

**ANZAC House Trust**

**ABN 54 206 103 034**

General purpose (RDR)

Financial report for the year ended

31 December 2018

ANZAC House Trust  
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## ANZAC House Trust

### Statement of profit or loss and other comprehensive income

For the year ended 31 December 2018

		2018	2017
	Notes	\$	\$
Rental income	4.1	334,020	466,535
Finance income	4.2	351,699	374,715
Other income		6,100	-
<b>Total revenue</b>		<b>691,819</b>	<b>841,250</b>
Administration expenses		(27,740)	(38,207)
Depreciation and amortisation	9	(614)	-
Rental expense	4.3	(1,018,769)	(308,687)
Professional fees	4.4	(9,990)	(60,486)
Property outgoings	4.5	(62,124)	(247,244)
<b>Total expenses</b>		<b>(1,119,237)</b>	<b>(654,624)</b>
<b>Net (deficit)/surplus for the year</b>		<b>(427,418)</b>	<b>186,626</b>

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

**ANZAC House Trust**  
**Statement of financial position**  
**As at 31 December 2018**

	Notes	2018	2017
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	24,964,930	25,936,902
Trade and other receivables	6	117,925	253,152
<b>Total current assets</b>		<u>25,082,855</u>	<u>26,190,054</u>
<b>Non-current assets</b>			
Other financial assets	7	691,790	-
Property, plant and equipment	9	4,301	-
<b>Total non-current assets</b>		<u>696,091</u>	<u>-</u>
<b>Total assets</b>		<u>25,778,946</u>	<u>26,190,054</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	39,577	23,267
<b>Total current liabilities</b>		<u>39,577</u>	<u>23,267</u>
<b>Total liabilities</b>		<u>39,577</u>	<u>23,267</u>
<b>Net assets</b>		<u>25,739,369</u>	<u>26,166,787</u>
<b>Equity</b>			
Accumulated funds		25,739,369	26,166,787
<b>Total equity</b>		<u>25,739,369</u>	<u>26,166,787</u>

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

**ANZAC House Trust**  
**Statement of changes in equity**  
**For the year ended 31 December 2018**

	Accumulated funds	Total equity
	\$	\$
At 1 January 2017	25,980,161	25,980,161
Net surplus for the year	186,626	186,626
<b>Total comprehensive surplus for the year</b>	<u>26,166,787</u>	<u>26,166,787</u>
At 31 December 2017	<u>26,166,787</u>	<u>26,166,787</u>
At 1 January 2018	26,166,787	26,166,787
Net (deficit) for the year	(427,418)	(427,418)
<b>Total comprehensive (deficit) for the year</b>	<u>25,739,369</u>	<u>25,739,369</u>
At 31 December 2018	<u>25,739,369</u>	<u>25,739,369</u>

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

**ANZAC House Trust**  
**Statement of cash flows**  
**For the year ended 31 December 2018**

		2018	2017
	Notes	\$	\$
<b>Operating activities</b>			
Receipts from customers		298,411	466,535
Payments to suppliers		(1,104,739)	(3,018,218)
Interest received		531,061	206,944
<b>Net cash flows utilised in operating activities</b>	5	<u>(275,267)</u>	<u>(2,344,739)</u>
<b>Investing activities</b>			
Purchase of Financial instruments	7	(691,790)	-
Purchase of property, plant and equipment		(4,915)	-
Proceeds on sale of asset held for sale		-	25,542,000
<b>Net cash flows from investing activities</b>		<u>(696,705)</u>	<u>25,542,000</u>
Net (decrease)/increase in cash and cash equivalents		(971,972)	23,197,261
Cash and cash equivalents at 1 January		25,936,902	2,739,641
<b>Cash and cash equivalents at 31 December</b>	5	<u>24,964,930</u>	<u>25,936,902</u>

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

# **ANZAC House Trust**

## **Notes to the financial statements**

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

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

The financial statements of ANZAC House Trust (the "Trust") for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Board of Management on 15 May 2019.

The ANZAC House Trust is a trust constituted by Deed on 23 June 1972. The trustee of the Trust is The Returned & Services League of Australia (NSW Branch) ("RSL NSW").

