

The Legacy Club of Brisbane Ltd

ABN: 51 157 944 951

Financial Statements

For the Year Ended 31 December 2020

Legacy Brisbane

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The Legacy Club of Brisbane Limited

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Corporate Directory For the Year Ended 31 December 2020

Patron

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

Board of Directors

The Directors of Legacy Club of Brisbane Limited as at 31 December 2020 are:

President, Legacy Club of Brisbane & Chairman, Board of Directors	Andrew Craig
Non-executive Director & Vice-President	Paul Power
Non-executive Director & Treasurer	Rex Isherwood
Non-executive Director	Warwick (Rick) Davies
Non-executive Director	Brian Hollins CSC OAM
Non-executive Director	Barbara Lawrence
Non-executive Director	Annabel Leslie-McGuire
Non-executive Director	Melinda McCormack
Non-executive Director	Lee Shimbel

Executive Staff

Chief Executive Officer	Brendan Cox
Finance Manager & Company Secretary	Pamela Krueger
Community Services Manager	Claire Lyon
Head of Fundraising, Marketing & Communications	Kelly Burmester
Head of People, Culture & Safety	Kevin Prendergast

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, Pinalba, Qld 4655

Directors' Finance Report For the Year Ended 31 December 2020

The Board of Directors of The Legacy Club of Brisbane Limited present the financial report for the financial year ended 31 December 2020.

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
A Craig <i>President from April 2020</i>	March 2016	-	9	9
W Davies <i>Chair, Governance & Leadership Committee</i>	March 2019	-	9	9
B Hollins CSC OAM	March 2018	-	9	9
R Isherwood <i>Treasurer, Chair Finance & Sustainability Committee</i>	April 2017	-	9	9
B Lawrence	April 2020	-	7	7
A Leslie-McGuire <i>Chair, Service Delivery Committee</i>	March 2015	-	7	9
M McCormack	March 2019	-	9	9
COL A Moss	February 2019	November 2020	5	9
B Pepper	April 2017	March 2020	2	2
P Power <i>Vice President from April 2020</i>	March 2018	-	8	9
M Rerden AM CSC <i>President to March 2020</i>	March 2016	March 2020	2	2
L Shimbil <i>Chair, People Culture & Communications</i>	April 2020	-	7	7

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.

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Directors' Finance Report For the Year Ended 31 December 2020

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

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Directors' Finance Report For the Year Ended 31 December 2020

Legacy Brisbane's district includes the greater Brisbane area, Sunshine Coast, Gympie, Rockhampton and Central Queensland and other various country Queensland areas, including 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.

Legacy Brisbane continues to work toward meeting the objectives of the Strategic Plan for 2019-2023. Board, Committees, and Management Staff annually review the Plan's objectives and reporting framework to ensure the Club adapts to an ever-changing 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 the Club in the event of its being wound up. At 31 December 2020, the collective liability of members is \$2,990 (2019: \$3,240).

Operating result

The operating result for the Company for the financial year amounted to a surplus of \$479,364 (2019: deficit \$1,202,517). The comparative financial statements reveal the impact of the extraordinary national and global circumstances of 2020.

Through the support of both State and Federal funding, Legacy Brisbane has been able to maintain its services. Of the \$1,000,000 funding received from the Queensland Government, \$100,000 was passed on to other Legacy clubs in Queensland to support Legacy services in their area. Legacy Brisbane also received \$882,400 through the Australian Government's COVID-19 financial assistance packages.

A significant contributing factor to the provision of Legacy services across our broad district is the volunteer work of the 299 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 is therefore not represented in the financial results.

Legacy Brisbane is also sincerely appreciative of the invaluable support of corporate teams and Australian Defence Force members who have contributed voluntary assistance in fundraising events and six Backyard Assist visits to widows' properties. Whilst the number of events for 2020 were reduced due to the COVID restrictions, the enthusiasm and commitment of Legatees, corporate supporters and ADF members remained an encouraging constant.

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 the Company, the results of those operations or the state of affairs of the Company in future financial years.

Directors' Finance Report For the Year Ended 31 December 2020

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 2021.

Legacy House, located in Merivale Street South Brisbane, is now under an unconditional contract of sale with settlement no later than 17 July 2022. The Board of Directors have formed a Development Working Group to identify a new Legacy House which will meet the needs of the organisation into the future.

