



Legacy Brisbane

ABN: 51 157 944 951

Financial Statements

For the Year Ended 31 December 2019

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For the Year Ended 31 December 2019

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The Legacy Club of Brisbane Limited

ABN: 51 157 944 951

Corporate Directory

For the Year Ended 31 December 2019

Patron

His Excellency, the Honourable Paul de Jersey AC
Governor of Queensland

Board of Directors

President, Legacy Club of Brisbane & Chairman, Board of Directors

Non-executive Director & Vice-President

Non-executive Director & Treasurer

Non-executive Director

Non-executive Director

Non-executive Director

Non-executive Director

Non-executive Director

Non-executive Director

Non-executive Director

Malcolm Rerden AM CSC

Andrew Craig

Rex Isherwood

Warwick (Rick) Davies

Brian Hollins

Annabel Leslie-McGuire

Melinda McCormack

Barbara Pepper

Paul Power

COL Andrew Moss

Executive Staff

Chief Executive Officer

Finance Manager & Company Secretary

Community Services Manager

Fundraising, Marketing & Communications Manager

Brendan Cox

Pamela Krueger

Claire Lyon

Stephanie Baldwin

Auditors

UHY Haines Norton

Bank

National Australia Bank

Honorary Solicitors

Murdoch Lawyers

Legacy Brisbane Offices

41 Merivale Street, South Brisbane QLD 4101 (Registered Office)

106 Memorial Drive, Maroochydore QLD 4558

Suite 3 Tobruk House, 8 Archer Street, Rockhampton Qld 4700

1 Bryant Street, Pialba, Qld 4655

Directors' Finance Report

31 December 2019

The Board of Directors of The Legacy Club of Brisbane Limited ('Legacy Brisbane') present the financial report for the financial year ended 31 December 2019.

Directors

The names and details of the directors in office at any time during the financial year and details of their attendance at meetings of the board are as follows. Directors were in office for this entire period unless otherwise stated.

Directors	Date Appointed	Date of Cessation	Meetings Attended	Number of Meetings Eligible to Attend
COL A Abbott	July 2016	February 2019	-	-
K Carl	January 2012	March 2019	-	1
R Chisholm	March 2018	February 2019	-	-
A Craig	March 2016	-	7	8
W Davies	March 2019	-	6	7
B Hollins	March 2018	-	7	8
R Isherwood	April 2017	-	8	8
A Leslie-McGuire	March 2015	-	7	8
M McCormack	March 2019	-	7	7
COL A Moss	February 2019	-	5	8
B Pepper	April 2017	-	7	8
P Power	March 2018	-	7	8
M Rerden AM CSC (President)	March 2016	-	7	8

Principal activities

Legacy Brisbane's principal focus for the year has continued to be to *Care for the families of those who have served their country*. This has been achieved through programs directed to specifically support:

- Traditional Legacy widows
- Families of veterans who have sacrificed their health
- Young families and children
- Family members with disabilities

Through the efforts of Legatees, staff and community supporters, Legacy Brisbane actively works toward improving the lives of those in Legacy Brisbane's care through:

- advocating on their behalf
- providing information and support
- providing social contact and interaction
- practical in home support
- youth development and education support
- raising funds to resource Legacy Brisbane's support programs
- developing partnerships with other welfare providers

Directors' Finance Report

31 December 2019

Principal activities (continued)

Legacy Brisbane's district includes the greater Brisbane area, Sunshine Coast, Gympie, Rockhampton and Central Queensland and other various country Queensland areas, and as of this year, the Fraser Coast and Country Burnett region.

Legacy Brisbane's long term objective is to ensure that Legacy services are relevant, effective and sustainable. Our priorities remain focused on care and support, through people willing and trained, responsible management and with the financial and practical support of the wider community who understand the importance of caring for Legacy widows and families.