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 was the provision of office space for RSL NSW. In addition the trust objects of The Trust specify that The Trust is to construct and maintain a memorial to those who suffered and died in the service for their country and to fulfill the objects of the RSL NSW constitution.

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

##### **2.1 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.

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##### **a) 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 which has no restrictions 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.

## **ANZAC House Trust**

### **Notes to the financial statements (continued) For the year ended 31 December 2018**

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

##### **a) 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.

##### **b) 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.

##### **c) 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.

##### **d) Asset held for sale**

Where The Trust has decided to dispose of an asset, it is transferred to Asset held for sale at the agreed sale price and treated as a current asset on the basis that the sale will complete within 12 months.

##### **e) Trade and other payables**

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted.

They represent liabilities for goods and services provided to The Trust prior to the financial year that are unpaid and arise when The Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

##### **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.

###### **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.



## **ANZAC House Trust**

### **Notes to the financial statements (continued)**

**For the year ended 31 December 2018**

#### **g) 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 taxed or duty.

- i) **Rental income** - Arising from operating leases on the investment property is accounted for on a straight line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.
- ii) **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.

#### **h) 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.

## ANZAC House Trust

### Notes to the financial statements (continued) For the year ended 31 December 2018

#### 4 Revenue and Expenses

##### 4.1 Investment Income

	2018	2017
	\$	\$
Rent RSL	334,020	290,579
Rent Other Tenants	-	175,956
	<u>334,020</u>	<u>466,535</u>

##### 4.2 Finance Income

	2018	2017
	\$	\$
Interest received	351,699	374,715
	<u>351,699</u>	<u>374,715</u>

##### 4.3 Rental Expense

	2018	2017
	\$	\$
Rental expense "245 Castlereagh Street"	631,952	308,687
Rental expense "341 George Street"	386,817	-
	<u>1,018,769</u>	<u>308,687</u>

##### 4.4 Professional Fees

	2018	2017
	\$	\$
Audit Fees	9,990	3,500
Legal Fees	-	45,886
Valuation fees	-	5,000
Consulting fees	-	6,100
	<u>9,990</u>	<u>60,486</u>

##### 4.5 Property Outgoings

	2018	2017
	\$	\$
Security Maintenance	-	1,395
Amenities	-	769
Air Conditioning	-	32,620
Cleaning	28,790	31,366
Insurance	5,964	39,238
Light & Power	9,729	56,565
Management Fees	-	49,750
Rates & Taxes	-	1,454
Repairs & Maintenance	17,641	34,087
	<u>62,124</u>	<u>247,244</u>

## ANZAC House Trust

### Notes to the financial statements (continued) For the year ended 31 December 2018

#### 5. Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and on hand	24,964,930	126,122
Short term deposits	-	25,810,780
	<u>24,964,930</u>	<u>25,936,902</u>

	2018	2017
	\$	\$
<b>Reconciliation of net (deficit)/ surplus to net cash flows from operations:</b>		
Net (deficit)/surplus for the year	(427,418)	186,626
<b>Adjustment for non-cash item:</b>		
Depreciation	614	-
<b>(Deficit)/surplus before changes in working capital and provisions</b>	<u>(426,804)</u>	<u>186,626</u>

#### Changes in working capital

(Increase)/decrease in trade and other receivables	135,227	(199,062)
Increase/(decrease) in trade and other payables	16,310	(2,332,303)
<b>Net cash flows utilised in operating activities</b>	<u>(275,267)</u>	<u>(2,344,739)</u>

#### 6. Trade and other receivables

	2018	2017
	\$	\$
Trade receivables	7,421	7,915
Prepayments	64,344	59,965
Interest accrued	5,910	185,272
GST receivable	40,250	-
	<u>117,925</u>	<u>253,152</u>

#### 7. Other financial assets

	2018	2017
	\$	\$
Term deposits (maturity more than 3 months)	691,790	-
	<u>691,790</u>	<u>-</u>

## ANZAC House Trust

### Notes to the financial statements (continued) For the year ended 31 December 2018

#### 8. Trade and other payables

	2018	2017
	\$	\$
Trade creditors	29,377	7,575
Other payables	10,200	15,692
	<u>39,577</u>	<u>23,267</u>

