

**RSL Australian Forces Overseas Fund  
(NSW Division)**

**ABN 21 318 200 401**

General purpose (RDR)

Financial report for the year ended

**31 December 2018**

**RSL Australian Forces Overseas Fund (NSW Division)**  
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**RSL Australian Forces Overseas Fund (NSW Division)**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2018**

		<u>2018</u>	<u>2017</u>
	Notes	\$	\$
Donations received	4.1	14,085	60,320
Finance income		<u>7,123</u>	<u>8,713</u>
<b>Total revenue</b>		<b><u>21,208</u></b>	<b><u>69,033</u></b>
Welfare assistance	4.2	(1,818)	(115,604)
Professional fees	4.3	(12,272)	(4,500)
Administration expenses	4.4	<u>(26,380)</u>	<u>(26,666)</u>
<b>Total expenses</b>		<b><u>(40,470)</u></b>	<b><u>(146,770)</u></b>
<b>Net deficit for the year</b>		<b><u>(19,262)</u></b>	<b><u>(77,737)</u></b>
<b>Total comprehensive deficit for the year</b>		<b><u>(19,262)</u></b>	<b><u>(77,737)</u></b>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**RSL Australian Forces Overseas Fund (NSW Division)**  
**Statement of financial position**  
For the year ended 31 December 2018

	Notes	<u>2018</u>	<u>2017</u>
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	453,089	458,522
Trade and other receivables	6	6,134	2,366
<b>Total current assets</b>		<u>459,223</u>	<u>460,888</u>
<b>Total assets</b>		<u>459,223</u>	<u>460,888</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	36,886	19,289
<b>Total current liabilities</b>		<u>36,886</u>	<u>19,289</u>
<b>Total liabilities</b>		<u>36,886</u>	<u>19,289</u>
<b>Net assets</b>		<u>422,337</u>	<u>441,599</u>
<b>Equity</b>			
Accumulated funds		422,337	441,599
<b>Total equity</b>		<u>422,337</u>	<u>441,599</u>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**RSL Australian Forces Overseas Fund (NSW Division)**  
**Statement of changes in equity**  
**For the year ended 31 December 2018**

	Accumulated funds	Total equity
	\$	\$
At 1 January 2017	519,336	519,336
Net deficit for the year	<u>(77,737)</u>	<u>(77,737)</u>
Total comprehensive deficit for the year	<u>(77,737)</u>	<u>(77,737)</u>
At 31 December 2017	<u>441,599</u>	<u>441,599</u>
At 1 January 2018	441,599	441,599
Net deficit for the year	<u>(19,262)</u>	<u>(19,262)</u>
Total comprehensive deficit for the year	<u>(19,262)</u>	<u>(19,262)</u>
At 31 December 2018	<u>422,337</u>	<u>422,337</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

## RSL Australian Forces Overseas Fund (NSW Division)

### Statement of cash flows

For the year ended 31 December 2018

		<u>2018</u>	<u>2017</u>
	Notes	\$	\$
<b>Operating activities</b>			
Receipts from donations		14,085	60,320
Payments to suppliers		(23,510)	(134,494)
<b>Net cash flows utilised in operating activities</b>	5.2	<u>(9,425)</u>	<u>(74,174)</u>
<b>Investing activities</b>			
Interest received		3,992	9,090
<b>Net cash flows from investing activities</b>		<u>3,992</u>	<u>9,090</u>
Net decrease in cash and cash equivalents		(5,433)	(65,084)
Cash and cash equivalents at 1 January		458,522	523,606
<b>Cash and cash equivalents at 31 December</b>	5.1	<u>453,089</u>	<u>458,522</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

# **RSL Australian Forces Overseas Fund (NSW Division)**

## **Notes to the financial statements**

### **For the year ended 31 December 2018**

#### **1. Entity information**

The financial statements of RSL Australian Forces Overseas Fund (NSW Division) (the "Trust") for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Trustees on 05 June 2019.

The RSL Australian Forces Overseas Fund (NSW Division) is a trust constituted by Deed on 24 February 1996. The trustee of the Trust is RSL Custodian Pty Ltd.

The registered office and principal office of business of the Trust is ANZAC House, level 5, 341 George Street Sydney, NSW 2000.

The nature of the operations and principal activities of the Trust during the financial year were the provision of comforts equipment and entertainment for Australian servicemen and women serving overseas or in such other areas as may be determined from time to time.

#### **2. Summary of significant accounting policies**

##### **a) Basis of preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Trust is a not-for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Trust are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs).

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian (\$).

##### **New and amended standards and interpretations**

The Trust applied AASB 9 for the first time. The nature and effect of the changes as a result of the adoption of this new accounting standards is described below.