In March 2019, Legacy Brisbane launched its new Strategic Plan for 2019-2023. The new Strategic Plan was created during 2018 with involvement from Board, Committees, Legatees and Management Staff. As a result, the Legacy Brisbane Board Committees were restructured and new reporting requirements implemented to ensure the Club adapts to an everchanging environment in order to continue its service delivery well into the future.

Members' Guarantee

As a company limited by guarantee, the constitution states that each member is required to contribute a maximum of \$10 towards outstanding obligations of Legacy Brisbane in the event of its being wound up. At 31 December 2019, the collective liability of members is \$3,240 (2018: \$3,050).

Operating result

The operating deficit of Legacy Brisbane for the financial year amounted to \$1,202,517 (2018: deficit of \$713,946). Significant contributors to this increased deficit include a decrease of income for the year from \$3,640,507 to \$3,230,857. Further detail of the reduced revenue against the various income streams is provided in statement of comprehensive income.

As of 31 March 2019, Legacy Brisbane accepted responsibility for the provision of services in the Fraser Coast and Country Burnett region. The financial statements include an income of \$587,504, being the value of the Fraser Burnett Club's net assets gifted to Legacy Brisbane.

A significant contributing factor to the provision of Legacy services across our district, is the volunteer work of the 324 Legatee members of the Club. The financial value of their phone calls, visits, social events and personal support to Legacy widows and families can not be reliably measured and therefore not represented in the financial results.

Legacy Brisbane is also appreciative of the invaluable support of the corporate teams and Australian Defence Force members who have contributed voluntary assistance in fundraising events and 15 Backyard Assist visits to widows' properties.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of Legacy Brisbane, the results of those operations or the state of affairs of Legacy Brisbane in future financial years.

Directors' Finance Report

31 December 2019

Future developments

Legacy Brisbane will continue to carry on the principal activities noted above. Legacy Brisbane is committed to reducing the risk profile of our revenue generation through diversification of funding sources and this will continue in 2020. The redesign of the Fundraising, Marketing and Communication team continues to grow our corporate engagement and in 2020 a formal Bequest program will be established and a Bequest Manager appointed to generate additional funding for the Club.

With a declining aged widow base staff reductions will occur in 2020 to ensure that our staff capacity does not exceed the demands of the Club. Concurrently, a formal recruitment, training and education program for our local and regional Legatees will be delivered to ensure the capacity of Contact Groups to enrol and assist our dependants evolves to meet the needs of new families and widows/ers.

Further, Legacy Brisbane will continue to champion collaboration amongst service providers to organisations that look after veterans and their families. In 2020, Legacy Brisbane will continue to contribute to the establishment of a shared resource model where the families with a veteran are supported throughout their time of need by numerous agencies in a coordinated manner.

There are no other anticipated developments in activities in future years which will affect the results and therefore require disclosure.

Benefits received directly or indirectly by officers

No Board member, received or became entitled to receive, during or since the financial year, a benefit either in the form of remuneration or a contract made by Legacy Brisbane, or a related body corporate with a Board member, a firm of which a Board member is a member, or an entity in which a Board member has substantial financial interest.

Signed in accordance with a resolution of the directors:



Legatee Malcolm Rerden AM CSC
President



Legatee Rex Isherwood
Treasurer

Brisbane, 17 February 2020

Level 11 | 42-60 Albert Street | Brisbane | QLD 4000
GPO Box 2876 | Brisbane | QLD 4000
t: +61 7 3210 5500 | f: +61 7 3229 6174
brisbane@uhyhn.com.au
www.uhyhnbrisbane.com.au
ABN 76 898 082 094 | AFSL 483056

LEAD AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE LEGACY CLUB OF BRISBANE LIMITED

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of the Legacy Club of Brisbane Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

