

A firefighter in full gear, including a helmet and a tool belt, is blowing a trumpet. The background is a stone wall. The image is split horizontally: the top half is dark and the bottom half is red.

# ANNUAL REPORT 2023

The logo for Ararat RSL, featuring a stylized white wave above the text.

**araratRSL**  
YOUR RSL . TAKE ANOTHER LOOK

# Ararat RSL Sub-Branch Inc. Annual Report 2023

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Compiled by Maria Whitford,  
Manager Ararat RSL

Designed by Zebra Direction  
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# 2023 COMMITTEE OF MANAGEMENT



**Frank Neulist**  
President



**Scott Rigby**  
Vice President



**John Hunt**  
Director



**Brad Hunt**  
Director



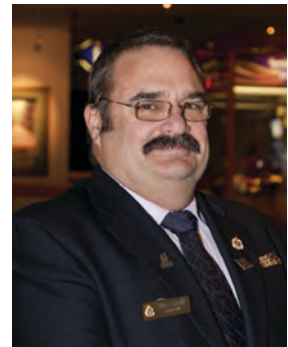
**Craig McGrath**  
Director



**Lyn Russell**  
Director



**Maurie Anderson**  
Director



**Greg Dalmayer**  
Secretary



**Barry Sertori**  
Treasurer



**Maria Whitford**  
General Manager

# President's Report

Another challenging year for the sub branch management team, as with hospitality in general staffing is always an issue, this includes obtaining qualified staff which in our case means procuring staff from overseas. My thanks go to the senior management team for enabling us to prosper, also my own team for their support during my recent illness, Vice president Scott Rigby for taking the helm and ensuring we remain the premier RSL in western Victoria.

As advertised this sub branch has taken over the lease of the former Court House Hotel, now renamed as The Mess & Barracks when renovations are complete will be a younger veteran meeting place, with some crisis accommodation, and fill the gap in morning food 24/7.



**Frank J Neulist JP**

President/ Life Member

# Manager's Report

Dear Members,

What a year we have had, 2023 it was a little hard to surpass the year of 2022, we were unbeatable. 2023 had its challenges, not that COVID can really be used as an excuse forever however, the wash out from the pandemic, including, 13 interest rate hikes, which in turn saw a change in members spending behaviors, our purchases increased significantly and we carried the hikes across the club for the members, we raised our prices a little but couldn't keep up with the cost of goods across all out food and beverage purchases. Staff wages increasing over 4.3 % across the board, staff changes, the Club saw an influx of staff in 2023 we went from 40 to 55 in a matter of months however some were short lived, noting that we trained invested time in these staff just to have them leave others who had been with me for over 7 years left for new adventures. The club needed an overhaul in repairs and maintenance. New Cool room, Glycol system, Kitchen Bain Maree, these were big ticket items. On a positive note, our EBITDAR was positive. We finished the

year on 18%. We did finish the year off with an impressive set of numbers in terms of revenue, on last year was up 10% from all areas of the Club this is a true reflection to the management team and staff providing a consistent delivery in Food and Beverage whilst maintain high levels of customer service.

As part of these objectives major welfare initiatives were continued throughout 2023, as such our support of the local community with the grants program we saw just over \$10,000 delivered to community groups across the region. Overall the club spent \$180,000 in Welfare and support through the trading account, Lyn Russell a dedicated board member, to veterans' health in conjunction with Scott Rigby also a passionate member of the board have set up a calendar of events that include the benefit of Veterans, Morning coffee, walks in the park, mentoring sessions, RSL Active, formal talks with guest speakers, and lunches to other towns. This is just the start of what we this team is getting together. Of course, all this wouldn't be possible without the support of the board.

## Management

The Management Team would have to be the best team I have ever had the pleasure of working with, I say that every year and I need to keep saying it. We appointed a new executive Chef in 2023 Chef Bhushan comes with an elite amount of experience, he is Mauritian, and we are excited he and his family have migrated to Ararat. We are very lucky to have an expert in trade, Chef managed big operations with the Marriott group in Saudi Arabia, worked with VIP clients across the globe, and has chosen our town to share his knowledge and culinary excellence. We have also promoted young Dylan to Venue Service Manager, Dylan will be managing the Mess and Barracks when we are ready to open. He is young, vibrant and has a strong sense of what a successful business should be like. He will be led by Toby Steele to really ensure that the Mess and Barracks is something of fineness. Alison, Leanne, and Toby still provide me with my sanity day to day, this Club isn't a product of me or the committee alone, it is done with a lot of great minds. In 2023 we said goodbye to Kaye who left us to pursue a career closer to home in Ballarat, she will be missed and driving up and down the highway for 12 years is something that I was very grateful for.

## Staff Members

To all my staff members congratulations on another great year in all areas. I say every year that we have a great team, however this year with such a big new intake it has taken our service to a new level. All staff have really embraced RSL, what we offer and what we stand for and have taken on the new challenge with gusto and professionalism. I really look forward to a super successful year with all our amazing staff here at the RSL.

