

**The Returned and Services League of Australia
(New South Wales Branch)**

ABN 78 368 138 161

Special purpose financial report for the year ended
30 June 2019

The Returned and Services League of Australia (New South Wales Branch)

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The Returned and Services League of Australia (New South Wales Branch)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

		12 months ended	6 Months ended
		30 June 2019	30 June 2018
	Notes	\$	\$
Management fees		46,766	29,851
Gain on sale of investments		750,000	20,000
Grants		24,500	52,200
Hotel revenue	4.1	7,567,509	4,029,057
Interest income		94,436	118,196
Membership fees and subscriptions		837,298	801,975
Other income	4.2	4,027,166	584,772
Rental income		354,334	123,562
Sale of goods		148,758	26,134
Total revenue		13,850,767	5,785,747
Administration expenses		(1,372,011)	(371,976)
Communications and publications		(394,080)	(175,952)
Cost of goods sold		(121,810)	(46,654)
Client support payments		(668,960)	(31,591)
Depreciation expense	8	(78,729)	(26,697)
Amortisation expense	9	(86,357)	-
Donations made	24	(618,009)	(567,623)
Day clubs and district councils		(10,977)	(18,108)
Employee benefits expense		(7,760,429)	(2,672,430)
Events		(229,958)	(314,673)
Finance costs		(160,000)	(80,000)
Hotel related expenses		(1,858,201)	(1,289,269)
Impairment of Available-for-sale assets		-	(28,439)
Impairment of Investment properties		-	(2,407,636)
Inquiry and related costs		-	(156,030)
Loss on disposal of assets		(20,377)	(1,051)
Other employee related expenses		(660,391)	92,557
Other expenses		(167,858)	(22,031)
Professional fees		(1,103,315)	(559,984)
Property expenses		(464,971)	(205,607)
RSL National fees		(54,353)	(125,862)
State Councillors and President expenses		(61,807)	(30,509)
Total expenses		(15,892,593)	(9,039,563)
Net deficit for the period		(2,041,826)	(3,253,816)
Other comprehensive income			
Increase in the fair value of land and buildings		-	14,300,000
Net change in fair value of financial assets	18	313,116	207,002
Transfer of title of land and buildings		6,100,000	-
Other comprehensive surplus for the year		6,413,116	14,507,002
Total comprehensive surplus for the year		4,371,290	11,253,186

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

The Returned and Services League of Australia (New South Wales Branch)
Statement of financial position
As at 30 June 2019

	Notes	30 June 2019 \$	30 June 2018 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,077,243	1,597,857
Trade and other receivables	6	1,931,828	2,060,542
Other financial assets	7	7,084	4,428,905
Inventories		31,125	127,810
Asset held for sale	10	5,747,023	-
Total current assets		9,794,303	8,215,114
Non-current assets			
Property, plant and equipment	8	48,908,240	48,459,260
Intangible assets	9	294,583	-
Investment properties	11	11,650,000	11,150,000
Financial assets	12	5,792,758	5,092,823
Other financial assets	7	61,261	657,484
Total non-current assets		66,706,842	65,359,567
Total assets		76,501,145	73,574,681
Liabilities			
Current liabilities			
Trade and other payables	14	1,581,715	3,397,782
Employee benefit liabilities	15	809,254	571,464
Total current liabilities		2,390,969	3,969,246
Non-current liabilities			
Employee benefit liabilities	15	87,531	23,550
Borrowings	16	4,000,000	4,000,000
Specific purpose obligations	17	153,295	83,825
Total non-current liabilities		4,240,826	4,107,375
Total liabilities		6,631,795	8,076,621
Net assets		69,869,349	65,498,060
Equity			
Accumulated funds		35,803,084	31,744,910
Fair value reserve	18	34,066,266	33,753,150
Total equity		69,869,349	65,498,060

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

The Returned and Services League of Australia (New South Wales Branch)
Statement of changes in equity
For the year ended 30 June 2019

	Accumulated funds	Fair value reserve	Total equity
At 1 January 2018	34,998,726	19,217,709	54,216,435
Net deficit for the year	(3,253,816)	-	(3,253,816)
Other comprehensive income (Note 18)	-	14,507,002	14,507,002
Impairment of investments	-	28,439	-
Total comprehensive deficit for the six month period	(3,253,816)	14,535,441	11,253,186
At 30 June 2018	31,744,910	33,753,150	65,498,060
At 1 July 2018	31,744,910	33,753,150	65,498,060
Net deficit for the year	(2,041,826)	-	(2,041,826)
Other comprehensive income (Note 18)	-	313,116	313,116
Transfer of title of land and buildings	6,100,000	-	6,100,000
Total comprehensive surplus for the year	4,058,174	313,116	4,371,290
At 30 June 2019	35,803,084	34,066,266	69,869,349