With overall declining dependant numbers within Legacy Brisbane it is intended to reduce staff capacity further in 2021 to ensure that our staffing does not exceed the needs 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.

Legacy Brisbane will continue to champion collaboration amongst service providers to organisations that look after veterans and their families. In 2021, 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.

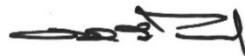
Benefits received directly or indirectly by officers

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 the Company, 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 Andrew Craig
President



Legatee Rex Isherwood
Treasurer

Brisbane, 22 February 2021

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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 2020, 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 2021

The Legacy Club of Brisbane Ltd

ABN: 51 157 944 951

Statement of Comprehensive Income For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
Revenue from ordinary activities		
Interest	7,223	13,111
Dividend	364,232	519,258
Trusts and grants	3 1,535,793	600,478
Fundraising events	699,455	1,268,423
Direct mail	308,343	294,342
Donations	390,314	385,506
Bequests	49,535	92,049
Other revenue	3 941,172	57,690
	<u>4,296,067</u>	3,230,857
Expenses from ordinary activities		
Corporate services	4(a) (1,232,639)	(1,205,461)
Members	(8,372)	(13,639)
Fundraising, marketing and communications	4(a) (1,035,587)	(1,341,537)
Community services	4(a) (1,469,899)	(1,680,935)
Other expenses	4(a) (70,206)	(191,802)
	<u>(3,816,703)</u>	(4,433,374)
Operating surplus/(deficit) for the year	<u>479,364</u>	(1,202,517)
Revenue from other activities		
Net gain/(loss) on disposal of property, plant and equipment	(11,160)	(91,745)
Gift of net assets from Legacy Club of Fraser Coast and Country Burnett Inc	3 -	587,504
	<u>(11,160)</u>	495,759
Surplus from other activities	<u>(11,160)</u>	495,759
Net surplus/(deficit) for the year	<u>468,204</u>	(706,758)
Other comprehensive income		
<i>Items that will not be reclassified to surplus or deficit</i>		
Changes in the fair value of financial assets	(131,451)	778,211
Increase in the fair value of land and buildings	10 -	145,978
Other comprehensive income for the year	<u>(131,451)</u>	924,189
Total comprehensive income for the year	<u>336,753</u>	217,431

The accompanying notes form part of these financial statements.

The Legacy Club of Brisbane Ltd

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Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	937,075	613,940
Trade and other receivables	6	312,416	310,765
Inventories		123,461	142,278
Other assets	8	53,498	47,963
TOTAL CURRENT ASSETS		<u>1,426,450</u>	<u>1,114,946</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	9,228	9,228
Assets held for sale	7	5,476,478	-
Other financial assets	9	9,264,314	8,564,871
Property, plant and equipment	10	155,003	5,697,570
Intangible assets	11	-	24,467
TOTAL NON-CURRENT ASSETS		<u>14,905,023</u>	<u>14,296,136</u>
TOTAL ASSETS		<u>16,331,473</u>	<u>15,411,082</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	91,288	297,064
Borrowings	13	6,117	6,571
Employee benefits	15	307,984	275,116
Other liabilities	14	147,923	-
TOTAL CURRENT LIABILITIES		<u>553,312</u>	<u>578,751</u>
NON-CURRENT LIABILITIES			
Borrowings	13	-	5,652
Employee benefits	15	62,551	47,822
Other liabilities	14	600,000	-
TOTAL NON-CURRENT LIABILITIES		<u>662,551</u>	<u>53,474</u>
TOTAL LIABILITIES		<u>1,215,863</u>	<u>632,225</u>
NET ASSETS		<u>15,115,610</u>	<u>14,778,857</u>
EQUITY			
Reserves	16	4,461,672	4,778,659
Accumulated surplus		10,653,938	10,000,198
TOTAL EQUITY		<u>15,115,610</u>	<u>14,778,857</u>

The accompanying notes form part of these financial statements.

The Legacy Club of Brisbane Ltd

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Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Accumulated Surplus	Capital Profits Reserve	Asset Revaluation Surplus	Financial Assets Reserve	Total
Note	\$	\$	\$	\$	\$
Balance at 1 January 2020	10,000,198	309,073	3,874,832	594,754	14,778,857
Comprehensive income					
Surplus for the year	468,204	-	-	-	468,204
Other comprehensive income	-	-	-	(131,451)	(131,451)
Total comprehensive income for the year	468,204	-	-	(131,451)	336,753
Transfer of net realised gain on financial assets	185,536	-	-	(185,536)	-
Balance at 31 December 2020	10,653,938	309,073	3,874,832	277,767	15,115,610

2019

	Accumulated Surplus	Capital Profits Reserve	Asset Revaluation Surplus	Financial Assets Reserve	Total
Note	\$	\$	\$	\$	\$
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	-	-	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

The accompanying notes form part of these financial statements.