## Committee

To my Committee, I would like to again thank them for their unconditional support again this year. The Executive Committee, President: Frank Neulist, Vice-President: Scott Rigby, Secretary: Greg Dalmayer and Treasurer: Barry Sertori. Committee Members consisting of Maurie Anderson, Lyn Russell, Craig McGrath, and John Hunt. I look forward to working with you all in 2024. So many exciting things to come in 2024.

## The Future

This Club, our Club, your Club is still one of the best performing smaller Sub-Branches in rural Victoria. It is time now with a little bit of focus to steer this ship into bigger and better opportunities. I am excited in 2024 to be working towards opening the new Café in town being The Mess and Barracks, its target market is young veterans, in the hope that they have somewhere to come together. There will be an welfare and advocates office and potential crisis accommodation for all veterans in the area. I am in the process of finalising the plans so that we can open the doors mid-way through the 2024 year.

The Labour Government in Victoria is about to reform gaming venues. This will see a drop in revenue from the gaming business, the reported drop is about 20%. The way of the future for clubs may not be about gaming but about diversifying what we do to ensure that veterans, their families, and the community can rely on the support from the Ararat RSL into the future. I know that 2024 will become a difficult year and that we may see a change in how we support the community due to these sweeping changes.

To finish I would again personally like to thank you for allowing me the privilege of being your General Manager of this great Club. Our Club.

Regards



**Maria Whitford**  
General Manager

# Secretary's Report

## The year 2023

2023 has been a successful year with the venue being supported by members and visitors alike.

## Community Grants

The branch again made a series of financial grants to assist those organisations who applied for funding. These grants allow groups to purchase items that would otherwise be unavailable.

## Commemorative Ceremonies

ANZAC Day and Remembrance Day services saw a return to large attendances from the community to pay respects to those who have given their lives in service to their country. It is wonderful to see the Navy still able to supply a catafalque party. The completion of the Captain's Table is a truly magnificent addition to the club and a great way to pay homage to HMAS Ararat 1 and 2.

## Appeals


Lyn Russell, our appeals director, has again managed a team of volunteers to sell ANZAC Day and Remembrance Day poppies, and raise a great amount of funds that go towards the welfare of our veterans in the community. Lyn has handed the role of appeals director to Brad Hunt. Good luck to Brad

## RSL Active

RSL Active has now had one year of successful activities conducted. The program allows veterans and their families to come together to participate in selected activities. These activities allow veterans to meet as a group and communicate with people outside of their immediate families.

## Conclusion

2024 will see more improvements to the club and hopefully another successful year. The purchase of the lease of the Court House Hotel and renaming to The Mess and Barracks is seen as a great investment in the future of the veteran. It will hopefully become a place that the younger veteran cohort will see the venue as a valuable asset and meeting place, as well as having emergency accommodation available.



**Greg Dalmayer**  
Secretary

# Treasurer's Report

The Club's operations for 2023 resulted in a small deficit of \$142,000. Although the Club's trading revenue increased by 10% - \$6,226,000 (up from \$5,673,000 in 2022) increased operating costs (Cost of Sales up \$467,000; Operating \$895,000) resulted in this deficit. Cash on Hand at December 31, 2023 was \$2,055,946 (\$1,277,207 in 2022) due largely to the redemption of the \$700,000 Term Deposit.

Other operating results were as follows:

Income	2023	2022
Bar	1,145,751	901,522
Gaming	2,933,004	2,918,607
Catering	1,884,980	1,636,201

Expenses - Cost of Sales	2023	2022
Bar	884,568	424,336
Gaming	752,989	1,192,109
Catering	1,912,176	1,466,441

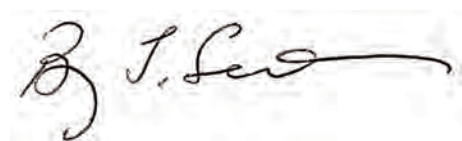
The Financial Statements have been prepared as "special purpose" Financial Statements. It is noted that it adopts all the new Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

## GENERAL APPEALS AGENCY FUND

Led by Board Member Lyn Russell, her volunteer group raised \$19,863 through the ANZAC Appeal and \$14,354 through the Poppy Appeal; donations at \$2466.52 an amazing amount, with a total of \$36,683.52 Congratulations to all on such a tremendous effort.

## PATRIOTIC FUND

Loan liability was reduced by \$60,000, rent transfers were \$654,545 (250,909 in 2022). It is noted that as of December 31, 2023, the Patriotic Fund is indebted to the Sub-Branch Inc. Operations an amount of \$1,261,365 for various capital expenditure incurred on its behalf.