UHY HAINES NORTON
Chartered Accountants



Darren Laarhoven
Managing Partner

Brisbane, 12 February 2020

Statement of Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue from ordinary activities			
Interest		13,111	14,472
Dividend		519,258	610,358
Trusts and grants		600,478	420,501
Fundraising events		1,268,423	1,247,598
Direct mail		294,342	374,087
Donations		385,506	479,694
Bequests		92,049	419,798
Other revenue		57,690	73,999
		3,230,857	3,640,507
Expenses from ordinary activities			
Corporate services	4(a)	(1,205,461)	(1,127,391)
Members		(13,639)	(36,521)
Fundraising, marketing and communications	4(a)	(1,341,537)	(1,312,840)
Community services	4(a)	(1,680,935)	(1,873,423)
Other expenses	4(a)	(191,802)	(4,278)
		(4,433,374)	(4,354,453)
Operating deficit for the year		(1,202,517)	(713,946)
Revenue from other activities			
Net gain/(loss) on disposal of property, plant and equipment		(91,745)	(1,365)
Gift of net assets from Legacy Club of Fraser Coast and Country Burnett Inc	3	587,504	-
		495,759	(1,365)
Surplus from other activities		495,759	(1,365)
Net deficit for the year		(706,758)	(715,311)
Other comprehensive income			
<i>Items that will not be reclassified to surplus or deficit</i>			
Changes in the fair value of financial assets		778,211	(824,436)
Increase in the fair value of land and buildings	10	145,978	-
Other comprehensive income for the year		924,189	(824,436)
Total comprehensive income for the year		217,431	(1,539,747)

Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	613,940	573,505
Trade and other receivables	6	310,765	245,327
Inventories		142,278	136,662
Assets held for sale	7	-	245,950
Other assets	8	47,963	78,346
TOTAL CURRENT ASSETS		1,114,946	1,279,790
NON-CURRENT ASSETS			
Trade and other receivables	6	9,228	13,998
Other financial assets	9	8,564,871	8,136,900
Property, plant and equipment	10	5,697,570	5,602,073
Intangible assets	11	24,467	20,634
TOTAL NON-CURRENT ASSETS		14,296,136	13,773,605
TOTAL ASSETS		15,411,082	15,053,395
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	297,064	133,444
Borrowings	13	6,571	19,934
Employee benefits	14	275,116	278,468
TOTAL CURRENT LIABILITIES		578,751	431,846
NON-CURRENT LIABILITIES			
Borrowings	13	5,652	11,297
Employee benefits	14	47,822	48,826
TOTAL NON-CURRENT LIABILITIES		53,474	60,123
TOTAL LIABILITIES		632,225	491,969
NET ASSETS		14,778,857	14,561,426
EQUITY			
Reserves		4,778,659	4,091,417
Accumulated surplus		10,000,198	10,470,009
TOTAL EQUITY		14,778,857	14,561,426

Statement of Changes in Equity

For the Year Ended 31 December 2019

2019

	Note	Accumulated Surplus \$	Capital Profits Reserve \$	Asset Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2019		10,470,039	309,073	3,728,854	53,460	14,561,426
Comprehensive income						
Deficit for the year		(706,758)	-	-	-	(706,758)
Other comprehensive income for the year		-	-	-	778,211	778,211
Revaluation	10(a)	-	-	145,978	-	145,978
Total comprehensive income for the year		(706,758)	-	145,978	778,211	217,431
Transfer of net realised gain on financial assets		236,917	-	-	(236,917)	-
Balance at 31 December 2019		10,000,198	309,073	3,874,832	594,754	14,778,857

2018

		Accumulated Surplus \$	Capital Profits Reserve \$	Asset Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2018		10,768,564	309,073	3,728,854	1,294,682	16,101,173
Adjustment to retained earnings 1 January 2018 ¹		245,882	-	-	(245,882)	-
Comprehensive income						
Deficit for the year		(715,311)	-	-	-	(715,311)
Other comprehensive income for the year		-	-	-	(824,436)	(824,436)
Total comprehensive income for the year		(715,311)	-	-	(824,436)	(1,539,747)
Transfer of net realised gain on financial assets		170,904	-	-	(170,904)	-
Balance at 31 December 2018		10,470,039	309,073	3,728,854	53,460	14,561,426

¹ Due to adoption of AASB 9 Financial Instruments from 1 January 2018. Refer to Note 2(e) of the 2018 financial report for further details.

Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Donations, fundraising and other activities		2,146,305	2,283,928
Payments to suppliers, employees and clients		(4,236,915)	(4,351,285)
Dividends and distributions received		451,382	612,545
Interest received		13,218	14,928
Trusts and grants		600,478	420,501
Bequests		92,049	419,798
Net cash used in operating activities		<u>(933,483)</u>	<u>(599,585)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		-	7,258
Proceeds from the sale of non-current assets held for sale		154,205	-
Proceeds from sale of financial assets		2,486,388	4,688,375
Purchase of property, plant and equipment and intangibles		(79,854)	(127,044)
Purchase of financial assets		(1,653,253)	(4,374,113)
Loans to families - payments made		(270)	(534)
Loans to families - proceeds from repayments		9,450	15,106
Net cash provided by investing activities		<u>916,666</u>	<u>209,048</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		-	22,372
Repayment of borrowings		(19,008)	(29,349)
Net cash used in financing activities		<u>(19,008)</u>	<u>(6,977)</u>
CASH FLOWS FROM OTHER ACTIVITIES:			
Cash gifted from Legacy Club of Fraser Coast and Country Burnett Inc	3	76,260	-
Net cash provided by other activities		<u>76,260</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held		40,435	(397,514)
Cash and cash equivalents at beginning of year		573,505	971,019
Cash and cash equivalents at end of financial year	5	<u>613,940</u>	<u>573,505</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers The Legacy Club of Brisbane Ltd ('Legacy Brisbane') as an individual entity. Legacy Brisbane is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of Legacy Brisbane for the year ended 31 December 2019 were the provision of services to Australian families suffering financially and socially after the incapacitation or death of a spouse or parent, during or after their defence force service.

The functional and presentation currency of Legacy Brisbane is Australian dollars.

The financial report was authorised for issue by the Directors on 17 February 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, accounting interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis except for cash flow information and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets and financial assets.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

Legacy Brisbane is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Property, Plant and Equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Fair value is the amount of "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". Fair values are confirmed by independent valuations that are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date. Director valuations are used if an independent valuation does not take place during an annual reporting period.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(b) Property, Plant and Equipment (continued)

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment, which includes motor vehicles and office furniture and fittings, are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on either a straight-line or diminishing value basis over the assets useful life to Legacy Brisbane, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Freehold Land	Nil
Buildings	2% - 2.5%
Office furniture and equipment	5% - 20%
Motor Vehicles	22.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in profit and loss in the year of disposal. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

(c) Inventories

Inventories are measured at the lower of cost or net realisable value. Inventories acquired at no cost or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments

Financial instruments are recognised initially on the date that Legacy Brisbane becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Legacy Brisbane classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless Legacy Brisbane changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

Legacy Brisbane's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Fair value through other comprehensive income

Equity instruments

Legacy Brisbane has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. Legacy Brisbane has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends and trust distributions are recognised when Legacy Brisbane's right to receive payment is established. Income is recognised in surplus or deficit, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Debt instruments

Legacy Brisbane has debt securities which are held within a business model whose objective is achieved by both collecting contractual cash flows and having the intention to sell the debt securities before maturity. The contractual terms of the debt securities give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss.

Other gains or losses are recognised in OCI.

On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, Legacy Brisbane considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Legacy Brisbane's historical experience and informed credit assessment and including forward looking information.

Legacy Brisbane uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Legacy Brisbane uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to Legacy Brisbane in full, without recourse to Legacy Brisbane to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to Legacy Brisbane in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. Legacy Brisbane has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where Legacy Brisbane renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(f) Employee benefits

Provision is made for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the surplus or deficit.

Employee benefits are presented as current liabilities in the statement of financial position if there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(g) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to Legacy Brisbane and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Fundraising

Donations and bequests are recognised as revenue when received.

(i) Adoption of new and revised accounting standards

Legacy Brisbane has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of Legacy Brisbane.