The Legacy Club of Brisbane Ltd

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Statement of Cash Flows

For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Donations, fundraising and other activities	2,348,663	2,146,305
Payments to suppliers, employees and clients	(3,937,681)	(4,236,915)
Dividends and distributions received	423,231	451,382
Interest received	10,376	13,218
Trusts and grants	1,683,716	600,478
Bequests	49,535	92,049
Net cash used in operating activities	<u>577,840</u>	<u>(933,483)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposit received for future sale of non-current assets held for sale	600,000	154,205
Proceeds from sale and redemption of financial assets	3,564,940	2,486,388
Proceeds from sale of property, plant and equipment and intangibles	8,674	-
Purchase of property, plant and equipment and intangibles	(30,249)	(79,854)
Purchase of financial assets	(4,395,834)	(1,653,253)
Loans to families - payments made	-	(270)
Loans to families - proceeds from repayments	3,870	9,450
Net cash provided by investing activities	<u>(248,599)</u>	<u>916,666</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(6,106)	(19,008)
Net cash used in financing activities	<u>(6,106)</u>	<u>(19,008)</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	-	76,260
Net increase/(decrease) in cash and cash equivalents held	<u>323,135</u>	<u>40,435</u>
Cash and cash equivalents at beginning of year	<u>613,940</u>	<u>573,505</u>
Cash and cash equivalents at end of financial year	<u>937,075</u>	<u>613,940</u>

The accompanying notes form part of these financial statements.

The Legacy Club of Brisbane Ltd

ABN: 51 157 944 951

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 2020 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 22 February 2021.

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 2020

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 2020

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 2020

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 2020

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 2020

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 from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration Legacy Brisbane expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

None of the revenue streams of Legacy Brisbane have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of Legacy Brisbane are:

Sale of goods

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Grant income

Amounts arising from grants that fall within the scope of AASB15 *Revenue from contracts with customers* are enforceable agreements with sufficiently specific performance obligations and are recognised as unearned income until such time as performance obligations have been met.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies (continued)

(h) Revenue and other income (continued)

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income

Amounts arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Legacy Brisbane considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable Legacy Brisbane to acquire or construct an item of property, plant and equipment to identified specifications which will be under Legacy Brisbane's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For acquisitions of assets, the revenue is recognised when the asset is acquired.

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue upon receipt.

Bequests

Bequests are recognised when Legacy Brisbane is notified of an impending distribution or the bequest is received, whichever occurs earlier.

Revenue from bequests comprising shares or other property are recognised at fair value, being the market value of the shares or property at the date Legacy Brisbane becomes legally entitled to the shares or property.

(i) Leases

At the lease commencement, Legacy Brisbane recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Legacy Brisbane believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies (continued)

(i) Leases (continued)

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Legacy Brisbane's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in Legacy Brisbane's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(j) Adoption of new and revised accounting standards

Legacy Brisbane has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of Legacy Brisbane.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Revenue and other income

(a) Revenue from grants and trusts

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)	180,677	261,527
Revenue recognised on receipt (AASB 1058)	1,355,116	338,951
	<u>1,535,793</u>	<u>600,478</u>

(b) Other revenue

		2020	2019
		\$	\$
Jobkeeper	(i)	782,400	-
Cashflow boost	(i)	100,000	-
Other		58,772	57,690
		<u>941,172</u>	<u>57,690</u>

(i) As a result of the COVID-19 pandemic, the state and federal governments have implemented the JobKeeper and Cash Flow Boost government schemes to assist businesses during this time. During the 2020 financial year, Legacy Brisbane was entitled to and received the JobKeeper and Cash Flow Boost grants.

(c) Revenue from other activities - Gift of net assets from Legacy Club of Fraser Coast and Country Burnett Inc.

During the 2019 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 in 2019 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 in 2019.