#### 9. Property, plant and equipment

	Leasehold Improvements	Total
	\$	\$
<b>Cost</b>		
At 1 January 2018	-	-
Additions	4,915	4,915
Disposals	-	-
At 31 December 2018	<u>4,915</u>	<u>4,915</u>
<b>Depreciation</b>		
At 1 January 2018	-	-
Depreciation charge for the year	(614)	(614)
Disposals	-	-
At 31 December 2018	<u>(614)</u>	<u>(614)</u>
<b>Net book value</b>		
At 31 December 2018	<u>4,301</u>	<u>4,301</u>

## ANZAC House Trust

### Notes to the financial statements (continued) For the year ended 31 December 2018

#### 10. Lease Commitments

##### Operating lease commitments

The Trust has entered into an operating lease for the premises at 341 George Street Sydney. Lease term is until 09 September 2021. Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2018	2017
	\$	\$
Within one year	1,370,689	617,963
After one year but not more than five years	2,232,511	314,295
More than five years	-	-
	<u>3,603,200</u>	<u>932,258</u>

#### 11. Capital commitments

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

#### 12. Contingent liabilities

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

#### 13. Key management personnel compensation

The Trustee of ANZAC House Trust is RSL NSW. The Trustee appoints a Board of Management to advise the Board of RSL NSW on the management of ANZAC House Trust.

The Board of Management is comprised of the following persons:

- a) The Premier for the time being of the State of NSW (or their delegate)
- b) The President of RSL NSW
- c) State Treasurer of RSL NSW
- d) The Metropolitan Vice President of RSL NSW
- e) The State Secretary of RSL NSW
- f) A member of State Council of RSL NSW; and

Public members being those qualified to vote at elections of members of the Legislative Assembly of New South Wales who are appointed by the Board of Management of the State Council of RSL NSW.

**ANZAC House Trust**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2018**

**13. Key management personnel compensation (continued)**

Mr James Brown	RSL NSW President, appointed 24 May 2017
Mr Phillip Chin	RSL NSW Treasurer, appointed 19 September 2017
Mr Raymond James	RSL NSW Metropolitan Vice President, appointed 25 May 2017, leave of absence 21 February 2018 to 29 March 2018
Mr Bryan Slattery	RSL NSW State Councillor, appointed 24 May 2017
Mr Jeffrey O'Brien	State Secretary
Ms Caroline Mackaness	Premier NSW by their delegate, appointed 23 January 2017

The members of the Board of Management act in an honorary capacity and do not receive any remuneration either directly or indirectly in their capacity as a member of the Board of Management from the Trust or Trustee apart from reimbursement of expenses. The Trustee does not receive any remuneration for acting as Trustee in accordance with clause 30(s) of the Trust Deed.

RSL NSW provides systems and personnel to allow ANZAC House Trust to operate and fulfill its obligations under the Trust Deed.

**14. Related Party Information**

<b>Sales To</b>	<b>Entity Type</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
RSL NSW	1	254,417	244,345
RSL Welfare and Benevolent Institution ("WBI")	2	79,603	90,697
		<b>334,020</b>	<b>335,042</b>
<b>Payments To</b>			
RSL NSW	1	-	46,886
		<b>-</b>	<b>46,886</b>
<b>Amounts owed by Related Parties</b>			
WBI	2	-	7,134.00
<b>Amounts owed to Related Parties</b>			
RSL NSW	1	26,706	-

**Entity Type**

1. RSL NSW and The Trust share resources and have common management personnel
2. Tenant of The Trust. WBI and The Trust have a common natural person as a Trustee of WBI and a member of the Board of Management of The Trust.

**ANZAC House Trust**

**Trustee's Declaration**

**Trustee's declaration**


We, James Brown and Phillip Chin, being authorised pursuant to ACNC Regulation 60.15(2), declare on behalf of the responsible entities, 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 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;
3. 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); and
4. 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.



James Brown



Phillip Chin

Dated the

**Auditor's Independence Declaration to the Trustees of ANZAC House Trust**

In relation to our audit of the financial report of ANZAC House Trust for the financial year ended 31 December 2018, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Daniel Cunningham  
Partner

Date: