



2021 Annual Report



Table of Contents

Life Members and Past Presidents	4
Your Committee	5
Statement of Purpose	6
President's Report	7
General Manager's Report	8 - 9
Breakfast Program - Community Support & Sponsorship - Membership	10
Commemoration services	11
Community Grants Program	12
Vale	13
Appeals - 2021 Meritorious Service Medal - Library - Succession Planning	14
Financial Statements - Phillip Island RSL Sub Branch Inc	15-36
Financial Statements - Phillip Island RSL Sub Patriotic Fund	37-54

PAST PRESIDENTS

1930-40	L. Wilson
1941	F. Loton
1942	N. J. Edwards
1943	J. Bell
1944	W. Gothorp
1945	J. W. Bryce
1946	F. Hull
1947	R Burton
1948-50	D. A. Ganley
1951-53	J. M. Gardiner
1954-56	R. De La Haye
1957-58	M. Smith
1959	A. M. Rowed
1960	C. J. Stephens
1961	J. Lawrence
1962	A. J. Hamilton
1963	F. H. Ware
1964	P. B. West
1965	J. Willoughby
1966	E. J. Patton
1967-68	L. J. Webster
1960-70	K. Lang
1971-74	J. McKechnie
1975-76	N. W. Macalister
1977-79	K. L. Walsh
1980-81	D. Oxley
1982-83	K. J. Frankel
1984-85	W. L. Elder
1986	D. Oxley
1987	H. M. Grigg
1988-89	L. J. Webster
1990	A. M. Denton
1991-96	H. M. Grigg
1997-02	P. L. Lester
2003	F. J. Thumpston
2004-05	B. Goldsbury
2006	R. Gunn
2007-13	G. F. Mead
2014-17	T. Mallaghan P.J. Paul
2018	G. F. Mead OAM

2019 G. F. Mead OAM

2020 C.R. Thompson

LIFE MEMBERS

J. Bell

A. Hamilton

P. B. West

E. J. Patton

L. E. K. Lang

K. J. Frankel

L. J. Webster

H. M. Grigg

D. C. Oxley

F. J. Thumpston

P. H. Langeweg

G. F. Mead

J. A. McKechnie

M. Dean

A. Burland

R. L. Gunn

B. Shelton

B. Goldberg

C. R. Thompson



Back row left to right: Greg Mead OAM - Malcolm Percy, Peter Paul
 Front row left to right: Barrie Goldsbury, Cheryl Overton, Christopher Thompson, Glenyce Paul, Michael Foenanda

COMMITTEE

2021

Chris Thompson

PRESIDENT

Convenor: VCS Chair, Council/RSL Trust
 Staff Liaison & PR, Memorabilia.

Deputy: Fleet Management, Honours & Awards
 Funerals, Region 10.

Peter Paul

VICE PRESIDENT

Convenor: Fleet Management, Donations and Grants
 Honours & Awards, Carols by the Bay, Buildings.

Deputy: Education, Day Club, Secretary.

Glenyce Paul

SECRETARY

Convenor: Breakfast Program, Education,
 Elections 2022. **Deputy:** Donations & Grants,
 Appeals, Serendipity.

Greg Mead OAM

TREASURER

Convenor: Budget 2022, Sporting Sections,
 Asset Registry. **Deputy:** Council / RSL Trust,
 Garden Custodian, Cenotaph & Memorial, Men's Shed.

Cheryl Overton

COMMITTEE

Convenor: Appeals, Day Club, Serendipity.

Deputy: Breakfast Program, Raffles,
 Carols by the Bay.

Michael Foenander

COMMITTEE

Convenor: Membership and Recruiting,
 Raffles OH&S. **Deputy:** Asset Register,
 Library, Building

Malcolm Percy

COMMITTEE

Convenor: Garden Custodian, Cenotaph &
 Memorial Garden, Library. **Deputy:** OH&S,
 Treasurer, Sporting Sections.

Barrie Goldsbury

COMMITTEE

Convenor: Region 10, Funerals, Men's Shed.

Deputy: VCS Deputy, Memorabilia,
 Membership & Recruiting.

ANZAC & Remembrance Day

Chris Thompson, Peter Paul, Mike Foenander,
 Barrie Goldsbury, Greg Mead, Malcolm Percy.

Cenotaph & Mem. Custodians

Malcolm Percy, Greg Mead & Chris Cannin.



Statement of Purpose of the Sub-Branch

- i. Provide for the sick, helpless, wounded, aged, disabled, destitute and needy among those who are serving or who have served in the Australian Defence Forces, the various British Commonwealth Defence Forces, members of allied Defence Forces and their dependants;
- ii. Perpetuate the close and kindly ties of friendship created by the mutual service in the Australian Defence Forces or in the forces of nations traditionally allied with Australia and the recommendations associated with that experience;
- iii. Maintain a proper standard of dignity and honour among all past and present members of the Australian Defence Forces and set an example of public spirit and noble hearted endeavour;
- iv. Preserve the memory and records of those who suffered and died for Australia, erect monuments to their valor, provide them with suitable burial places and establish and preserve, in their honour, the annual commemoration day known as ANZAC Day;
- v. Encourage loyalty to Australia and secure patriotic service in the interests of Australia;
- vi. Protect the good name and preserve the interests and standing of members of the Australian Defence Forces;
- vii. Encourage a member as a citizen, to serve Australia with that spirit of self sacrifice and loyalty with which they served as members of the Australian Defence Forces;
- viii. The promotion of a social organisation and Subbranch of the Branch composed of those who are serving or who have served in the Australian Defence Forces, the various British Commonwealth Defence Forces, Members of Allied Defence Forces, their dependants and such other persons who from time to time may be admitted to membership in accordance with these rules;
- ix. To establish, maintain and conduct a Subbranch of a non political and non sectarian character and to provide, furnish, equip and maintain Subbranch rooms, reading rooms, recreation rooms and refreshment facilities; to establish and maintain billiard tables and facilities for other lawful games, sporting facilities and recreation for its members for the maintenance and improvements of friendly relationships amongst the members and generally to afford to members and their friends and guests all the usual privileges, advantages, conveniences and facilities of a Sub-branch;
- x. To provide means of social interaction between persons who are members of the League and in particular, members of the Phillip Island RSL Sub-branch of the Branch and their friends and guests;
- xi. To make contributions to any charitable relief benefit commemoration or memorial funds of any kind whatsoever as the Committee may deem advisable.