3 Gift of net assets from Legacy Club of Fraser Coast and Country Burnett Inc.

During the year, Legacy Brisbane entered into a Deed of Gift with Legacy Club of Fraser Coast and Country Burnett Inc ('LCF'). with an effective date of 31 March 2019. As part of the deed, LCF transferred its net assets to Legacy Brisbane on that date.

Contribution received represented the net fair value of the assets gifted to and liabilities assumed by Legacy Brisbane. The assets contributed comprised mostly of the fair value of financial assets of \$482,894 and cash of \$76,260. The net contribution of \$587,504 was recognised in the statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 December 2019

4 Result for the year

(a) Expenses from ordinary activities breakdown

	Note	2019 \$	2018 \$
Corporate services			
Employee costs		755,300	624,003
Telephone and computer		38,511	43,649
Professional fees		75,269	83,407
Occupancy costs		132,476	141,448
Regional offices		28,632	21,015
Insurance		23,266	23,233
Depreciation		91,860	91,590
Other overhead expenses		60,147	99,046
		1,205,461	1,127,391
Fundraising, marketing and communications			
Employee costs		589,972	538,802
Advertising and marketing		125,696	112,074
Fundraising expenses		505,179	479,610
Direct mail expenses		55,675	125,571
Donations expenses		908	482
Trusts and grants expenses		14,270	9,500
Depreciation		25,405	17,113
Other fundraising expenses		24,432	29,688
		1,341,537	1,312,840
Community services			
Employee costs		1,095,454	1,110,910
Youth		143,468	239,984
People with disabilities		45,018	53,467
Traditional widows		188,903	219,769
Contemporary widows		41,192	62,242
Families		79,250	83,789
Travel and vehicle expenses		34,302	30,081
Depreciation		13,767	16,765
Other service delivery expenses		39,581	56,416
		1,680,935	1,873,423
Other expenses			
Redress expenses	17	191,802	4,278
		191,802	4,278

Notes to the Financial Statements

For the Year Ended 31 December 2019

4 Result for the year (continued)

(b) Result for the year

The result for the year was derived after charging / (crediting) the following items:

	2019 \$	2018 \$
Finance Costs		
- Interest expenses on financial liabilities	673	1,485
Total finance costs	673	1,485

The result for the year includes the following specific expenses:

	2019 \$	2018 \$
Depreciation and amortisation		
Depreciation - buildings and leasehold improvements	45,384	46,580
Depreciation - motor vehicles	17,608	21,975
Depreciation - office equipment	60,384	53,989
Amortisation - computer software	7,657	2,924
Total depreciation and amortisation	131,033	125,468
Employee benefits expense	2,502,026	2,321,311

5 Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and on hand	559,794	114,494
Cash on deposit		
- strategic reserve fund	54,146	459,011
	613,940	573,505

Notes to the Financial Statements

For the Year Ended 31 December 2019

6 Trade and other receivables

		2019	2018
	Note	\$	\$
CURRENT			
GST receivable		-	19,472
Family loans	(a)	3,870	480
Accrued income		281,948	213,928
Other receivables		24,947	11,447
		<u>310,765</u>	<u>245,327</u>
NON-CURRENT			
Family loans	(a)	9,228	13,998
		<u>9,228</u>	<u>13,998</u>

(a) Movements in carrying amount of family loans

Balance at the beginning of the year		14,478	29,050
Loans advanced		270	534
Loans repayment received		(9,450)	(15,106)
Loan receivables assumed from Legacy Club Fraser Coast and Country Burnett Inc.	3	7,800	-
Balance at the end of the year		<u>13,098</u>	<u>14,478</u>

7 Assets held for sale

	2019	2018
	\$	\$
Assets held for sale	-	245,950
	<u>-</u>	<u>245,950</u>

The property received as a gift from Rockhampton and CQ Legacy Fund Inc. ('RCQ') was surplus to requirements to serve as an administrative hub for the local Legacy operations. In December 2016, the Board agreed to sell the property. It was vacated in April 2017 and re-located to smaller premises alongside the RSL Sub-Branch at Tobruk House in Archer Street, Rockhampton. Settlement of the sale of the property occurred on 20 December 2019.