**Barry J. Sertori**

Treasurer



# 2023 Review

## 2023 Appeals Money Raised

ANZAC Appeal - \$15323

Poppy Appeal - \$14354

## Welfare & Veteran Support

Sponsored Membership for Veterans over 80  
\$270

Haircuts \$1070

Laurel Ladies \$3595

Ararat Legacy \$3700

Ararat Legacy Torch Relay \$1260

Veterans Christmas Lunch \$2295

Veteran Funeral Expenses \$600

Ararat RSL Active \$3337.3

Ararat RSL Active External Activities \$10715.66

Veterans Lawn Mowing \$1665.5

Open Arms Veteran & Family Counselling \$1704

DVA Veteran Gold Card Seminar \$600

Volunteer hours - 3448 hours which  
equals \$166,986

## Commemorative Day expenses

Commemorative expenses given in kind \$9735.55

# VALE

Ararat RSL recognises the passing of the following members during 2023

**Richard Blades**

**Peter Dunn**

**Russell Rachinger**

**Frank Dempsey**

**Terrence Hinch**

**Kingsley Spalding**

# Ararat RSL Community Grants

In the spirit of community support, the Ararat RSL is proud to present the Annual Report for the Community Grants Program 2023. Demonstrating unwavering commitment, a total of \$6000 was generously donated to non-profit organizations in our town and the surrounding areas. This report reflects our dedication to fostering positive change and making a meaningful impact in the communities we serve. The following are the worthy recipients for 2023.

Ararat Bowling Club	\$1000
Ararat & District Historical Society Inc	\$1000
Ararat Fijian Community	\$2000
Ararat Probus Club	\$300
Ararat Railway Heritage Association	\$700
Lake Bolac Foreshore Committee	\$1000



# Membership Growth

Celebrating a year of thriving community engagement, the Ararat RSL is pleased to share its Annual Report for Membership Growth. Demonstrating an impressive 4% increase, we conclude the year with 1949 financial members. This report highlights our commitment to fostering a strong and vibrant community, as evidenced by the growing support and participation within the Ararat RSL family.

Members spend: \$171342 on Members in 2023, which was made up of the following costs: General vouchers including birthday vouchers \$10367, Points redeemed \$97787, Ararat RSL App Prizes \$24289 & Entertainment & Bands \$7735. We are pleased to highlight a significant

increase in points redeemed, which can be attributed to the successful implementation of our new membership program, "yourRSL." Throughout our first full year of operation, we have witnessed a remarkable rise in points per dollar spent by our valued members. This surge underscores the program's effectiveness in fostering increased engagement and loyalty among our customer base. The success of "yourRSL" not only reflects our commitment to providing enhanced value to our members but also signifies our dedication to continually innovating and improving our offerings. We are excited to build upon this momentum and further elevate the membership experience in the year ahead.

# Charitable Activities

A total of \$70,000 was given in kind during 2024. \$35000 - Made up of Room Hire & Catering for Non for profit & Community Organisations. \$35000 was given back to Members.

## Donations & Sponsorship

East Grampians Health Service	\$100	Ararat Musical Comedy Society	\$300
Ararat RSL Rats Football Netball Club	\$400	Lake Bolac Bowls Club	\$500
Ararat Harness Racing Club	\$5050	Pacing for Pink	\$200
Ararat Eagles Football Netball Club	\$250	Ararat Lawn Tennis Club	\$200
Ararat Golden Gateway Festival Queen Entrant	\$480	Aradale Bowls Club	\$1500
Ararat Turf Club	\$2000		
Beyond Blue	\$100		
Breast Cancer Fundraiser	\$300		
Ararat Police RUOK donation	\$200		
Ararat North Primary School	\$3000		
Moyston Willaura Football Netball Club	\$70.00		
Maroona Primary School	\$500		
Santa's Place	\$100		
Ararat City Band	\$2000		
Ararat Eisteddfod	\$100		
Ararat Young Diggers Dog Squad	\$5000		
Ararat Blue Ribbon Foundation	\$1000		
Ararat legacy Bowls Day	\$100		
Ararat Legacy Golf Day	\$200		
Grampians Cricket Club	\$50		
Ararat Early Learning Centre	\$30		
Ararat Gab Network	\$3000		
Ararat Community Enterprise	\$500		

# Good News Stories

## Veterans Christmas Lunch

In December, Ararat RSL orchestrated a heartwarming Veterans Christmas Lunch, where comrades united to cultivate connections, swap stories, and revel in the festive spirit. Hosted by the charismatic Veteran Adam Kent from RSL Active Warrnambool & Asset Connecting Communities, attendees were captivated by his humour and engaging tales. The musical ambiance, skilfully curated by Ararat RSL Vice President Scott Rigby, added to the festive cheer. Organized by the Veterans Well Advocate/Director Lyn Russell, the event provided a supportive atmosphere for Veterans to share experiences and enjoy a delightful traditional Christmas Lunch, creating cherished memories for all who attended.