When you look at the financial report, it might reflect that your Sub Branch has had a pretty good year. What the figures don't tell you is that that pleasing amount was the result of a mixture of government payments, a lot of very astute financial decisions, a great deal of sacrifice by our staff and members, and a smattering of good old fashioned luck.

Our senior staff had to battle with the government for our correct Covid payments, which eventually were paid, but I feel lesser determination could have seen us much poorer, and I thank them for their dedication. Some of the financial decisions were made years previously, when we as a committee decided to pay off all our debts, and I take this opportunity to thank all those that were part of those decisions, because when Covid struck we found ourselves in a very good financial position, and this was obviously built on by our present staff who made every post a winner as the yearly figures clearly display. There is no doubt that the sacrifices mentioned above were when staff were unable to work and still stuck by us, and those same staff are now making a difference as we slowly get back to some semblance of normality, our thanks and gratitude to all of you, thank you for helping our RSL weather the storm. On the last point I made above, I feel that to some extent we definitely made our own luck, by having the right people at the helm, a dedicated committee, and members who have understood the conditions we have all faced, and may still be facing for some time to come.

The year ahead will be one of the most important periods in our history. As you may know already, we have for almost ten years leased each and every one of our fifty eight electronic gaming machines. On the 16th of August this year, we have the opportunity to purchase and own these machines outright. Yes, it will be expensive, but your Sub Branch have been saving since this was first proposed, and are now in a position to make this financial opportunity a reality. We have sought out the best financial advice available in this field, and feel the benefits available to us by taking this opportunity will allow us to transform our Sub Branch, and allow us the scope to bring enhanced membership benefits into play, such as our own "rewards" for our Sub Branch members. As it stands now under the State wide RSL rewards system we are at a great disadvantage, because the metropolitan members who visit our regional establishment have earned their RSL points while visiting their local RSL branch in metropolitan Melbourne or elsewhere, and when they visit us, they use those points for meals or beverages at our establishment, which really puts us at a disadvantage, until we are finally reimbursed by ANZAC House at a later date. One of the benefits I touched on above may be that we have the opportunity later in the year to incorporate our own "Rewards" system, with our own PIRSL membership cards and points system, only open to Phillip Island Sub Branch members, so that if we run any prize competitions the prizes go directly to one of our 4,600 members. A much better alternative than trying to win something State wide, isn't it! We will of course still retain our normal RSL cards, which will allow us to gain points and discounts when visiting other Sub Branches, obviously the best of both worlds.

My thanks also go to my outstanding Sub Branch Committee, who have been available throughout this pandemic and the dedication they have shown in their respective portfolios. To the staff, committee, and volunteers in welfare, who have ferried clients to hospital, conducted RSL ceremonies at funerals when we were allowed to; conducted innumerable home visits; made breakfast for the local primary school students, and made sure that our most vulnerable were cared for, thank you.

Let's hope that we are leaving this covid period behind and can look forward to being open seven days a week with plenty of staff; a much anticipated Friday night raffle; the Day Club meeting on Monday mornings; Morning Melodies; the Men's Shed and the Sporting Groups all up and operating as usual. Let's join together, make these our goals for the year in front of us, and make it happen.

Chris Thompson

President

Dear Members,

Before commencing this report, I had a recap of last year's and I could basically submit the same report, I had hoped that would not be the case for 2021. The 2021 year was complex and posed challenges from a different perspective compared to 2020. Opening up the venue and closing down was not as problematic as we have become well versed in this area, but the continual disruptions certainly started to have an impact.

As the year progressed it was clear this pandemic was going to continue for some time. Unfortunately, hospitality was again being targeted with the State Government enforcing heavy rules and restrictions surrounding QR Codes and vaccination requirements. These rules not only placed pressure on staff but maligned a lot of members and visitors who struggled to understand why the RSL were enforcing the new rules.

Our staff are to be commended on their approach and patience to the everchanging landscape, unfortunately they faced a lot of abuse and confrontation by many which was very disappointing but our amazing staff moved forward and continue to make sure the RSL remains a safe and welcoming environment for all to enjoy.

The continuation of uncertainty due to the pandemic meant some staff moved on throughout the year, this has been a trend for the entire hospitality sector for the past two years and looks set to continue. With the transition of staff our operations have been impacted and we have been forced to readjust and even close at times to ensure staff wellbeing and financial balance. This continues to be the main concern well into the current year and we hope to find resources to help and support our existing staff compliment which will allow the RSL to return to trading capacity.

Trade for the year responded well, despite the challenges I believe the RSL has produced respectable revenue returns. The turbulent year meant we lacked continuity and routine, we have not been able to accommodate function trade and have limited our bistro capacity and reduced bistro days of trade to five days later in the 2021 year. This in turn has a flow on effect through to Bar and Gaming trade and shows the importance of a successful and busy Bistro.

The 2021 year has produced an on-paper profit of \$1,250,613 for the Sub Branch, this result was assisted by Jobkeeper and State Government Hospitality funding along with lease concessions from Tabcorp Gaming Solutions. It is noted that the funding and concession is in lieu of our inability to trade and is not proportionate to the loss of trade we encountered if able to operate at full trading capacity. Pleasingly, if you remove the funding and concession the Sub Branch produced a net profit result of \$513,102 which indicates the operating adjustments made aligned with trade expectation.

The Patriotic Fund shows a net loss of (\$211,993), this is largely due to depreciation of \$288,298. Rent into the Patriotic Fund was kept to a minimum based on covering maintenance, repairs and anticipated welfare. This was a position taken in order to manage cash flow within the Sub Branch with an uncertain year ahead. Please refer to the 2021 financial reports provided with in for more information on our financial performance.

Bar	2021	2020
Revenue	\$1,182,613	\$716,492
Cost of Goods Sold	\$358,063	\$219,323
Expenses	\$334,701	\$194,158
Result	\$489,849	\$303,011

Food	2021	2020
Revenue	\$1,645,153	\$1,171,453
Cost of Goods Sold	\$435,139	\$366,719
Expenses	\$977,731	\$1,007,992
Result	\$232,283	-\$203,258

Gaming	2021	2020
Revenue	\$4,096,576	\$2,036,930
Cost of Goods Sold	\$1,939,198	\$1,339,535
Expenses	\$652,008	\$868,700
Result	\$1,505,370	-\$171,305

*Gaming entitlement amortisation included

Overall the 2021 year tested the resolve of many and I thank the entire team that have stuck with the RSL and supported each other. Thank you to our volunteers who continue to assist our RSL in all areas with a special mention to all our medical transport drivers. Thank you to the Committee for your understanding and acceptance of the challenges we faced this year, having your support has been greatly appreciated.

2022 has already been a challenge and although restrictions have eased the hospitality sector is facing nation wide staff shortages and regional areas in particular are preparing for a long year ahead. We have some system changes set for this year surrounding loyalty programs and membership, this coincides with the change in gaming with EGM purchases. We anticipate a transition phase with this from the installing time through to December, please be patient as we work toward a new and exciting time for the Phillip Island RSL.

Finally, lets hope this year we can get back to some normality and we can again start planning for the future which has been placed on hold for the past two years. I look forward to working with the Committee and staff to ensure we provide the best service and environment for all our Veterans, Members and Guests and I hope to see many of you in 2022.

Jess Feather

General Manager

Breakfast Program

Despite a few interruptions due to Covid-19, my team of 20 volunteers had a rewarding year, giving up Wednesday mornings in Terms 2, 3 and 4 to prepare breakfast for the students at Cowes Primary School.

Each week the rostered team of 5 volunteers would churn out some 400 slices of toast and spreads, and a variety of in-season fruit. All the while enjoying each other's company, and quite a few laughs along the way. The school, as well as the canteen manager, have made us welcome, and we look forward to continuing the program in 2022.



Community Support and Sponsorship

Our weekly programs were again interrupted throughout the year of 2021. We managed to get the Day Club running for a short time but were forced to suspend this fantastic weekly event again. We did provide a Christmas luncheon late in the year which was well received and it was noted by all the Day Club members how much they missed catching up. We look forward to starting up Day Club again as soon as we can.

We continued our support to our community where and when we could under challenging circumstances and this was evident via our medical transport program. Our volunteer drivers are amazing and were most willing to drive without hesitation to help our Veterans and community members. Our program is the best in the network and we have our volunteers

We were very pleased to be able to provide the support to the following local groups:

- Phillip Island Football Netball Club
- Phillip Island Cricket Club
- Phillip Island Bowling Club
- PIMHAG
- PI Book Club
- PI Movie Club
- Artist Society
- PIRSL Day Club
- Legacy
- Dementia Australia
- Heart Support Australia
- PI Probus
- Island Voice
- Offshore Theatre

to thank. We did purchase a new vehicle for the program this year and also upgraded the vehicle signage.

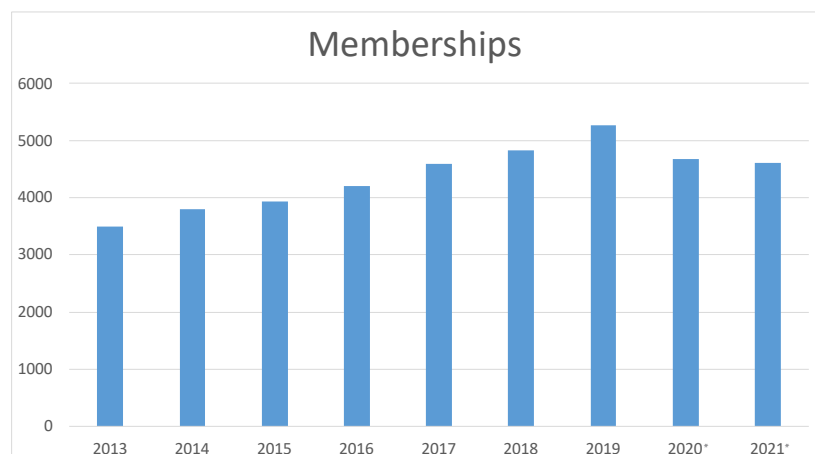
Our Mens Shed program also managed its way through the uncertainty, shifting to three sessions a week to ensure all members were able to attend under the limited number restrictions. They continue to provide an environment of support and camaraderie while learning new skills and completing projects for the community.

With limited activity again this year we are still pleased with our overall contribution that continues to assist the Phillip Island community and indeed our Members.

Overall support 37,638. Subsidised meals, beverages and entertainment \$150,720

Membership

As at 31 December 2021 our total membership was at 4602



* COVID 19

Commemoration services

ANZAC Day – 25 April 2021



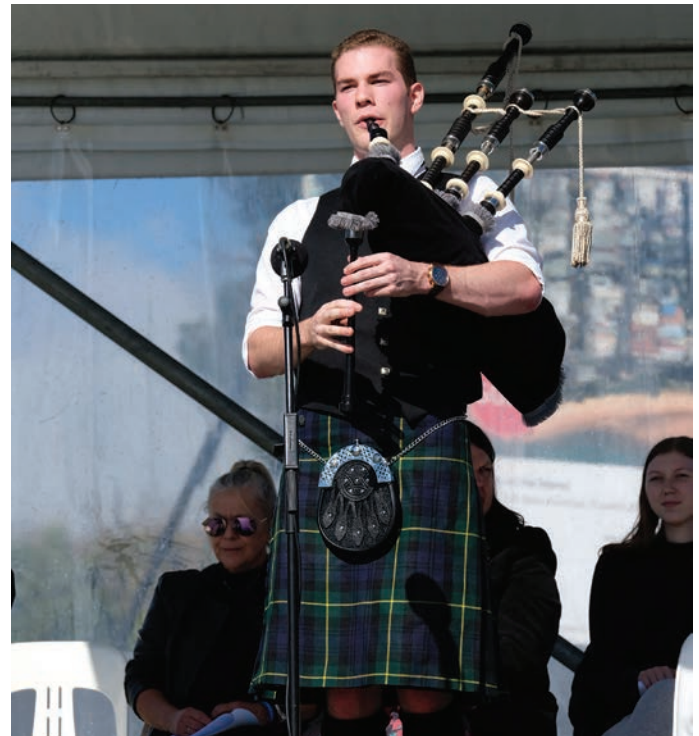
ANZAC Day was again hampered by COVID 19 gathering restrictions and compliance which limited the services to a ticketed event and a fenced area much smaller than our recent ANZAC Day services.