Notes to the Financial Statements

For the Year Ended 31 December 2020

4 Result for the year

(a) Expenses from ordinary activities breakdown

	2020	2019
Note	\$	\$
Corporate services		
Employee costs	816,887	755,300
Telephone and computer	49,730	38,511
Professional fees	88,483	75,269
Occupancy costs	128,457	132,476
Regional offices	17,154	28,632
Insurance	17,938	23,266
Depreciation	58,197	91,860
Other overhead expenses	55,793	60,147
	<u>1,232,639</u>	<u>1,205,461</u>
Fundraising, marketing and communications		
Employee costs	589,881	589,972
Advertising and marketing	99,560	125,696
Fundraising expenses	246,463	505,179
Direct mail expenses	46,176	55,675
Donations expenses	487	908
Trusts and grants expenses	3,800	14,270
Depreciation	31,307	25,405
Other fundraising expenses	17,913	24,432
	<u>1,035,587</u>	<u>1,341,537</u>
Community services		
Employee costs	1,004,727	1,095,454
Youth	77,972	143,468
People with disabilities	23,164	45,018
Traditional widows	244,000	188,903
Contemporary widows	13,031	41,192
Families	48,274	79,250
Travel and vehicle expenses	17,537	34,302
Depreciation	11,467	13,767
Other service delivery expenses	29,727	39,581
	<u>1,469,899</u>	<u>1,680,935</u>
Other expenses		
Redress expenses	18 70,206	191,802
	<u>70,206</u>	<u>191,802</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

4 Result for the year (continued)

(b) Result for the year

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

	2020	2019
	\$	\$
Finance Costs		
- Interest expenses on financial liabilities	408	673
Total finance costs	408	673

The result for the year includes the following specific expenses:

Depreciation and amortisation		
Depreciation - buildings and leasehold improvements	25,341	45,384
Depreciation - motor vehicles	13,013	17,608
Depreciation - office furniture and equipment	52,709	60,384
Amortisation - computer software	9,908	7,657
Total depreciation and amortisation	100,971	131,033
Employee benefits expense	2,438,621	2,502,026

5 Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	893,737	559,794
Cash on deposit		
- strategic reserve fund	43,338	54,146
	937,075	613,940

Notes to the Financial Statements

For the Year Ended 31 December 2020

6 Trade and other receivables

	2020	2019
Note	\$	\$
CURRENT		
GST receivable	9,050	-
Family loans	(a) -	3,870
Accrued income	301,173	281,948
Other receivables	2,193	24,947
	<u>312,416</u>	<u>310,765</u>
NON-CURRENT		
Family loans	(a) 9,228	9,228
	<u>9,228</u>	<u>9,228</u>

(a) Movements in carrying amount of family loans

Balance at the beginning of the year	13,098	14,478
Loans advanced	-	270
Loans repayment received	(3,870)	(9,450)
Loan receivables assumed from Legacy Club Fraser Coast and Country Burnett Inc.	3 -	7,800
Balance at the end of the year	<u>9,228</u>	<u>13,098</u>

7 Assets held for sale

	2020	2019
	\$	\$
Land and buildings	<u>5,476,478</u>	-
	<u>5,476,478</u>	-

The assets held for sale as at 31 December 2020 relates to Legacy House. In June 2020, Legacy Brisbane entered into a contract of sale to sell the property for \$6,000,000. As at 31 December 2020 the contract was unconditional, however it did not meet the requirement for recognition as a sale in the 2020 financial year. The deposit received is recorded at Note 14 Other liabilities.

Notes to the Financial Statements

For the Year Ended 31 December 2020

8 Other assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	51,399	47,963
Gifted auction items	2,099	-
	<u>53,498</u>	<u>47,963</u>

9 Other financial assets

	2020	2019
	\$	\$
Financial assets at fair value through other comprehensive income	9,222,816	8,168,716
Financial assets at amortised cost	41,498	396,155
	<u>9,264,314</u>	<u>8,564,871</u>

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

Listed investments, at fair value		
- equity securities	6,297,787	5,485,469
- debt securities	2,925,029	2,683,247
	<u>9,222,816</u>	<u>8,168,716</u>

(b) Financial assets at amortised cost

Term deposits	-	354,657
2/2 Australian Anti-Tank Regiment Bursary	21,498	21,498
Limbless Soldiers of Queensland Association Bursary	20,000	20,000
	<u>41,498</u>	<u>396,155</u>