**Clockwise from top left:**

Ararat RSL Vice President  
Scott Rigby

Adam Kent & Lyn Russell

Ararat RSL Secretary  
Greg Dalmayer & Veteran  
Rod Lewin

Host Adam Kent

L-R Judy & John Quinn  
Jeff & Lyn Rickerby





## Supporting our youth

Ararat RSL's steadfast commitment to enriching the educational landscape of our community shines brightly through our support of three impactful programs this year. From sponsoring an unforgettable bus trip to Melbourne for Ararat Primary School's 800 Prep Class, where students delved into the wonders of the museum and were spellbound by the IMAX Theatre's 'The Serengeti,' to our proud gold sponsorship of Maroona Primary's Energy Breakthrough Event, where innovation, sustainability, and spirited competition take centre stage. At Maroona Primary, our support facilitated an immersive experience for students, fostering a culture of responsibility with a zero-waste approach and showcasing their skills on a national platform. Additionally, we're delighted to champion Ararat Early Learning Centre's Grandfriends initiative, providing grants for buses to unite children with senior citizens at Gorrin Village, Garden View Court, and Lowe Street. These collaborations underscore our unwavering dedication to nurturing young minds, fostering community connections, and creating lasting impacts in the lives of our residents.



**Left:** President Frank Neulist & students from Ararat P.S. 800

**Middle:** President Frank Neulist & students from Maroona Primary School

**Right:** Ararat RSL Committee Member John Hunt with staff from Ararat Early Learning Centre, Gorrin Village & EGHS

## The Captain's Table

The new room was officially opened by Commander David Martinussen of the HMAS Ararat II on ANZAC Eve.

In a momentous occasion for our community and a testament to our commitment to preserving our heritage, the Ararat RSL proudly inaugurated "The Captains Table," a meticulously curated room dedicated to showcasing memorabilia from the esteemed HMAS Ararat II. Following the vessel's decommissioning last year, the Ararat RSL has assumed the esteemed role of custodian for an array of cherished artifacts, including the ship's naming plate, life preserver, bell, crest, and various other items that encapsulate the ship's illustrious history. This beautifully adorned space not only serves as a poignant reminder of the brave individuals who served aboard the HMAS Ararat II but also as a beacon for future generations to connect with and honour our naval heritage. We are honoured to be entrusted with preserving and sharing the legacy of the HMAS Ararat II, further solidifying our commitment to fostering a sense of pride and reverence within our community.



**Left:** Tom URBN Group Builders, Lieutenant Sam Fiez, President Frank Neulist, Commander David Martinussen, Ian Macklin TM Design Group architect & Joel URBN Group Builders at the official opening

**Right:** The Captain's Table



## RSL Active 2023

In 2023, Ararat RSL's Active program continued to thrive, offering veterans a vital avenue for connection, camaraderie, and support. The program facilitated weekly catchups for cake and coffee, providing opportunities for veterans to forge social bonds, share experiences, and bolster their support networks. Additionally, a variety of engaging trips and activities were organized, including archery, paintball, and the spine-tingling Aradale Ghost Tour, Horsham Military Museum & Penshurst Volcano Discovery Centre. Notably, participants had the chance to join Warrnambool RSL Active for a local history walk along the breakwater, led by esteemed Vietnam Veteran and local historian Doug Heazlewood OAM. These initiatives not only promoted physical and mental well-being but also celebrated the rich history and camaraderie among veterans, fostering a sense of belonging and connection within the community.









# ANZAC DAY 2023

Ararat RSL's ANZAC Day commemoration saw record crowds gathering for the Dawn Service at 6 am, marking a significant return to normality following the challenges posed by COVID-19. Blessed by favourable weather, this years' service was particularly touching, serving as a solemn yet uplifting reminder of the sacrifices made by our servicemen and women. Led by President Frank Neulist, accompanied by the evocative bugle playing of local veteran Rod Lewin and the stirring melodies of bagpiper John Cavanagh, the service was deeply moving. The visual display provided a evocative backdrop, setting the tone for the day and reinforcing our gratitude for the freedoms and opportunities afforded to us in this wonderful country. ANZAC Day remains a cherished tradition, honouring the courage and resilience of our ANZACs and reaffirming our collective commitment to never forget their sacrifices.







Following the Dawn Service, Ararat RSL continued its ANZAC Day commemorations with a breakfast, generously supported by the community through gold coin donations.

The morning continued with the 10 am service, blessed with perfect weather that drew hordes of locals to participate in this poignant occasion. Commander David Martinussen from the HMAS Ararat II captivated attendees with his heartfelt reflections on life as a Commander, adding depth and resonance to the service. Afterward, attendees reconvened at the RSL for morning tea, fostering camaraderie and reflection among participants. Additionally, a Veterans Lunch provided a special opportunity to honour and celebrate the service of our local veterans. These commemorations were embraced by all who attended, further strengthening the bonds of community and remembrance on this significant day. ANZAC Day remains a cherished tradition, honouring the courage and resilience of our ANZACs and reaffirming our collective commitment to never forget their sacrifices.