We were very pleased with the attendance on the day and in order to reach as many RSL Members and the Community we live streamed both, the 06.00am and 11.00am services via our social media applications. This was well received with well over 150 watching live and a further 400 people viewing the services later in the day. Although attendance was restricted, we could not escape the importance, the respect and the ANZAC spirit that is growing every year.

We were joined by Russell Broadbent MP, Councillor Michael Whelan, Rev Jo White, Captain Kieran Burns, Lt. Commander Andrew Fenn, Squadron Leader Allan Tadich along with local musician Callum Fisher on the bagpipes.

Phillip Island RSL Community ANZAC Awards

Our 2021 recipients of the PIRSL Community ANZAC Award were two outstanding volunteers from PICAL. Congratulations to Andy Daniels and Michelle McKenzie, who were surprised but delighted to accept the Award for their services to PICAL and on behalf of all the other volunteers of the Phillip



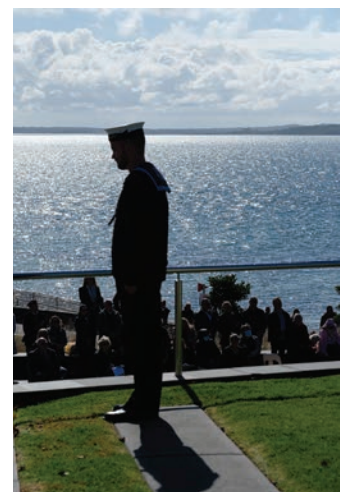
Island Community, for their contributions in caring for others. Andy and Michelle work tirelessly to assist the disadvantaged members of our community and beyond.

The PIRSL is pleased with the number of volunteers and community members nominated for the Award, and, over time, may they all be recognized.



Remembrance Day - 11 November 2021

Our ability to hold a Remembrance Day service was still restricted but well attended. The weather was fantastic and we again provided a low key but great service to remember the fallen. Our community was amazed by the perfectly timed flyover of four PC 21 aircraft coming from the ocean over the bay behind us straight over the service area, it was certainly a service to remember. We thank all who attended and co-operated with the restrictions in place.



Community Grants Program

The RSL was fortunate enough to still be able to provide community grants as per our Community Grants Program during the 2021 year.

We received four applications that were all for fantastic Phillip Island Community groups.

The presentation was held outside on the Terrace with a light afternoon tea and refreshments provided.

The recipients of the Phillip Island RSL Grants Program were.

- Rhyll Community Association - **\$1500**
- Anglican Parish Phillip Island - **\$1500**
- Phillip Island Senior Citizens - **\$2700**
- Cowes Yacht Club - **\$2000**





- VALE -

THE PHILLIP ISLAND RSL RECOGNISES THE PASSING OF THE FOLLOWING MEMBERS DURING 2021

BARBARA LYNCH

BETTY FRY

JOHN LAVER

JOSEPHINE HARDING

NEIL STURGESS

TONY OGIER

MAY WEBSTER

ALAN WILLIAMS

BERNARD BILLMAN

BERYL WHITEHILL

GRAHAM WRIGHT

JOHN LEWORTHY

IRENE SPENCER

EDITH ALLISON

JANICE CHIPPERFIELD

KAYE HALL

WALTER DROWLEY

BARBARA LIEBNITZ

BARRY FERRARI

ADELE GISLINGHAM

MURIEL MCFARLAND

JAMES LEMMINGS

FRED HOPKINS

DONALD DIXON

HEATHER SAWARD

JOHN HOGG

ALBERT WALKER

JOHN CURLEY

JIM BAYLISS

KENNETH TONGUE

YOLANDA SZEITLI

ROBERT DAVISON

IAN SPRAGUE

ALAN SUND

ROBERT LITTLE

Appeals

To the marvellous volunteers who came forward during these difficult times to help sell during the ANZAC Day and Remembrance Day Appeals, a very grateful Thank You.

We cannot do these Appeals, to raise funds to help Veterans, without YOU.



I am sure you would be pleased and proud to know that you helped raise the following amounts.

- ANZAC Day Appeal - **\$13,700**
- Remembrance Day - **\$15,000**



2021 Meritorious Service Medal Recipient

Current sitting Treasurer Greg Mead was the recipient of the Meritorious Service Medal presented by RSL Victoria President Dr Robert Webster.

To be eligible for the RSL's prestigious Meritorious Service Medal award, the nominee must already be a Life Member of the League and have given outstanding service to the RSL being a member continuing for over 25 years.

Greg became a league member in 1970, was made a Life Member of the League in 2003, inducted into the Hall of Fame in 2013 and honoured with a Medal in the Order of Australia in 2015.

Due to covid restrictions the award was presented within a small gathering environment in November at the Phillip Island RSL.



Library

We have received several books donated to the library throughout the year and the current storage facility is full. It would be helpful if more books were out on loan to members, however to achieve this we

believe we need some "volunteer librarians" and thus have regular "opening hours" that we could advertise. In order to see a greater utilisation of this valuable resource we are seeking 2 or 3 volunteers.