8 Other assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	47,963	78,346
	<u>47,963</u>	<u>78,346</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

9 Other financial assets

	2019	2018
Note	\$	\$
Financial assets at fair value through other comprehensive income	(a) 8,168,716	7,749,527
Financial assets at amortised cost	(b) 396,155	387,373
	<u>8,564,871</u>	<u>8,136,900</u>

(a) Financial assets at fair value through other comprehensive income

	2019	2018
	\$	\$
Listed investments, at fair value		
- equity securities	5,485,469	4,699,968
- debt securities	2,683,247	3,049,559
	<u>8,168,716</u>	<u>7,749,527</u>

(b) Financial assets at amortised cost

	2019	2018
	\$	\$
Term deposits	354,657	345,875
2/2 Australian Anti-Tank Regiment Bursary	21,498	21,498
Limbless Soldiers of Queensland Association Bursary	20,000	20,000
	<u>396,155</u>	<u>387,373</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

10 Property, plant and equipment

	2019	2018
	\$	\$
Land & Buildings		
At fair value	5,500,000	5,408,577
Accumulated depreciation	-	(38,216)
	5,500,000	5,370,361
Office furniture & equipment		
At cost	438,453	389,148
Accumulated depreciation	(300,162)	(239,778)
	138,291	149,370
Motor vehicles		
At cost	158,610	158,610
Accumulated depreciation	(101,150)	(83,542)
	57,460	75,068
Leasehold Improvements		
At cost	16,365	16,365
Accumulated depreciation	(14,546)	(9,091)
Total improvements	1,819	7,274
	5,697,570	5,602,073

Notes to the Financial Statements

For the Year Ended 31 December 2019

10 Property, plant and equipment (continued)

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

		Land and Buildings	Office furniture and equipment	Motor Vehicles	Leasehold Improvements	Total
	Note	\$	\$	\$	\$	\$
Year ended 31 December 2019						
Balance at the beginning of year		5,370,361	149,370	75,068	7,274	5,602,073
Additions		23,590	44,774	-	-	68,364
Donated assets from Legacy Club Fraser Coast and Country Burnett Inc	3	-	4,531	-	-	4,531
Depreciation		(39,929)	(60,384)	(17,608)	(5,455)	(123,376)
Revaluation		145,978	-	-	-	145,978
Balance at the end of the year		5,500,000	138,291	57,460	1,819	5,697,570

(b) Significant estimates - asset revaluations

An independent valuation of property (land and buildings) carried at fair value was obtained as at 31 December 2019. At the end of each reporting period, the Directors update their assessment of the fair value of the property, taking into account the most recent independent valuations. The Directors determine the property's value within a range of reasonable fair value estimates.

Legacy Brisbane obtains independent valuations for its freehold land and building at least every three years.

The valuation is an estimation which would only be realised if the property is sold.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The revaluation of Legacy House, 41 Merivale Street, South Brisbane, was made by the Directors as at 31 December 2019 based on an independent assessment undertaken by Colliers International of \$5,500,000.

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Intangible Assets

	2019	2018
	\$	\$
Computer software		
Cost	35,048	23,558
Accumulated amortisation	(10,581)	(2,924)
Total Intangibles	24,467	20,634

(a) Movements in carrying amounts

	Computer software	Total
	\$	\$
Year ended 31 December 2019		
Balance at the beginning of the year	20,634	20,634
Additions	11,490	11,490
Amortisation	(7,657)	(7,657)
Closing value at 31 December 2019	24,467	24,467

12 Trade and other payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	95,736	93,919
GST payable	769	-
Other payables	200,559	39,525
	297,064	133,444

