SHEPPARTON RSL
SUB-BRANCH PATRIOTIC FUND

ABN 41 978 894 573

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

SHEPPARTON RSL SUB-BRANCH PATRIOTIC FUND
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CONTENTS

	Page No.
Committee's Report	2
Income Statement	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Responsible Persons' Declaration	27
Independent Auditor's Report	28

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COMMITTEE'S REPORT

Your committee members submit the financial report of Shepparton RSL Sub-Branch Patriotic Fund for the financial year ended 31 December 2023.

Committee Members
The names of the committee members in office at anytime during or since the end of the year are:

Robert Wilkie (President)
Brian McInneny (Senior Vice President)
Bruce Davis (Junior Vice President)
Darryl Butcher (Treasurer)
Edwin Ball (Secretary)
Sandra Davis
Stan Whitford
Mark Stephens (Appointed 28/03/2023)
Daniel Gleeson (Appointed 28/03/2023)
Graeme Bayley (Resigned 24/02/2023)
Thomas Lipscombe (Appointed April 2023, Resigned August 2023)

Principal Activities
The principal activities of the association during the financial year were:

- The lease of land and buildings to the Shepparton RSL Sub-Branch Inc. for the benefit of members and former members of any Naval, Military and Air Forced of her majesty's allies, any force or auxiliary to any of the forces and their dependants.

Significant Changes
No significant change in the nature of these activities occurred during the financial year.

Operating Result
The surplus after providing for income tax amounted to $309,467 (2022 surplus $297,249).

Events subsequent to the End of the Reporting Period
There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly alter the operations of the association, the results of those operations or the state of affairs of the association, in future years.

Signed in accordance with a resolution of the members of the committee:

Robert Wilkie (President) **Darryl Butcher (Treasurer)**

Dated: 29/2/2024

SHEPPARTON RSL SUB-BRANCH PATRIOTIC FUND
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INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
Revenue	**2**	588,000	562,625
Other income	**2**	33,044	17,979
Depreciation and amortisation expenses	**16(b)**	(220,989)	(229,438)
Finance expense		(2,264)	(24,510)
Commemorative day expenses		(22,889)	(18,222)
Professional fees		(36,022)	(4,200)
Welfare		(14,375)	(897)
Other expenses	**3**	(15,039)	(6,087)
Surplus/(Deficit) before income tax expense		309,467	297,249
Income tax expense	**1(j)**	-	-
Surplus/(Deficit) for the year		309,467	297,249
Surplus/(Deficit) attributable to members of the entity		309,467	297,249

The accompanying notes form part of these financial statements.

SHEPPARTON RSL SUB-BRANCH PATRIOTIC FUND
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
Surplus/(Deficit) for the year		309,467	297,249
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**309,467**	**297,249**
Total comprehensive income attributable to members of the entity		309,467	297,249

The accompanying notes form part of these financial statements.

SHEPPARTON RSL SUB-BRANCH PATRIOTIC FUND
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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**5**	526,816	284,870
TOTAL CURRENT ASSETS		526,816	284,870
NON-CURRENT ASSETS			
Property, plant and equipment	**6**	12,003,307	11,968,747
TOTAL NON-CURRENT ASSETS		12,003,307	11,968,747
TOTAL ASSETS		12,530,124	12,253,617
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	**7**	7,386	10,009
Borrowings	**8**	2,017,066	2,009,669
TOTAL CURRENT LIABILITIES		2,024,452	2,019,678
NON-CURRENT LIABILITIES			
Borrowings	**8**	31,768	69,501
TOTAL NON-CURRENT LIABILITIES		31,768	69,501
TOTAL LIABILITIES		2,056,220	2,089,180
NET ASSETS		**10,473,904**	**10,164,437**
EQUITY			
Reserves		4,345,105	4,345,105
Retained earnings		6,128,799	5,819,332
TOTAL EQUITY		**10,473,904**	**10,164,437**

The accompanying notes form part of these financial statements.

SHEPPARTON RSL SUB-BRANCH PATRIOTIC FUND
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STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2023

	Retained Earnings $	Property revaluation reserve $	Total $
Balance at 1 January 2022	5,522,083	4,345,105	9,867,188
Comprehensive income			
Surplus attributable to members	297,249	-	297,249
Total comprehensive income for the year attributable to members of the association	297,249	-	297,249
Balance at 31 December 2022	5,819,332	4,345,105	10,164,437
Balance at 1 January 2023	5,819,332	4,345,105	10,164,437
Comprehensive income			
Surplus attributable to members	309,467	-	309,467
Total comprehensive income for the year attributable to members of the association	309,467	-	309,467
Balance at 31 December 2023	6,128,799	4,345,105	10,473,904

The accompanying notes form part of these financial statements.

