Profit and Loss Statement.

- The Secretary, Mr John O'Brien, is a paid employee for his services as Secretary to the Sub-Branch. His employment contract was renewed for a further three years at the AGM of February 2020. Due to confidentiality his remuneration is not disclosed separately in this Note.

Note 6: Capital and Leasing Commitments

Operating lease expenditure contracted for at balance date that is not cancellable and is not provided for in the accounts:

Payable:		
No later than one year		16,745
Later than one year but not later than two years		16,745
Later than two years but not later than 5 years		50,235
		<u>83,725</u>

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Blacktown RSL Sub-branch (RSL NSW) (the Sub-Branch) which comprises the Income and Expenditure Statement, Balance Sheet as at 31 December 2020, Statement of Cash Flows, Statement of Changes in Equity and a summary of significant accounting policies and the declaration of the committee on the annual statements giving a true and fair view of the financial position and performance of the Sub-branch.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 31 December 2020 and [of] its financial performance for the year then ended in accordance with the accounting policies described in Note 1 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 Sub-Branch in accordance with the ethical requirements of the Accounting Professionals 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 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 opinion.

Emphasis of Matter – Basis of Accounting

We 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 ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter

The financial report of the Sub-Branch for the year ended 31st December 2019 was audited by another auditor who expressed an unmodified opinion on that financial report. The auditor's report for the year ended 31st December 2019 was presented to the AGM of the Sub-branch in February 2020.

Responsibilities of the Committee for the Financial Report

The committee are 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 RSL NSW constitution and of the Australian Charities and Not-for-profits Commission Act 2012. The committee's responsibility also includes such internal control as the committee determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee are 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 association or to cease operations, or has no realistic alternative but to do so.