13 Borrowings

	2019	2018
	\$	\$
CURRENT		
Secured liabilities:		
Bank loans	6,571	19,934
	6,571	19,934
NON-CURRENT		
Secured liabilities:		
Bank loans	5,652	11,297
	5,652	11,297

Notes to the Financial Statements

For the Year Ended 31 December 2019

14 Employee Benefits

	2019	2018
	\$	\$
CURRENT		
Long service leave	89,261	76,485
Annual leave	115,726	120,440
Accrued wages and other employee benefits	70,129	81,543
	275,116	278,468
NON-CURRENT		
Long service leave	47,822	48,826
	47,822	48,826

15 Reserves and retained surplus

(a) Asset revaluation reserve

The asset revaluation reserve records the cumulative unrealised gains on the revaluation of property, plant and equipment recorded at fair value.

(b) Capital profits reserve

The capital profits reserve records the cumulative capital gain on the sale of property.

(c) Financial asset reserve

Change in the fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to retained surplus or deficit on disposal of the investment.

16 Key management personnel remuneration

The totals of remuneration paid to the key management personnel of Legacy Brisbane during the year was \$201,566 (2018: \$192,954).

The Directors of Legacy Brisbane do not receive any remuneration for their services in their capacity as Directors.

Notes to the Financial Statements

For the Year Ended 31 December 2019

17 Contingencies

Contingent Liabilities

Since 2018, Legacy Brisbane has been addressing claims with respect to claims for historical abuse in institutions. To address these issues, Legacy Brisbane has engaged legal counsel to advise Legacy Brisbane in an objective manner concerning these claims. As at 31 December 2019, the total cost of attending to these claims, both settled and pending, was \$191,802 (2018: \$4,278).

In accordance with a decision by the Board of Directors, during the year Legacy Brisbane applied and was appointed to participate in the National Redress Scheme.

At the date of this report, it is not possible to reliably quantify the timing or amount of any future settlements in regards to potential future claims, nor the level of insurance that may be available to Legacy Brisbane to assist in their settlement.

Legacy Brisbane has no other known contingent assets or liabilities at balance date.

18 Events occurring after the reporting date

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

Responsible Persons' Declaration

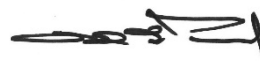
The responsible persons declare that in the responsible persons' opinion:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the registered entity.
2. In the responsible persons' opinion, there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

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



Legatee Malcolm Rerden AM CSC
President



Legatee Rex Isherwood
Treasurer

Brisbane, Dated 17 February 2020

Level 11 | 42-60 Albert Street | Brisbane | QLD 4000
GPO Box 2876 | Brisbane | QLD 4000
t: +61 7 3210 5500 | f: +61 7 3229 6174
brisbane@uhyhnseq.com.au
www.uhyhnbrisbane.com.au
ABN 76 898 082 094 | AFSL 483056

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEGACY CLUB OF BRISBANE LIMITED

QUALIFIED OPINION

We have audited the financial report of The Legacy Club of Brisbane Limited, which comprises the statement of financial position as at 31 December 2019, the statement of 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 directors' declaration

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial report of The Legacy Club of Brisbane Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

BASIS FOR QUALIFIED OPINION

Donations, appeals and other fundraising events are a significant source of fundraising revenue for The Legacy Club of Brisbane Limited. The Company has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to donations, appeals and other fundraising events had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether donations, appeals and other fundraising events of The Legacy Club of Brisbane Limited recorded are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 ethical responsibilities in accordance with the Code.

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

OTHER INFORMATION

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' Report for the year ended 31 December 2019, but does not include the financial report and our auditors' report thereon.