The Legacy Club of Brisbane Ltd

ABN: 51 157 944 951

Notes to the Financial Statements

For the Year Ended 31 December 2020

10 Property, plant and equipment

	2020	2019
	\$	\$
Land & Buildings		
At fair value	-	5,500,000
Office furniture & equipment		
At cost	427,499	438,453
Accumulated depreciation	<u>(315,035)</u>	<u>(300,162)</u>
Total office furniture & equipment	<u>112,464</u>	<u>138,291</u>
Motor vehicles		
At cost	139,966	158,610
Accumulated depreciation	<u>(97,427)</u>	<u>(101,150)</u>
Total motor vehicles	<u>42,539</u>	<u>57,460</u>
Leasehold Improvements		
At cost	-	16,365
Accumulated depreciation	<u>-</u>	<u>(14,546)</u>
Total improvements	<u>-</u>	<u>1,819</u>
	<u>155,003</u>	<u>5,697,570</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 2020					
Balance at the beginning of year	5,500,000	138,291	57,460	1,819	5,697,570
Additions	-	30,249	-	-	30,249
Disposals - written down value	-	(3,367)	(1,908)	-	(5,275)
Reclassification (i)	(5,476,478)	-	-	-	(5,476,478)
Depreciation	(23,522)	(52,709)	(13,013)	(1,819)	(91,063)
Balance at the end of the year	-	112,464	42,539	-	155,003

(i) In June 2020, Legacy Brisbane entered into a contract of sale to sell Legacy House. As at 31 December 2020 the contract was unconditional but not yet settled. The property has been reclassified to assets held for sale. Refer to note 7 for more information.

(b) Significant estimates - asset revaluations performed in the 2019 financial year

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.

The Legacy Club of Brisbane Ltd

ABN: 51 157 944 951

Notes to the Financial Statements

For the Year Ended 31 December 2020

11 Intangible Assets

	2020	2019
	\$	\$
Computer software		
Cost	-	35,048
Accumulated amortisation	-	(10,581)
Total Intangibles	-	24,467

(a) Movements in carrying amounts

	Computer software	Total
	\$	\$
Year ended 31 December 2020		
Balance at the beginning of the year	24,467	24,467
Disposals	(14,559)	(14,559)
Amortisation	(9,908)	(9,908)
Closing value at 31 December 2020	-	-

12 Trade and other payables

	2020	2019
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	52,432	95,736
GST payable	-	769
Other payables	38,856	200,559
	91,288	297,064

13 Borrowings

	2020	2019
	\$	\$
CURRENT		
Secured liabilities:		
Bank loans	6,117	6,571
	6,117	6,571
NON-CURRENT		
Secured liabilities:		
Bank loans	-	5,652
	-	5,652

Notes to the Financial Statements

For the Year Ended 31 December 2020

14 Other Liabilities

	2020	2019
	\$	\$
CURRENT		
Payments received in advance	147,923	-
	<u>147,923</u>	<u>-</u>

Current payments received in advance include grants received prior to performance obligations being satisfied.

NON-CURRENT		
Payments received in advance	600,000	-
	<u>600,000</u>	<u>-</u>

Non-current payments in advance in 2020 relate to the \$600,000 deposit received as part of the sale of Legacy House. The deposit will be recognised as revenue once control transfers upon settlement of the sale contract which is expected to occur beyond 12 months after year end.

15 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Long service leave	97,965	89,261
Annual leave	138,860	115,726
Accrued wages and other employee benefits	71,159	70,129
	<u>307,984</u>	<u>275,116</u>
NON-CURRENT		
Long service leave	62,551	47,822
	<u>62,551</u>	<u>47,822</u>

16 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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

17 Key management personnel remuneration

The totals of remuneration paid to the key management personnel of Legacy Brisbane during the year was \$215,558 (2019: \$201,566).

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

18 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 2020, these claims were resolved and there is no further contingent liability. The total cost of attending to these claims now settled was \$70,206 (2019: \$191,802).

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.

19 COVID-19 Impact

The impact of COVID-19 on the Company has been mixed. Revenue significantly declined and measures taken by the State and Commonwealth Governments in Australia have help reduce the financial impact to Legacy Brisbane

COVID-19 has the potential to influence certain accounting judgements and estimates impacting the financial statements for the year ended 31 December 2020. The directors have considered the impact on;

- provision for redundancies
- impairment of plant and equipment
- budgets supporting the management's assessment of going concern

In assessing the Financial Statements management is confident that COVID-19 will not impact the going concern of Legacy Brisbane into the future. Legacy Brisbane has also shown the ability to continue operations in spite of the pandemic with no material increases in running costs, demonstrating a willingness to adapt in an unknown environment.