Succession Planning

A sub-committee was formed with the view to seek the next generation of members to take a role in running our local RSL. In particular, we are seeking Service Members from the post-Vietnam era to step

forward and assist in planning for the future. If any of our next generation Service Members would like to contribute in the future of the RSL please make yourself known to our Committee.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

**AUDITED FINANCIAL STATEMENTS -
SPECIAL PURPOSE MEMBERS' REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021**

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Contents

Statement of Surplus or Deficit and Other Comprehensive Income for the year ended 31 December 2021	17
Statement of Financial Position as at 31 December 2021	18
Statement of Changes in Equity for the Year Ended 31 December 2021	19
Statement of Cash Flows for the Year Ended 31 December 2021	20
Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021	21-32
Declaration By Committee	33
Independent Auditors Report	34-35
Detailed Surplus or (Deficit) Statement for the Year Ended 31 December 2021	36

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

**Statement of Surplus or (Deficit) and Other Comprehensive Income
for the Year Ended 31 December 2021**

	Note	2021 \$	2020 \$
Revenue	2	7,907,105	5,867,342
Cost of good sold	2	(2,882,846)	(2,078,408)
Gross profit		5,024,259	3,788,934
Interest income		1,257	1,508
Administration expenses		(236,225)	(188,862)
Advertising and promotion		(41,481)	(37,317)
Employee benefits expense		(2,329,864)	(2,212,932)
Gaming machine entitlement amortisation		(386,608)	(386,608)
Occupancy costs		(396,667)	(344,189)
Other expenses		(384,055)	(303,761)
Total expenses		(3,774,900)	(3,473,669)
Surplus Before Income Tax Expense		1,250,616	316,773
Income tax expense		-	-
Surplus Before Income Tax Expense		1,250,616	316,773
Other comprehensive income for the year (net of tax)		-	-
Total Comprehensive Income for the year attributable to the members		1,250,616	316,773

The accompanying notes form part of these financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Statement of Financial Position as at 31 December 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash & cash equivalents	9	4,065,704	2,717,112
Trade & other receivables	3	108,257	205,733
Inventories	4	91,769	88,794
Total Current Assets		4,265,730	3,011,639
Non Current Assets			
Trade & other receivables	3	1,582,820	1,582,820
Plant and equipment	5	393,012	913,143
Gaming licence entitlements	6	2,947,613	3,334,221
Total Non Current Assets		4,923,445	5,830,184
Total Assets		9,189,175	8,841,823
Current Liabilities			
Trade payables & other liabilities	7	3,318,830	3,585,417
Provisions	8	310,975	281,615
Lease liability		337,543	657,288
Total Current Liabilities		3,967,348	4,524,320
Non Current Liabilities			
Provisions	8	33,011	22,535
Lease liability		90,395	447,163
Total Non Current Liabilities		123,406	469,698
Total Liabilities		4,090,754	4,994,018
Net Assets		5,098,421	3,847,805
Equity			
Retained surplus		5,098,421	3,847,805
Total Equity		5,098,421	3,847,805

The accompanying notes form part of these financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Retained surplus	Total
	\$	\$
Balance at 1 January 2020	3,531,032	3,531,032
Surplus attributable to members	316,773	316,773
Other comprehensive income for the year	-	-
Balance at 31 December 2020	3,847,805	3,847,805
Surplus attributable to members	1,250,616	1,250,616
Other comprehensive income for the year	-	-
Balance at 31 December 2021	5,098,421	5,098,421

The accompanying notes form part of these financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

**Statement of Cash Flows
for the Year Ended 31 December 2021**

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Cash receipts from customers		7,666,154	5,255,728
Cash payments to suppliers and employees		(6,396,962)	(4,577,771)
Interest received		1,257	1,508
Interest paid		(5,147)	-
Net cash inflow from operating activities	9(b)	1,265,302	679,465
Cash Flows from Investing Activities			
Purchase of plant and equipment		494,694	(59,621)
Net cash (outflow) from investing activities		494,694	(59,621)
Cash Flows from Financing Activities			
Repayment of lease liability		(411,404)	(162,846)
Net cash (outflow) from financing activities		(411,404)	(162,846)
Net increase /(decrease) in cash held		1,348,592	456,998
Cash at beginning of financial year		2,717,112	2,260,114
Cash at end of financial year	9(a)	4,065,704	2,717,112

The accompanying notes form part of these financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The requirements of Australian Accounting Standards, Accounting Interpretations, and other professional reporting requirements, do not have mandatory applicability to the Sub-Branch, except to the extent required by the Act, because it is not a "reporting entity".

Basis of Accounting

The report has been prepared in accordance with the requirements of the following applicable Australian Accounting Standards and Accounting Interpretations:

AASB 107: Statement of Cash Flows

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;

AASB 110: Events after the Balance Sheet Date;

AASB 1048: Interpretation of Standards; and

AASB 1054: Australian Additional Disclosures

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

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 short term borrowings in current liabilities on the statement of financial position.

Inventory

Inventory is valued at the lower of cost or net realisable value basis. Costs are assigned on a first-in first-out basis.

Gaming Licence Entitlements

The Sub-branch has elected to account for its gaming entitlements on a cost basis. That is, entitlements are recorded at cost and amortised on a straight line basis over their useful lives, whilst the VCG loan is reduced by each quarterly instalment until the liability is reduced to \$nil.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Sub-Branch becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Sub-Branch 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 a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and 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 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 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 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;
- it is part of a portfolio where there is an actual pattern of short-term profit taking; or
- it is 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 a 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 accumulated surplus upon derecognition of the financial liability.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

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

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- 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 principle amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

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

The Sub-Branch initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as 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 Sub-Branch was documented appropriately, so as the performance of the financial liability that was part of an Sub-Branch's 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 the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

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 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 Sub-Branch no longer controls the asset (i.e. 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 at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in an investment revaluation reserve is reclassified to profit or loss.

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

Impairment

The Sub-Branch recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- 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.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

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 Sub-Branch uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Sub-Branch assesses whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Sub-Branch measures the loss allowance of the financial instrument at an amount equal to the lifetime expected credit losses; and
- there is no significant increase in credit risk since initial recognition, the Sub-Branch measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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 or contract assets that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

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

Purchased or originated credit-impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or origination), the Sub-Branch measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- where a lender has granted to the borrower a concession, due to borrower's financial difficulty, that the lender would not otherwise consider;
- where it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Sub-Branch assumes that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Sub-Branch applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Sub-Branch 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.

Impairment of Assets

At each reporting date, the Sub-Branch reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Sub-Branch estimates the recoverable amount of the cash generating unit to which the asset belongs.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases

At inception of a contract, the Sub-Branch 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 Sub-Branch where the Sub-Branch is a lessee.