# REMEMBRANCE DAY 2023

The Remembrance Day Service, led by Ararat RSL Vice President Scott Rigby, remained a moving and solemn occasion, despite being traditionally smaller in attendance compared to Anzac Day. Nevertheless, a number of individuals gathered to pay their respects and commemorate the significance of the day. Vice President Scott Rigby guided the service with dignity and reverence, honouring the memory of those who made the ultimate sacrifice for their country. Following the service, attendees convened at the RSL for a beautiful morning tea, providing an opportunity for reflection and camaraderie among participants. Despite its smaller scale, the Remembrance Day Service served as a poignant reminder of the importance of honouring the memory of our fallen heroes and upholding the values for which they fought bravely.









# FINANCIAL REPORTS



**ARARAT RSL SUB-BRANCH INC.**  
**ABN: 18 081 581 162**

**AUDITED FINANCIAL STATEMENTS -  
SPECIAL PURPOSE MEMBERS' REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2023**

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

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# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Statement of Surplus or (Deficit) and Other Comprehensive Income for the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	2	6,196,930	5,669,629
Cost of goods sold	2	(3,549,733)	(3,082,886)
Gross profit		2,647,197	2,586,743
Interest income		28,821	3,373
Administration expenses		(502,173)	(346,003)
Advertising and promotion		(259,054)	(228,330)
Employee benefits expense - administration staff		(457,530)	(360,711)
Gaming machine entitlement amortisation		(165,096)	(149,186)
Occupancy costs		(1,013,731)	(552,607)
Other expenses		(438,616)	(303,413)
<b>Total expenses</b>		<b>(2,836,200)</b>	<b>(1,940,250)</b>
<b>Surplus Before Income Tax Expense</b>		<b>(160,182)</b>	<b>649,866</b>
Income tax expense		-	-
<b>Surplus Before Income Tax Expense</b>		<b>(160,182)</b>	<b>649,866</b>
Other comprehensive income for the year (net of tax)		18,380	-
<b>Total Comprehensive Income for the year attributable to the members</b>		<b>(141,802)</b>	<b>649,866</b>

The accompanying notes form part of these financial statements.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Statement of Financial Position as at 31 December 2023

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
Cash & cash equivalents	11	2,055,946	1,277,207
Financial assets	9	-	700,000
Trade & other receivables	3	80,619	29,866
Inventories	4	62,902	46,150
<b>Total Current Assets</b>		<b>2,199,467</b>	<b>2,053,223</b>
<b>Non Current Assets</b>			
Financial assets	9	22,700	4,320
Trade & other receivables	3	1,261,365	1,561,365
Plant and equipment	5	691,005	720,365
Gaming licence entitlements	6	1,424,611	1,589,705
Intangible assets	10	175,000	-
<b>Total Non Current Assets</b>		<b>3,574,681</b>	<b>3,875,755</b>
<b>Total Assets</b>		<b>5,774,148</b>	<b>5,928,978</b>
<b>Current Liabilities</b>			
Trade payables & other liabilities	7	701,877	443,699
Provisions	8	167,589	223,718
Lease liability		176,574	211,497
<b>Total Current Liabilities</b>		<b>1,046,040</b>	<b>878,914</b>
<b>Non Current Liabilities</b>			
Provisions	8	4,770	8,350
Lease liability		1,124,929	1,301,503
<b>Total Non Current Liabilities</b>		<b>1,129,699</b>	<b>1,309,853</b>
<b>Total Liabilities</b>		<b>2,175,739</b>	<b>2,188,767</b>
<b>Net Assets</b>		<b>3,598,409</b>	<b>3,740,211</b>
<b>Equity</b>			
Reserves		9,525	(8,855)
Retained surplus		3,588,884	3,749,066
<b>Total Equity</b>		<b>3,598,409</b>	<b>3,740,211</b>

The accompanying notes form part of these financial statements.



# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Statement of Changes in Equity for the Year Ended 31 December 2023

	Reserves	Retained surplus	Total
		\$	\$
<b>Balance at 1 January 2022</b>	<b>6,905</b>	<b>3,099,200</b>	<b>3,106,105</b>
Deficit attributable to members	-	649,866	649,866
Other comprehensive income for the year	(15,760)	-	(15,760)
<b>Balance at 31 December 2022</b>	<b>(8,855)</b>	<b>3,749,066</b>	<b>3,740,211</b>
Surplus attributable to members	-	(160,182)	(160,182)
Other comprehensive income for the year	18,380	-	18,380
<b>Balance at 31 December 2023</b>	<b>9,525</b>	<b>3,588,884</b>	<b>3,598,409</b>

The accompanying notes form part of these financial statements.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Statement of Cash Flows for the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers		6,156,171	5,663,951
Cash payments to suppliers and employees		(5,916,672)	(4,958,929)
Interest received		28,821	3,373
<b>Net cash inflow from operating activities</b>	11(b)	<b>268,320</b>	<b>708,395</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of intangibles		(175,000)	-
Purchase of plant and equipment		(103,082)	(360,716)
Redemption / (purchase) of term deposit		700,000	(700,000)
<b>Net cash (outflow) from investing activities</b>		<b>421,918</b>	<b>(1,060,716)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of related party loan		300,000	-
Payments in relation to lease arrangements		(211,499)	(468,050)
<b>Net cash (outflow) from financing activities</b>		<b>88,501</b>	<b>(468,050)</b>
<b>Net increase /(decrease) in cash held</b>		<b>778,739</b>	<b>(820,371)</b>
Cash at beginning of financial year		1,277,207	2,097,578
<b>Cash at end of financial year</b>	11(a)	<b>2,055,946</b>	<b>1,277,207</b>

The accompanying notes form part of these financial statements.

# **ARARAT RSL SUB-BRANCH INC.**

**ABN: 18 081 581 162**

## **Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023**

### **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.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (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.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### Financial Instruments (cont'd)

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.

#### *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.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### Financial Instruments (cont'd)

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*

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.



# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### Financial Instruments (cont'd)

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 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.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### Financial Instruments (cont'd)

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 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.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### 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.

#### 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.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### 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.

#### Revenue

Revenue is recognised to the extent that it is probable that economic will flow to the Association and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

##### *Gaming revenue*

Gaming revenue is the net amount received after deducing the difference between gaming wins and losses. Gaming revenue is recognised at a point in time, which occurs on the outcome of the game in question.

##### *Food and beverage revenue*

Revenue from sales of food and beverages is recognised at a point in time, being when goods are provided to a customer. Revenue is measured at the fair value of consideration received or receivable.

##### *Interest revenue*

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

##### *Other income*

Other income is recognised on an accruals basis when the Sub-Branch is entitled to it.

#### 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.

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

	2023 \$	2022 \$
<b>2 SURPLUS / (DEFICIT) FOR THE YEAR</b>		
Surplus / (Deficit) has been determine after:		
Revenue		
- Bar	1,145,751	901,522
- Gaming	2,933,004	2,918,607
- Kitchen	1,884,980	1,636,201
- Other	233,195	213,299
	<b>6,196,930</b>	<b>5,669,629</b>
Costs of goods sold		
- Bar	884,568	424,336
- Gaming	752,989	1,192,109
- kitchen	1,912,176	1,466,441
	<b>3,549,733</b>	<b>3,082,886</b>
<b>3 TRADE &amp; OTHER RECEIVABLES</b>		
<b>Current</b>		
Receivables	61,417	21,480
Provision for impairment of receivables	-	-
	<b>61,417</b>	<b>21,480</b>
Prepayments	19,202	8,386
	<b>80,619</b>	<b>29,866</b>
<b>Non Current</b>		
Loan – Ararat RSL Patriotic Fund	1,261,365	1,561,365
<b>4 INVENTORIES</b>		
Stock on hand - food & bar (at cost)	62,902	46,150



# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

	2023 \$	2022 \$
<b>5 PLANT AND EQUIPMENT</b>		
Plant and Equipment - at cost	889,693	786,611
Less: Accumulated depreciation	(198,688)	(66,246)
	<b>691,005</b>	<b>720,365</b>
<b>6 GAMING LICENCE ENTITLEMENTS</b>		
Cost	1,766,711	1,766,711
Less: Accumulated amortisation	(342,100)	(177,006)
	<b>1,424,611</b>	<b>1,589,705</b>
The Sub-Branch has Gaming Machine Entitlements for 55 machines which have a 10 year life from August 2022.		
<b>7 TRADE PAYABLES &amp; OTHER LIABILITIES</b>		
<b>Current</b>		
Trade creditors	147,401	135,707
Accruals and other payables	551,371	304,065
Accrued income - Prepaid membership fees	3,105	3,927
	<b>701,877</b>	<b>443,699</b>
<b>8 PROVISIONS</b>		
<b>Current</b>		
Provision for annual leave	101,905	140,315
Provision for long service leave	65,684	83,403
	<b>167,589</b>	<b>223,718</b>
<b>Non Current</b>		
Provision for long service leave	<b>4,770</b>	<b>8,350</b>

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

	2023 \$	2022 \$
<b>9 FINANCIAL ASSETS</b>		
<b>Current</b>		
Term Deposit	-	700,000
<b>Non Current</b>		
Shares held at fair value through other comprehensive income	22,700	4,320
<b>10 INTANGIBLE ASSETS</b>		
Goodwill	175,000	-

The goodwill arises from the agreement entered into by the Ararat RSL Sub Branch to purchase the lease for 84 Barkly St, Ararat which is now registered to trade as 'The Mess and Barracks'.