##### **AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Trust applied AASB 9 retrospectively, with an initial application date of 1 January 2018 and adjusting the comparatives where necessary. Assessment resulted in immaterial differences resulting in no Expected Credit Losses ("ECL"s) related to the trade receivables being recognised in the financial statements.

There was no material impact on the statements of comprehensive income, financial position or cash flows as a result of the adoption of AASB 9.

##### **Accounting Standards and Interpretations issued but not yet effective**

The Trust is considering the new accounting standard changes for Revenue recognition (AASB 15), Leases (AASB 16) and Income for not-for-profit (AASB 1058). As the Trust is a not-for-profit, adoption of these new standards will not be required until the year commencing 1 January 2019 and the impact of the new standard implementation is not likely to be material.

##### **b) Current versus non-current classification**

The Trust presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- . Expected to be realised or intended to be sold or consumed in the normal operating cycle
- . Held primarily for the purpose of trading
- . Expected to be realised within twelve months after the reporting period, or
- . Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**RSL Australian Forces Overseas Fund (NSW Division)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2018**

**2. Summary of significant accounting policies (continued)**

**c) Current versus non-current classification (continued)**

A liability is current when:

- . It is expected to be settled in the normal operating cycle
- . It is held primarily for the purpose of trading
- . It is due to be settled within twelve months after the reporting period, or
- . There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Trust classifies all other liabilities as non-current.

**d) Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**e) Trade and other receivables**

A receivable represents the Trust's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less expected credit losses. Trade receivables are due for settlement no more than 30 days from the date of recognition.

For trade receivables, the Trust applies a simplified approach in calculating expected credit losses (ECL). Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Trust has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**f) Taxes**

**Current income tax**

The Trust is a charitable organisation for the purpose of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The Trust holds deductible gift recipient status.

**Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- . When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- . When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows 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 part of operating cash flows.



**RSL Australian Forces Overseas Fund (NSW Division)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2018**

**Summary of significant accounting policies (continued)**

**g) Comparatives**

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

**3. Significant accounting judgements, estimates and assumptions**

The preparation of the Trust's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**h) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

**Donations**

Revenue is recognised when monies are received by the Trust.

**Interest income**

Recognised as interest accrues, taking into account the yield on the financial asset. Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

**RSL Australian Forces Overseas Fund (NSW Division)**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2018

**4 Revenue and Expenses**

**4.1 Donations**

	<u>2018</u>	<u>2017</u>
Donations Received	\$	\$
Sub-Branch	13,800	47,800
Auxiliaries	-	7,200
Other	285	5,320
	<u>14,085</u>	<u>60,320</u>

**4.2 Welfare assistance**

	<u>2018</u>	<u>2017</u>
	\$	\$
Welfare assistance	1,818	115,604
	<u>1,818</u>	<u>115,604</u>

**4.3 Professional expenses**

	<u>2018</u>	<u>2017</u>
	\$	\$
Audit Fees	12,272	4,500
	<u>12,272</u>	<u>4,500</u>

**4.4 Administration expense**

	<u>2018</u>	<u>2017</u>
	\$	\$
Administration Fees (Note 10)	26,380	26,476
Sundry Expenses	-	190
	<u>26,380</u>	<u>26,666</u>

**RSL Australian Forces Overseas Fund (NSW Division)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2018**

**5. Cash and cash equivalents**

**5.1 Cash and cash equivalents**

	<u>2018</u>	<u>2017</u>
	\$	\$
Cash at bank and on hand	240,644	143,853
Term deposits	212,445	314,669
	<u>453,089</u>	<u>458,522</u>

**5.2. For the purpose of the statement of cash flows, cash and cash equivalents comprise the above.**

	<u>2018</u>	<u>2017</u>
	\$	\$
<b>Cash flow reconciliation</b>		
Reconciliation of net deficit to net cash flows from operations:		
<b>Net deficit for the year</b>	<b>(19,262)</b>	<b>(77,737)</b>
Adjustments for:		
Interest received	(3,992)	(9,090)
<b>Deficit before changes in working capital and provisions</b>	<b>(23,254)</b>	<b>(86,827)</b>
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(3,768)	889
Increase in trade and other payables	17,597	11,764
<b>Net cash flows utilised in operating activities</b>	<b>(9,425)</b>	<b>(74,174)</b>

**6. Trade and other receivables**

	<u>2018</u>	<u>2017</u>
	\$	\$
Interest accrued	3,989	858
GST receivable	2,145	1,508
	<u>6,134</u>	<u>2,366</u>

**RSL Australian Forces Overseas Fund (NSW Division)**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2018

**7. Trade and other payable**

	<u>2018</u>	<u>2017</u>
	\$	\$
Other Payables	36,886	19,289
	<u>36,886</u>	<u>19,289</u>

**8. Commitments and contingencies**

**Operating lease commitments**

The Trust did not have any operating lease commitments as at 31 December 2018 (2017: nil).