Initially, the lease liability is measured at the present value of the lease payments still to be paid the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Sub-Branch 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, the 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 asset comprises 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 Sub-Branch anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Employee benefits

Provision for employee benefits represents amounts accrued for annual leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the Sub-Branch does not expect the full amount of annual leave classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Sub-Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Sub-Branch and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Gaming and TAB Revenue

The gaming revenue directly attributable to the Sub-Branch is recognised as the residual value after deducting the return to customers from the wagering and gaming turnover net of the amounts of revenue collected by the venue on behalf of Intralot and the Government. The Sub-Branch recognises only the Sub-Branch's portion of revenue.

Bar and Kitchen Revenue

Revenue is recognised when the significant risks and rewards of ownership of the goods passes to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of the delivery of the goods to the customer.

Membership Revenue

Revenue from membership fees are recognised progressively over the period to which the membership relates. Membership fees are levied on a financial year basis.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

Income Tax

The Sub-Branch is not liable for income tax. The ongoing Income Exempt Charity status is subject to the Sub-Branch meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia.

Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

Comparative Figures

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

Significant accounting judgments

In the process of applying the Sub-Branch's accounting policies, management have not made any judgments, apart from those involving 'normal' estimations, which have had a significant effect on amounts recognised in the financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

	2021 \$	2020 \$
2 SURPLUS / (DEFICIT) FOR THE YEAR		
Surplus / (Deficit) has been determine after:		
Revenue		
- Bar	1,182,613	716,492
- Gaming	4,096,576	2,036,930
- Government pandemic relief	435,800	1,213,800
- Kitchen	1,645,153	1,171,453
- TGS payments forgiven	301,711	589,693
- Other	245,252	138,974
	7,907,105	5,867,342
Costs of goods sold		
- Bar	445,472	284,220
- Gaming	1,953,194	1,319,993
- Kitchen	484,180	432,628
- Other	-	41,567
	2,882,846	2,078,408
3 TRADE & OTHER RECEIVABLES		
Current		
Receivables	8,038	31,148
Provision for impairment of receivables	-	-
	8,038	31,148
Other receivables	69,169	169,608
Prepayments	31,050	4,977
	108,257	205,733
Non Current		
Loan – Phillip Island RSL Patriotic Fund	1,582,820	1,582,820
4 INVENTORIES		
Stock on hand - food & bar (at cost)	91,769	88,794

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

	2021 \$	2020 \$
5 PLANT AND EQUIPMENT		
Plant and Equipment - at cost	54,358	51,038
Less: Accumulated depreciation	(19,292)	(9,286)
	35,066	41,752
Motor Vehicles - at cost	65,536	38,944
Less: Accumulated depreciation	(16,587)	(6,260)
	48,949	32,684
Right of use asset - at cost	6,356,519	6,356,519
Less: Accumulated depreciation	(6,047,522)	(5,517,812)
	308,997	838,707
	393,012	913,143
6 GAMING LICENCE ENTITLEMENTS		
Cost	6,572,063	6,572,063
Less: Accumulated amortisation	(3,624,450)	(3,237,842)
	2,947,613	3,334,221
<p>In 2010, the Sub-Branch purchased Gaming Machine Entitlements for 58 machines, via the Victorian State Government 'pre auction club offer'. These entitlements took effect on 16 August 2012, and the entitlements are in place for a period of 10 years. Deposits to the value of \$65,719 have been paid in respect of Gaming Machine Entitlements for 55 machines, which have a 10 year life from August 2022.</p>		
7 TRADE PAYABLES & OTHER LIABILITIES		
Current		
Trade creditors	185,986	247,166
Payable for entitlements	2,566,986	2,566,986
Accruals and other payables	523,472	666,090
Accrued income - Prepaid membership fees	42,386	105,175
	3,318,830	3,585,417
8 PROVISIONS		
Current		
Provision for annual leave	203,199	186,914
Provision for long service leave	107,776	94,701
	310,975	281,615

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

	2021 \$	2020 \$
8 PROVISIONS (cont'd)		
Non Current		
Provision for long service leave	33,011	22,535

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

9 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

Cash on hand	151,412	128,117
Cash at bank	3,914,292	2,588,995
	<u>4,065,704</u>	<u>2,717,112</u>

(b) Reconciliation of Net Cash used in Operating Activities to Operating Surplus

Operating surplus after income tax	1,250,616	316,773
<i>Non Cash Flows in Operating surplus:</i>		
Gaming machine entitlement amortisation	386,608	386,608
Depreciation expense	25,437	543,596
TGS payments forgiven	(301,711)	(589,693)
Finance change on lease liability	36,602	60,079
<i>Change in Operating Assets & Liabilities:</i>		
(Increase)/decrease in trade debtors and other assets	97,476	(1,199)
(Increase)/decrease in inventories	(2,975)	5,716
(Decrease)/increase in trade creditors and accrued income	(266,587)	18,990
(Decrease)/increase in provisions	39,836	(61,405)
Net cash from / (used in) operating activities	<u>1,265,302</u>	<u>679,465</u>

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021 (cont'd)

	2021	2020
	\$	\$

9 EVENTS AFTER REPORTING DATE

There have been no events subsequent to the balance date that have had an impact requiring disclosure in the financial statements or notes thereto.

10 RELATED PARTY TRANSACTIONS

The loan to the Phillip Island RSL Sub Branch Patriotic Fund is non interest bearing with no fixed payment terms and is unsecured.

The following table provides the total amount of transactions that have been entered into with related parties for the year:

- Rent paid from the Sub-Branch to the Patriotic Fund	163,150	170,000
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11 DETAILS

The registered office and principal place of business is:

Phillip Island RSL Sub-Branch Inc.
225-243 Thompson Ave,
Cowes VIC 3922

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Declaration by Members of the Committee

The Members of the Committee ('the Committee') of Phillip Island Sub-Branch Inc. declare that in the Committee's opinion:

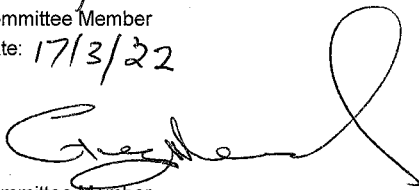
- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-Profit Commission Act 2012.