SHEPPARTON RSL SUB-BRANCH PATRIOTIC FUND
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Grants and other income		680,044	637,960
Payments to suppliers and employees		(81,267)	(32,933)
Interest payments		(11,944)	(24,510)
GST Paid		(59,000)	(56,036)
Net cash provided by operating activities	**16(b)**	527,833	524,481
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(255,549)	(169,924)
Net cash provided by (used in) investing activities		(255,549)	(169,924)
Cash flows from financing activities			
Principal repayments of borrowings		(30,338)	(263,900)
Proceeds from borrowings and lease liabilities		-	-
Net cash provided by (used in) financing activities		(30,338)	(263,900)
Net increase in cash held		241,946	90,658
Cash and cash equivalents at beginning of financial year		284,870	194,212
Cash and cash equivalents at end of financial year	**16(a)**	526,816	284,870

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The financial statements cover Shepparton RSL Sub-Branch Patriotic Fund as an individual entity. Shepparton RSL Sub-Branch Patriotic Fund is an association incorporated in VIC under the *Associations Incorporation Reform Act 2012*.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - *Simplified Disclosures of the Australian Accounting Standards Board (AASB*) and the *Australian Charities and Not-for-profits Commission Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue and Other Income

Revenue recognition

Contributed Assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of the applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Entity recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Operating Grants, Donations and Bequests
When the entity receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15,
When both these conditions are satisfied, the Entity:
- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:
- recognises the asset received in accordance with the recognition requirements of the applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

Donations and Fundraising
Donations and fundraising is recognised when received.

Interest Income
Interest income is recognised using the effective interest method.

Rental Income
The recognition of revenue from operating leases is described below under leases.

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

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers as determined by committee, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the committee conducts committees' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

Depreciation
The depreciable amount of all fixed assets, including buildings and plant and equipment, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	0 - 2.50%
Furniture and fittings	5 - 50%

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

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
The Entity as lessee
At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (leases with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases
For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-823 and measures the right of use assets at cost on initial recognition.

The Entity as lessor
The Entity leases some rooms in their building to external parties
Upon entering into each contract as a lessor, the Entity assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Entity 's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

d. 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 date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
-initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets
Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments
At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9:

- the simplified approach;

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

e. Impairment of Assets

At the end of each reporting period, the entity 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, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.
Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

f. Going concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The Members of the Committee of the association believe that the going concern assumption is appropriate.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

h. Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

i. 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 Australian Taxation Office (ATO).

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. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

k. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in expense in the period in which they are incurred.

n. Key Estimates and Judgements

The committee evaluates 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 entity.

o. Key estimates

(i) *Valuation of freehold land and buildings*

The freehold land and buildings were independently valued at 8 June 2021 by Marsh Advisory Pacific. The valuation was based on the fair value. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the highest and best use of the property and recent sales data for similar properties. The valuation resulted in a revaluation increment of $2,867,195 being recognised for the year ended 31 December 2021.

(ii) *Useful lives of property, plant and equipment*

As described in Note 1(b), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(iii) *Receivables*

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectable. The impairment provision is based on the best information at the reporting date.

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) *Lease term and Option to Extend under AASB 16*
The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

p. Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the entity 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 the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. 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 and transport 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 and the entity's own equity instruments (if any) 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 statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

		Note	2023 $	2022 $
2.	**REVENUE AND OTHER INCOME**			
	Revenue:			
	Rent - Shepparton RSL Sub-Branch Inc.		588,000	528,000
	Rent - 92 Wyndham Street		-	34,625
			588,000	562,625
	Other Income:			
	Grants		10,000	-
	Donations and Fund Raising		23,044	17,979
			33,044	17,979
	Disaggregated revenue from contracts with customers			
	Revenue from goods and services transferred at a point in time		33,044	17,979
	Revenue from goods and services transferred over time		588,000	562,625
			621,044	580,604
3.	**EXPENSES**			
	Other expenses:			
	Bank Charges		270	240
	Rental Expenses 92 Wyndham St		-	5,851
	Rates/Permits		2,825	-
	Repairs & Maintenance		11,944	-
			15,039	6,091
4.	**AUDITOR'S REMUNERATION**			
	Auditor's remuneration		3,000	3,000
			3,000	3,000
5.	**CASH AND CASH EQUIVALENTS**			
	Patriotic Fund CBA		517,775	259,316
	Patriotic Fund CBA (Welfare)		9,041	25,553
			526,816	284,870

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $	2022 $

6. PROPERTY, PLANT AND EQUIPMENT

	Note	2023 $	2022 $
Land - at valuation		5,000,000	5,000,000
Buildings - at valuation		5,307,275	5,307,275
Less accumulated depreciation		(201,998)	(119,286)
		5,105,277	5,187,989
Buildings - Work in progress		374,743	160,893
Total land and buildings		10,480,020	10,348,882
Furniture and fittings - at cost		3,113,873	3,072,174
Less accumulated depreciation		(1,590,586)	(1,452,309)
Total plant and equipment		1,523,288	1,619,866
Total property, plant and equipment		12,003,307	11,968,747

(a) Movement in carrying amounts
For disclosure on movement in carrying amounts please refer to note 17(a) in the end of this financial report.