**Capital commitments**

The Trust did not have any capital commitments as at 31 December 2018 (2017: nil).

**Contingent liabilities**

The Trust did not have any other contingencies as at 31 December 2018 (2017: nil).

**9. Fundraising activities**

	<u>2018</u>	<u>2017</u>
	\$	\$
During the year the Trust received income from		
Donations	14,085	60,320
	<u>14,085</u>	<u>60,320</u>

Funds were distributed as follows:

Welfare assistance	1,818	115,604
	<u>1,818</u>	<u>115,604</u>

Total cost of fundraising		
Gross income from fundraising	14,085	60,320
%	-	-
Net proceeds of fundraising	14,085	60,320
Gross income from fundraising	14,085	60,320
%	100%	100%
Total fundraising distributed	1,818	115,604
Total expenditure	40,470	146,770
%	4%	79%
Total fundraising distributed	1,818	115,604
Net proceeds of fundraising	14,085	60,320
%	13%	192%

**10. Related Party Information**

	<u>2018</u>	<u>2017</u>
	\$	\$
Description of transactions		
Admin Fees paid to RSL NSW	26,260	26,476

**RSL Australian Forces Overseas Fund (NSW Division)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2018**

**11. Key management personnel compensation**

The trustee of RSL Australian Forces Overseas Fund (NSW Division) is RSL Custodian Pty Ltd.

The members of the Management Committee act in a honorary capacity and do not receive any remuneration either directly or indirectly from the Trust or Trustee apart from reimbursement of expenses. The Trustee does not receive any remuneration for acting as Trustee.

<b>Name</b>	<b>Position</b>	<b>From</b>	<b>To</b>
Darren McManus-Smith	Chairman	26/09/2016	26/07/2018
Bryan Slattery	Chairman	26/07/2018	Current
Ray James	Deputy Chairman	26/09/2016	Current
William Harrigan	Honorary Treasurer	31/03/2016	26/07/2018
Rajeesh Nair	Honorary Treasurer	26/07/2018	Current
Brad Copelin	RSL NSW Nominee	13/03/2016	6/02/2019
Gregory Makutu	RSL NSW Nominee	13/03/2016	6/02/2019
David Clarke	Committee Member	13/03/2017	26/07/2018
Nicholas Mowat	Honorary Secretary	26/07/2018	Current
Leanne Meyer	Honorary Solicitor	26/07/2018	Current
Darren Coughlan	Honorary Auditor	26/07/2018	11/04/2019
Robyn Collins	Authorised representative of The Trustee	26/07/2018	Current
Phillip Chin	President	26/07/2018	Current
Sandra Lambkin	Vice President	26/07/2018	Current
John Thacker	Office Holder	26/07/2018	11/04/2019
Michael Hartung	Office Holder	5/06/2019	Current
Nicole Hasrouni	Honorary Auditor	5/06/2019	Current

## RSL Australian Forces Overseas Fund (NSW Division)


### RESPONSIBLE ENTITIES' DECLARATION

#### Responsible Entities' Declaration

We, Bryan Slattery and Raymond James, being members of RSL Australian Forces Overseas Fund (NSW Division) (the Trust) declare that in our opinion:

1. The statement of profit or loss and other comprehensive income gives a true and fair view of all income and expenditure of the Trust with respect to fundraising appeals for the financial year ended 31 December 2018;
2. The statement of financial position gives a true and fair view of the state of affairs of the Trust with respect to fundraising appeals conducted by the Trust;
3. The provisions of the Charitable Fundraising Act 1991 (the Act) and the Charitable Fundraising Regulation 2015 (the Regulation) and the conditions on the Trust's Charitable Fundraising Authority (**Authority Conditions**) have been complied with by the Trust for the period from 1 January 2018 to 31 December 2018.
4. The internal controls exercised by the Trust are appropriate and effective in accounting for all income received and applied from any fundraising appeals.
5. The financial statements and notes of the Trust satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 (the ACNC Act) and the Australian Charities and Not-for-Profits Commission Regulation 2013 (the ACNC Regulation), by giving a true and fair view of the Trust's financial position as at 31 December 2018 and of its performance for the financial year ended on that date;
6. There are reasonable grounds to believe the Trust will be able to pay its debts as and when they become due and payable.

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

  
\_\_\_\_\_  
Philip Chin

  
\_\_\_\_\_  
Ronald Raymond James

Dated this 5 day of June 2019