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



Committee Member

Date: 17/3/22



Committee Member

Date: 17/3/22

**Independent Audit Report
To the Members of Phillip Island RSL Sub-Branch Inc**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Phillip Island RSL Sub-Branch Inc ("the Sub Branch"), which comprises the statement of financial position as at 31 December 2021, the statement of surplus or deficit and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the Committee's declaration.

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

- a. giving a true and fair view of the Sub Branch's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and with the Associations Incorporation Reform Act 2012 and Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Sub Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting responsibilities under the Associations Incorporation Reform Act 2012 and the ACNC Act. As a result, the financial report may not be suitable for another purpose.

Committee's Responsibility for the Financial Report

The Committee of the Sub Branch is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 and the ACNC Act. The Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Sub Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Sub Branch or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Sub Branch's financial reporting process.

**Independent Audit Report
To the Members of Phillip Island RSL Sub-Branch Inc (cont'd)**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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



Stannards Accountants and Advisors



James Dickson
Partner
Date: 24/03/2022

PHILLIP ISLAND RSL SUB-BRANCH INC.

ABN: 62 187 546 251

Detailed Surplus or (Deficit) Statement for the Year Ended 31 December 2021

	2021	2020
Bar sales	1,182,613	716,492
Gaming sales	4,096,576	2,036,930
Government pandemic relief	435,800	1,213,800
Kitchen sales	1,645,153	1,171,453
TGS payments forgiven	301,711	589,693
Interest income	1,257	1,508
Other income	245,252	138,974
	7,908,362	5,868,850
Bar COGS	(445,472)	(284,220)
Gaming COGS	(1,953,194)	(1,319,993)
Kitchen COGS	(484,180)	(432,628)
Other COGS	-	(41,567)
	(2,882,846)	(2,078,408)
Gross Profit	5,025,516	3,790,442
Administration expenses	(236,225)	(188,862)
Advertising and promotion	(41,481)	(37,317)
Committee and member expenses	(44,647)	(28,008)
Depreciation expense	(25,437)	(17,604)
Employee benefits expense	(2,329,864)	(2,212,932)
Finance charges	(5,147)	(2,322)
Gaming machine entitlement amortisation	(386,608)	(386,608)
Occupancy costs	(396,667)	(344,189)
Professional fees	(5,562)	(29,160)
Welfare expenses	(116,000)	(116,209)
Other expenses	(187,262)	(110,458)
Total expenses	(3,774,900)	(3,473,669)
Surplus / (Deficit)	1,250,616	316,773

**PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC
FUND
AUDITED FINANCIAL STATEMENTS -
SPECIAL PURPOSE MEMBERS' REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021**

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

Contents

Statement of Surplus or Deficit and Other Comprehensive Income for the year ended 31 December 2021	39

Statement of Financial Position as at 31 December 2021	40

Statement of Changes in Equity for the Year Ended 31 December 2021	41

Statement of Cash Flows for the Year Ended 31 December 2021	42

Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2021	43-50

Declaration By Committee	51

Independent Auditors Report	52-53

Detailed Surplus or (Deficit) Statement for the Year Ended 31 December 2021	54

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

**Statement of Surplus or (Deficit) and Other Comprehensive Income
for the Year Ended 31 December 2021**

Note	2021 \$	2020 \$
Revenue	171,465	180,215
Expenses	(383,458)	(414,635)
Surplus / (Deficit) Before Income Tax Expense	(211,993)	(234,420)
Income tax expense	-	-
Surplus / (Deficit) After Income Tax Expense	(211,993)	(234,420)
Other comprehensive income for the year (net of tax)	-	-
Total Comprehensive Income for the year attributable to the	(211,993)	(234,420)

The accompanying notes form part of these financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

Statement of Financial Position
as at 31 December 2021

Note	2021 \$	2020 \$
Current Assets		
Cash & cash equivalents	224,177	217,269
Other Receivables	3,715	3,154
Total Current Assets	227,892	220,423
Non Current Assets		
Land - at cost	2,025,000	2,025,000
Buildings and improvements - at cost	4,878,609	4,878,609
Buildings and improvements - accumulated depreciation	(365,326)	(271,594)
Car Park - at cost	376,000	376,000
Car Park - accumulated depreciation	(22,112)	(14,890)
Plant and equipment - at cost	2,256,171	2,206,237
Plant and equipment - accumulated depreciation	(1,492,414)	(1,314,571)
Motor Vehicle - at cost	102,097	124,454
Motor Vehicle - accumulated depreciation	(85,738)	(98,591)
Total Non Current Assets	7,672,287	7,910,654
Total Assets	7,900,179	8,131,077
Current Liabilities		
Trade Creditors	7,279	30,567
Accruals	5,436	1,053
Total Current Liabilities	12,715	31,620
Non Current Liabilities		
Phillip Island RSL Sub-Branch (unsecured and interest free)	1,582,820	1,582,820
Total Non Current Liabilities	1,582,820	1,582,820
Total Liabilities	1,595,535	1,614,440
Net Assets / (Deficit)	6,304,644	6,516,637
Equity		
Retained surplus	6,304,644	6,516,637
Total Equity	6,304,644	6,516,637

The accompanying notes form part of these financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Welfare Equity Contribution	Reserves	Retained surplus	Total \$
Balance at 1 January 2020	36,524	1,632,997	5,081,536	6,751,057
Deficit attributable to members	-	-	(234,420)	(234,420)
Balance at 31 December 2020	36,524	1,632,997	4,847,116	6,516,637
Deficit attributable to members	-	-	(211,993)	(211,993)
Balance at 31 December 2021	36,524	1,632,997	4,635,123	6,304,644

The accompanying notes form part of these financial statements.

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

Statement of Cash Flows
for the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Cash receipts from customers		170,812	170,000
Cash payments to suppliers		(114,065)	(119,943)
Interest received		92	224
Interest paid		-	-
Net cash (outflow) / inflow from operating activities	6(b)	56,839	50,281
Cash Flows from Investing Activities			
Proceeds from sale of plant and equipment		-	23,017
Purchase of plant and equipment		(49,931)	(22,878)
Net cash (outflow) from investing activities		(49,931)	139
Increase / (Decrease) in cash held			
Cash at beginning of financial year		217,269	166,849
Cash at end of financial year	6(a)	224,177	217,269

The accompanying notes form part of these financial statements.