7. ACCOUNTS PAYABLE AND OTHER PAYABLES

		2023 $	2022 $
Integrated Client Account		(39)	10,009
Trade creditors		7,425	-
		7,386	10,009

8. BORROWINGS

		2023 $	2022 $
CURRENT			
Loan Shepparton RSL Sub-Branch Inc.		2,017,066	2,009,669
NON-CURRENT			
CBA Bank		31,768	69,501
		2,048,834	2,079,171

9. CAPITAL COMMITMENTS

There are no known capital commitments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 $	2022 $

10. CONTINGENT ASSETS AND LIABILITIES

At the end of the reporting period, the general committee is not aware of any contingent liabilities or assets not recorded or disclosed in the accounts.

11. EVENTS AFTER THE REPORTING PERIOD

The committee members are not aware of any significant events since the end of the reporting period.

12. FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9: Finanancial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 $	2022 $
Financial Assets			
Cash and cash equivalents - amortised cost	**5**	526,816	284,870
Total Financial Assets		526,816	284,870
Financial Liabilities			
Trade and other payables - amortised cost	**7**	7,386	10,009
Total Financial Liabilities		7,386	10,009

13. KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

		2023 $	2022 $
Total key management personnel remuneration		-	-

14. RELATED PARTY TRANSACTIONS

Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

For the year ended 30 June 2023 there were no transactions with related parties.

	Note	2023 $	2022 $

15. ASSOCIATION DETAILS

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

Shepparton RSL Sub-Branch Patriotic Fund
88 Wyndham St
Shepparton, VIC, 3630

16. CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2023 $	2022 $
Patriotic Fund CBA	517,775	259,316
Patriotic Fund CBA (Welfare)	9,041	25,553
	526,816	284,870

(b) Reconciliation of cash flow from operations with profit

	2023 $	2022 $
Current year surplus (deficit) after income tax	309,467	297,249
Non-cash flows in profit:		
Depreciation expense	220,989	229,438
Changes in Assets & Liabilities:		
(Increase)/decrease in prepayments	-	1,316
Increase/(decrease) in accounts payable and other payables	(2,623)	(3,522)
Net cash provided by operating activities	527,833	524,481

17. (a) MOVEMENT IN CARRYING AMOUNTS

Movements in carrying amounts for each class of property, plant and equipment.

	Land - at valutaion $	Buildings - at valutaion $	Buildings - WIP $	Furniture and fittings - at cost $	Total $
Balance at 1 January 2023	5,000,000	5,187,989	160,893	1,619,866	11,968,747
Additions	-	-	213,850	41,699	255,549
Disposals	-	-	-		-
Depreciation	-	(82,712)	-	(138,277)	(220,989)
Carrying amount at 31 December 2023	5,000,000	5,105,277	374,743	1,523,288	12,003,307

SHEPPARTON RSL SUB-BRANCH PATRIOTIC FUND
ABN 41 978 894 573

RESPONSIBLE PERSONS' DECLARATION

Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The responsible persons declare that in the responsible persons' opinion:

(a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Robert Wilkie (President)

Darryl Butcher (Treasurer)

Dated: 29/2/2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Shepparton RSL Sub-Branch Patriotic Fund

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Shepparton RSL Sub-Branch Patriotic Fund, which comprises the statement of financial position as at 31 December 2023, the income statement, 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 responsible entities' declaration.

In my opinion the financial report of Shepparton RSL Sub-Branch Patriotic Fund has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the registered entity's financial position as at 31 December 2023 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 Opinion

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 registered 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 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.

Information Other than the Financial Report and Auditor's Report Thereon

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 31 December 2023, but
does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine 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, responsible entities are responsible for assessing the registered 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 responsible entities either intends to liquidate the registered entity or to cease operations or has no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial reports 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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.

- 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 registered entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.

- Conclude on the appropriateness of the responsible entities' 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 registered entity'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 our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

- 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.

I communicate with the responsible entities 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.

Michael Milne CA
Date: 1st March 2024
160 Welsford Street Shepparton, VIC 3630