Our opinion on the financial report does not cover the other information, accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

UHY Haines Norton
Chartered Accountants



Darren Laarhoven
Managing Partner

Brisbane, 26 February 2020

Jack Bean Memorial Charitable Trust

Statement of Comprehensive Income For the Year Ended 31 December 2019

	2019 \$	2018 \$
Revenue from ordinary activities		
Interest	1,991	2,258
	<u>1,991</u>	<u>2,258</u>
Expenses from ordinary activities		
Professional fees	13,122	1,965
	<u>13,122</u>	<u>1,965</u>
Net surplus/(deficit) for the year	<u>(11,131)</u>	<u>293</u>

Statement of Financial Position As At 31 December 2019

	2019 \$	2018 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	35,929	39,099
Fixed term deposit	90,000	90,000
Accrued interest	38	1,013
TOTAL CURRENT ASSETS	<u>125,967</u>	<u>130,112</u>
TOTAL ASSETS	<u>125,967</u>	<u>130,112</u>
LIABILITIES		
CURRENT LIABILITIES		
Other creditors	14,357	7,371
TOTAL CURRENT LIABILITIES	<u>14,357</u>	<u>7,371</u>
TOTAL LIABILITIES	<u>14,357</u>	<u>7,371</u>
NET ASSETS	<u>111,610</u>	<u>122,741</u>
EQUITY		
Initial capital	100,000	100,000
Accumulated surplus	11,611	22,741
TOTAL EQUITY	<u>111,611</u>	<u>122,741</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

This financial report is a special purpose financial report which has been prepared for the sole purpose of reporting to the members of The Legacy Club of Brisbane Limited.

The Trust is a not -for-profit entity for the purpose of preparing these financial statements.

The functional and presentation currency of the Jack Bean Memorial Charitable Trust is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

In the opinion of the Board of Directors of the Trustee, the trust is not a reporting entity and therefore, the complete disclosure requirements of all Australian accounting standards and other professional reporting requirements have not been applied in the preparation and presentation of this financial report. All measurement components of relevant Australian accounting standards have been applied.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs.

(b) Income Tax

The trust is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest is recognised using the effective interest method.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

2 Contingencies

The directors of the trustee company note that recent legal advice has indicated the requirement for the Trust to register as a separate legal entity under the *Australian Charities and Not-for-profits Commission Act 2012*. The directors are taking the necessary action to register the Trust and to comply with all and any outstanding legislative requirements. Depending on the effective date of the Trust's registration, a tax liability may arise.

In the opinion of the directors of the trustee company, the trust has no other contingent assets or contingent liabilities.

Jack Bean Memorial Charitable Trust

Trustees' Declaration

For the Year Ended 31 December 2019

The directors of the trustee company have determined that the trust is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 of the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 29 to 30, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a) comply with Australian Accounting Standards applicable to the trust as stated in Note 1; and
 - b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date and is in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors of the trustee company and is signed for and on behalf of the Directors of the trustee company by:



Malcolm Rerden AM CSC
President



Rex Isherwood
Treasurer

Brisbane, 17 February 2020

Level 11 | 42-60 Albert Street | Brisbane | QLD 4000
GPO Box 2876 | Brisbane | QLD 4000
t: +61 7 3210 5500 | f: +61 7 3229 6174
brisbane@uhyhnseq.com.au
www.uhyhnbrisbane.com.au
ABN 76 898 082 094 | AFSL 483056

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE JACK BEAN MEMORIAL CHARITABLE TRUST

OPINION

We have audited the accompanying financial report, being a special purpose financial report of The Jack Bean Memorial Charitable Trust (the Trust), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, and the trustees' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as at 31 December 2019, and its financial performance for the year then ended in accordance with the accounting policies disclosed in Note 1.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Trust 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 ethical responsibilities in accordance with the Code.

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

EMPHASIS OF MATTER – BASIS OF ACCOUNTING

We draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the trustees' financial reporting responsibilities of reporting to the members of The Legacy Club of Brisbane Limited. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the trustees and should not be distributed to or used by parties other than the members of The Legacy Club of Brisbane Limited. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL REPORT

The trustees of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with relevant Australian Accounting Standards and the accounting policies disclosed in Note 1, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Trust'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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The trustees are responsible for overseeing the Trust's financial reporting process.

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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

UHY Haines Norton
Chartered Accountants



Darren Laarhoven
Managing Partner

Brisbane, 26 February 2020