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Accounting

The report has been prepared in accordance with the requirements of the following applicable Australian Accounting Standards and Accounting Interpretations:

- AASB 107: Statement of Cash Flows
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 110: Events after the Balance Sheet Date;
- AASB 1048: Interpretation of Standards; and
- AASB 1054: Australian Additional Disclosures

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material policies adopted by the fund in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

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 short term borrowings in current liabilities on the statement of financial position.

Property, Plant and Equipment

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

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

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Fund commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
Financial instruments (cont'd)

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 a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and 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 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 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 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;
- it is part of a portfolio where there is an actual pattern of short-term profit taking; or
- it is 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 a 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 accumulated surplus 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 are taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
Financial Instruments (cont'd)

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- 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 principle amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

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

The Fund initially designates a financial instrument as measured at fair value through profit and

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as 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 Fund was documented appropriately, so as the performance of the financial liability that was part of an Fund's 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 the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
Financial Instruments (cont'd)

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 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 Fund no longer controls the asset (i.e. 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 at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in an investment revaluation reserve is reclassified to profit or loss.

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

Impairment

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

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- 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 Fund uses the following approaches to impairment, as applicable under AASB 9:

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Fund assesses whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Fund measures the loss allowance of the financial instrument at an amount equal to the lifetime expected credit losses; and
- there is no significant increase in credit risk since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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 or contract assets that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

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

Purchased or originated credit-impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or origination), the Fund measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- where a lender has granted to the borrower a concession, due to borrower's financial difficulty, that the lender would not otherwise consider;
- where it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Fund assumes that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-month expected credit loss.

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
Financial Instruments (cont'd)

In order to make such determination that the financial asset has low credit risk, the Fund applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Fund 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.

Impairment of Assets

At each reporting date, the fund reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the fund estimates the recoverable amount of the cash generating unit to which the asset belongs.

Revenue

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)
Income Tax

The Fund is not liable for income tax. The ongoing Income Exempt Charity status is subject to the Fund meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia.

Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

Significant accounting judgments

The Committee evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. In the current financial year, all such estimates are deemed to be 'normal' estimations in the ordinary course of business.

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

**Notes To and Forming Part of the Financial Statements
for the Year Ended 31 December 2021 (cont'd)**

	2021 \$	2020 \$
2 CONTINGENT LIABILITIES AND ASSETS		
The Fund's committee are not aware of any contingent liabilities or assets as at the date of signing this financial report.		
3 EVENTS AFTER THE REPORTING DATE		
There have been no events subsequent to the balance sheet date that have an impact that would require disclosure in the financial statements or notes thereto.		
4 ECONOMIC DEPENDENCY		
The Fund is economically dependent on the continued support of its bankers and the Returned & Services League of Australia (Victorian Branch) Inc. in meeting the bank covenant requirements imposed on their commercial loan. The Fund is also dependant on administrative support provided by the Phillip Island RSL Sub Branch Inc. Any change in one or more of the above would have a significant adverse on it's ability to continue to trade as a going concern.		
5 RELATED PARTY TRANSACTIONS		
The loan to the Phillip Island RSL Sub-Branch Fund is non interest bearing with no fixed payment terms and is unsecured.		
The following table provides the total amount of transactions that have been entered into with related parties for the year:		
- Rent paid from the Sub-Branch to the Patriotic Fund	163,150	170,000
6 NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	224,177	217,269
(b) Reconciliation of Net Cash used in Operating Activities to Operating Surplus / (Deficit)		
Operating surplus / (deficit)	(211,993)	(234,420)
<i>Non Cash Flows in Operating surplus / (deficit):</i>		
Depreciation	288,298	313,203
Profit/ Loss on disposal of property, plant and equipment	-	(8,350)
<i>Change in Operating Assets & Liabilities:</i>		
(Increase)/decrease in trade and other assets	(561)	28,320
(Decrease)/increase in trade creditors and accruals	(18,905)	(48,472)
Net cash from / (used in) operating activities	56,839	50,281

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND
ABN 73 418 859 933

Declaration by Members of the Committee

The Members of the Committee ('the Committee') of Phillip Island Sub-Branch Inc. Patriotic Fund declare that in the Committee's opinion:

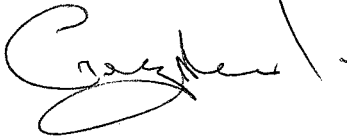
- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-Profit Commission Act 2012.

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



Committee Member

Date: 17/3/22.





**Independent Audit Report
To The Members of Phillip Island RSL Sub-Branch (Patriotic Fund)**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Phillip Island Sub-Branch (Patriotic Fund) ("the Fund"), which comprises the statement of financial position as at 31 December 2021, the statement of surplus or (deficit) and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the committee's declaration.

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

- a. giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and with the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

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

Committee's Responsibility for the Financial Report

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

In preparing the financial report, the Committee is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Stannards Accountants and Advisors Pty Ltd
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Partners

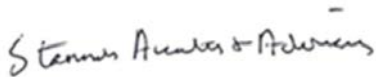
Marino Angelini, CA
Michael Shulman, CA
Peter Angelini, CA
Nick Jeans, CPA
James Dickson, CA

**Independent Audit Report
To The Members of Phillip Island RSL Sub-Branch (Patriotic Fund) (cont'd)**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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



Stannards Accountants and Advisors



James Dickson
Partner

Date: 24/03/2022

PHILLIP ISLAND RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 73 418 859 933

**Detailed Surplus or (Deficit) Statement
for the Year Ended 31 December 2021**

	2021	2020
Income		
Rent Received - Sub Branch	163,150	170,000
Interest received	92	224
Other Income	8,223	9,991
Total Income	171,465	180,215
Expenses		
Audit fees	2,253	4,376
Depreciation	288,298	313,203
Repairs & Maintenance	65,229	56,916
Welfare expenses	19,685	19,182
Sundry expenses	7,993	20,958
Total Expenditure	383,458	414,635
Surplus / (Deficit)	(211,993)	(234,420)



Supporting our
community

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www.phillipislandrsl.com.au
for more details and/or become a friend at:



www.facebook.com.au/phillipislandrsl



Instagram: Phillipislandrsl