## 11 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	110,680	90,736
Cash at bank	1,945,266	1,186,471
	2,055,946	1,277,207

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

Operating surplus after income tax	(160,182)	649,866
<i>Non Cash Flows in Operating surplus:</i>		
Gaming machine entitlement amortisation	165,096	149,186
Depreciation expense	132,442	60,857
<i>Change in Operating Assets &amp; Liabilities:</i>		
(Increase)/decrease in trade debtors and other assets	(50,753)	(5,676)
(Increase)/decrease in inventories	(16,752)	497
(Decrease)/increase in trade creditors and accrued income	258,178	(80,331)
(Decrease)/increase in provisions	(59,709)	(66,004)
Net cash from / (used in) operating activities	268,320	708,395

# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

	2023	2022
	\$	\$

### 12 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.

### 13 RELATED PARTY TRANSACTIONS

The loan to the Ararat RSL Sub Branch Patriotic Fund, as disclosed in note 3, 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	654,545	250,909
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### 14 DETAILS

The registered office and principal place of business is:

Ararat RSL Sub-Branch Inc.  
74-76 High St,  
Ararat VIC 3377

## ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

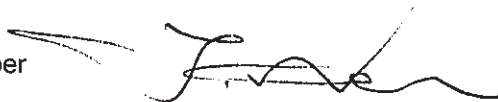
### **Declaration by Members of the Committee**

The Members of the Committee ('the Committee') of Ararat 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:



Committee Member  
Date:



**Independent Audit Report  
To the Members of Ararat 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 Ararat RSL Sub-Branch Inc ("the Sub Branch"), which comprises the statement of financial position as at 31 December 2023, 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 2023 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 is 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 Ararat 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

A handwritten signature in black ink, appearing to read 'James Dickson', with a long horizontal stroke extending to the right.

James Dickson  
Director  
Date: 7 March 2024



# ARARAT RSL SUB-BRANCH INC.

ABN: 18 081 581 162

## Detailed Surplus or (Deficit) Statement for the Year Ended 31 December 2023

	2023	2022
Bar sales	1,145,751	901,522
Gaming sales	2,933,004	2,918,607
Kitchen sales	1,884,980	1,636,201
Interest income	28,821	3,373
Other income	233,195	213,299
	<b>6,225,751</b>	<b>5,673,002</b>
Bar COGS	(884,568)	(424,336)
Gaming COGS	(752,989)	(1,192,109)
Kitchen COGS	(1,912,176)	(1,466,441)
	<b>(3,549,733)</b>	<b>(3,082,886)</b>
Gross Profit	<b>2,676,018</b>	<b>2,590,116</b>
Administration expenses	(502,173)	(346,003)
Advertising and promotion	(259,054)	(228,330)
Committee and member expenses	(38,443)	(28,192)
Depreciation expense	(132,442)	(60,857)
Employee benefits expense - administration staff	(457,530)	(360,711)
Gaming machine entitlement amortisation	(165,096)	(149,186)
Occupancy costs	(1,013,731)	(552,607)
Professional fees	(65,458)	(67,207)
Welfare expenses	(176,287)	(131,128)
Other expenses	(25,986)	(16,029)
<b>Total expenses</b>	<b>(2,836,200)</b>	<b>(1,940,250)</b>
<b>Surplus / (Deficit)</b>	<b>(160,182)</b>	<b>649,866</b>

# PATRIOTIC FUND

# **ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND**

**ABN 59 629 445 857**

**AUDITED FINANCIAL STATEMENTS -  
SPECIAL PURPOSE MEMBERS' REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2023**

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

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**Statement of Surplus or (Deficit) and Other Comprehensive Income  
for the Year Ended 31 December 2023**

	Note	2023 \$	2022 \$
Revenue		654,545	250,909
Expenses		(528,355)	(261,085)
<b>Surplus / (Deficit) Before Income Tax Expense</b>		<b>126,190</b>	<b>(10,176)</b>
Income tax expense		-	-
<b>Surplus / (Deficit) After Income Tax Expense</b>		<b>126,190</b>	<b>(10,176)</b>
Other comprehensive income for the year (net of tax)		-	-
<b>Total Comprehensive Income for the year attributable to the members</b>		<b>126,190</b>	<b>(10,176)</b>

The accompanying notes form part of these financial statements.

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Statement of Financial Position as at 31 December 2023

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
Cash & cash equivalents	7	42,740	115,749
<b>Total Current Assets</b>		42,740	115,749
<b>Non Current Assets</b>			
Land - at cost		150,332	150,332
Buildings and improvements - at cost		4,498,108	4,498,108
Buildings and improvements - accumulated depreciation		(1,884,906)	(1,768,521)
Car Park - at cost		174,510	174,510
Plant and equipment - at cost		1,119,173	1,119,173
Plant and equipment - accumulated depreciation		(908,777)	(876,013)
<b>Total Non Current Assets</b>		3,148,440	3,297,589
<b>Total Assets</b>		3,191,180	3,413,338
<b>Current Liabilities</b>			
GST payable		16,364	4,712
Bank borrowings		853,637	853,637
<b>Total Current Liabilities</b>		870,001	858,349
<b>Non Current Liabilities</b>			
Ararat RSL Sub-Branch	6	1,261,365	1,561,365
Bank borrowings		820,000	880,000
<b>Total Non Current Liabilities</b>		2,081,365	2,441,365
<b>Total Liabilities</b>		2,951,366	3,299,714
<b>Net Assets / (Deficit)</b>		239,814	113,624
<b>Equity</b>			
Retained surplus		239,814	113,624
<b>Total Equity</b>		239,814	113,624

The accompanying notes form part of these financial statements.



# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Statement of Changes in Equity for the Year Ended 31 December 2023

	Retained surplus	Total \$
<b>Balance at 1 January 2022</b>	<b>123,800</b>	<b>123,800</b>
Deficit attributable to members	(10,176)	(10,176)
<b>Balance at 31 December 2022</b>	<b>113,624</b>	<b>113,624</b>
Surplus attributable to members	126,190	126,190
<b>Balance at 31 December 2023</b>	<b>239,814</b>	<b>239,814</b>

The accompanying notes form part of these financial statements.

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Statement of Cash Flows for the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers		654,545	250,909
Cash payments to suppliers		(285,264)	(35,938)
Interest paid		(82,290)	(67,364)
<b>Net cash (outflow) / inflow from operating activities</b>	7(b)	286,991	147,607
<b>Cash Flows from Investing Activities</b>			
Plant and equipment acquired		-	(30,473)
<b>Net cash (outflow) from investing activities</b>		-	(30,473)
<b>Cash Flows from Financing Activities</b>			
Net movement in loans		(360,000)	(60,000)
<b>Net cash inflow / (outflow) from financing activities</b>		(360,000)	(60,000)
<b>Increase / (Decrease) in cash held</b>		(73,009)	57,134
Cash at beginning of financial year		115,749	58,615
<b>Cash at end of financial year</b>	7(a)	42,740	115,749

The accompanying notes form part of these financial statements.

# **ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND**

**ABN 59 629 445 857**

## **Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023**

### **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.

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (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 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).

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

##### 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.

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (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 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.



# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### *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 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.

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

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

#### Financial Instruments (cont'd)

The Fund 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 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.

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (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.

# **ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND**

ABN 59 629 445 857

## **Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (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.

### **2 BORROWINGS**

The bank loan is secured by: a guarantee and indemnity for the Ararat RSL Sub-Branch Inc; and a registered first mortgage over the property held at 74-76 High St, Ararat.

### **3 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.

### **4 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.

### **5 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 Ararat 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.

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 59 629 445 857

## Notes To and Forming Part of the Financial Statements for the Year Ended 31 December 2023 (cont'd)

	2023 \$	2022 \$
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### 6 RELATED PARTY TRANSACTIONS

The loan to the Ararat 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	654,545	250,909
---	---------	---------

### 7 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	42,740	115,749
--------------	--------	---------

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

Operating surplus / (deficit)	126,190	(10,176)
<i>Non Cash Flows in Operating surplus / (deficit):</i>		
Depreciation	149,149	158,067
<i>Change in Operating Assets &amp; Liabilities:</i>		
(Decrease)/increase in trade creditors and accruals	11,652	(284)
Net cash from / (used in) operating activities	286,991	147,607



## **ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND**

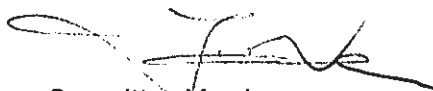
**ABN 59 629 445 857**

### **Declaration by Members of the Committee**

The Members of the Committee ('the Committee') of Ararat 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:

**Independent Audit Reports  
To the Members of Ararat 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 Ararat RSL Sub-Branch (Patriotic Fund) ("the Fund"), which comprises the statement of financial position as at 31 December 2023, 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 2023 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-Profit Commission Act 2012 (ACNC Act).

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards is 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.



**Independent Audit Report  
To the Members of Ararat 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  
Director  
Date: 7 March 2024

# ARARAT RSL SUB-BRANCH INC. PATRIOTIC FUND

ABN 18 081 581 162

## Detailed Surplus or (Deficit) Statement for the Year Ended 31 December 2023

	2023	2022
<b>Income</b>		
Rent from Ararat RSL Sub Branch	654,545	250,909
<b>Total Income</b>	<b>654,545</b>	<b>250,909</b>
<b>Expenses</b>		
Bank charges	25,597	17,976
Depreciation	149,149	158,067
Repairs & Maintenance	246,646	-
Interest paid	82,290	67,364
Welfare and charitable expenses	24,673	17,678
<b>Total Expenditure</b>	<b>528,355</b>	<b>261,085</b>
<b>Surplus / (Deficit)</b>	<b>126,190</b>	<b>(10,176)</b>







## Ararat RSL Sub-Branch Inc.

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Ararat RSL Sub Branch Inc

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