20 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.

The Legacy Club of Brisbane Limited

ABN: 51 157 944 951

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 27, 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 2020 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 Andrew Craig
President



Legatee Rex Isherwood
Treasurer

Brisbane, Dated 22 February 2021

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 2020, 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 2020 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 2020, 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 2021

Jack Bean Memorial Charitable Trust

Statement of Comprehensive Income For the Year Ended 31 December 2020

	2020	2019
	\$	\$
Revenue from ordinary activities		
Interest	661	1,991
	<u>661</u>	<u>1,991</u>
Expenses from ordinary activities		
Professional fees	9,706	13,122
	<u>9,706</u>	<u>13,122</u>
Net surplus/(deficit) for the year	<u><u>(9,045)</u></u>	<u><u>(11,131)</u></u>

Statement of Financial Position As At 31 December 2020

	2020	2019
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	102,566	35,929
Fixed term deposit	-	90,000
Accrued interest	-	38
TOTAL CURRENT ASSETS	<u>102,566</u>	<u>125,967</u>
TOTAL ASSETS	<u><u>102,566</u></u>	<u><u>125,967</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Other creditors	-	14,356
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>14,356</u>
TOTAL LIABILITIES	<u>-</u>	<u>14,356</u>
NET ASSETS	<u><u>102,566</u></u>	<u><u>111,611</u></u>
EQUITY		
Initial capital	100,000	100,000
Accumulated surplus	2,566	11,611
TOTAL EQUITY	<u><u>102,566</u></u>	<u><u>111,611</u></u>

The accompanying notes form part of these financial statements.

Jack Bean Memorial Charitable Trust

Statement of Changes in Equity
For the Year Ended 31 December 2020

2020

	Retained Earnings	Capital	Total
	\$	\$	\$
Balance at 1 January 2020	11,611	100,000	111,611
Deficit for the year	(9,045)	-	(9,045)
Other comprehensive income	-	-	-
Total comprehensive income for the year	(9,045)	-	(9,045)
Balance at 31 December 2020	2,566	100,000	102,566

2019

	Retained Earnings	Capital	Total
	\$	\$	\$
Balance at 1 January 2019	22,741	100,000	122,741
Deficit for the year	(11,130)	-	(11,130)
Other comprehensive income	-	-	-
Total comprehensive income for the year	(11,131)	-	(11,131)
Balance at 31 December 2019	11,611	100,000	111,611

The accompanying notes form part of these financial statements.

Jack Bean Memorial Charitable Trust

Statement of Cash Flows

For the Year Ended 31 December 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants	-	-
Payments to suppliers and employees	(24,062)	(6,136)
Interest received	699	2,966
Net cash provided by operating activities	(23,363)	(3,170)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	-
Net cash decrease in amortised cost investments	90,000	-
Net cash used in investing activities	90,000	-
Net increase/(decrease) in cash and cash equivalents	66,637	(3,170)
Cash and cash equivalents at beginning of year	35,929	39,099
Cash and cash equivalents at end of financial year	102,566	35,929

The accompanying notes form part of these financial statements.

Jack Bean Memorial Charitable Trust

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Trust expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally for the Trust, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Trust have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Revenue from contracts which are either not enforceable or do not have sufficiently specific performance obligations, is recognised on receipt.

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1 Summary of Significant Accounting Policies (continued)

(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 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.

3 Events Occurring After the Reporting Date

The financial report was authorised for issue on 22 February 2021 by the Management Committee.

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

**Trustees' Declaration
For the Year Ended 31 December 2020**

The directors have determined that the trust is not yet 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.

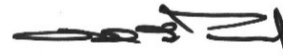
The directors of the trust declare that:

1. The financial statements and notes, as set out on pages 32 to 36, 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 2020 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 declaration is made in accordance with subsection 60.15(2) of the Australian Charities and Not for Profits Commission Regulation 2013. The declaration is signed for and on behalf of the Directors of the trustee company by:



.....
Legatee Andrew Craig
President



.....
Legatee Rex Isherwood
Treasurer

Brisbane, 22 February 2021

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 2020, 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 2020, 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 2021