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

The Returned and Services League of Australia (New South Wales Branch)
Statement of cash flows
For the year ended 30 June 2019

		12 months ended	6 Months ended
		30 June 2019	30 June 2018
	Notes	\$	\$
Cash flow from operating activities			
Membership fees and employees subscriptions		837,298	801,975
Payments to suppliers and employees		(16,344,185)	(6,142,301)
Receipts from accommodation charges		7,763,292	4,029,057
Grants received		215,450	52,200
Receipts from other income		3,713,811	658,584
Dividends received		272,115	105,735
Interest received		94,436	101,049
Donations paid		(618,009)	(567,623)
Interest paid		(160,000)	(80,000)
Net cash used by operating activities	5	(4,225,791)	(1,041,324)
Cash flow from investing activities			
Acquisition of Investment Properties		(297,024)	-
Disposal of Investment Properties		1,300,000	-
Purchase of property, plant and equipment		(548,085)	(217,122)
Purchase of intangible assets		(380,939)	-
Purchase of financial instruments		(5,792,758)	(4,215,889)
Disposal of financial instruments		9,667,022	98,700
Receipts of loans receivable		756,961	71,854
Net cash used in investing activities		4,705,177	(4,262,457)
Cash flow from financing activities			
Proceeds from Borrowings		-	-
Net cash provided by financing activities		-	-
Cash at beginning of the period		1,597,857	6,901,638
Net increase/(decrease) in cash and cash equivalents		479,386	(5,303,781)
Cash and Cash equivalents at 30 June 2019		2,077,243	1,597,857

The Returned and Services League of Australia (New South Wales Branch)

Notes to the financial statements

For the year ended 30 June 2019

1. Entity information

The financial statements of The Returned and Services League of Australia (New South Wales Branch) (the "RSL NSW") for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 25 September 2019.

The Returned and Services League of Australia (New South Wales Branch) is an incorporated body with limited liability, incorporated and domiciled in Australia. Incorporation status was established by an Act of the Parliament of New South Wales. By virtue of its method of incorporation, RSL NSW is not a legal entity under Corporations Act 2001.

The registered office and principal place of business of RSL NSW is ANZAC House, 341 George Street, Sydney, NSW 2000.

The principal activities of RSL NSW during the financial year were to provide for the well-being, care, compensation and commemoration of serving and ex-serving Defence Force personnel and their dependants and promote Government and Community awareness of the need for a stable and progressive Australia.

2. Summary of significant accounting policies

2.1 Basis of preparation

This special purpose financial report has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. This financial report does not include the assets, liabilities and financial performance of the NSW sub-Branches and RSL LifeCare Ltd.

In the Board's opinion, RSL NSW is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements. The Board has determined that the accounting policies adopted are appropriate to meet their needs.

The financial report has been prepared on a historical cost basis, except investment properties, land and buildings and financial assets that have been measured at fair value.

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

2.2 New accounting standards and interpretations

Changes in accounting policies, new and amended standards and interpretations

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 entity applied AASB 9 retrospectively, with an initial application date of 1 July 2018 and adjusting the comparatives where necessary. The standard was applicable for Financial assets and trade receivable balances. Assessment of the new standard resulted in immaterial differences. 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

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by RSL NSW for the year ended 30 June 2019. The responsible entities have not early adopted any of these new or amended standards or interpretations. The responsible entities are in the process of assessing the impact of the new accounting standard changes for Revenue recognition (AASB 15), Leases (AASB 16) and Income for not-for-profit (AASB 1058). As the entity is a not-for-profit, adoption of these new standards will not be required until the year commencing 1 January 2019 and its amendments to the extent relevant to the financial statements of RSL NSW.

a) Current versus non-current classification

RSL NSW 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.

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

RSL NSW classifies all other liabilities as non-current.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

2. Summary of significant accounting policies (continued)

b) Fair value measurement

RSL NSW measures financial instruments such as financial assets at fair value at each balance sheet date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by RSL NSW.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

RSL NSW uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and Liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in an active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

c) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at bank 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.

d) Trade and Other receivables

A receivable represents the entity'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 entity applies a simplified approach in calculating expected credit losses (ECL). Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The entity 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.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

2. Summary of significant accounting policies (continued)

e) Inventories

Inventories comprise goods for resale and goods for distribution at no nominal consideration as part of RSL NSW's activities.

Goods for resale

Inventories of goods for resale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

Goods held for distribution

Inventories of goods purchased and held for distribution are carried at cost, adjusted when applicable for any loss of service potential.

f) Financial assets - initial recognition and subsequent measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost or fair value through other comprehensive income (OCI)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at fair value through OCI (debt instruments)

RSL NSW measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

RSL NSW's debt instruments at fair value through OCI includes investments in quoted debt instruments included under non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, RSL NSW elected to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when RSL NSW benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

RSL NSW elected to classify irrevocably its non-listed equity investments under this category.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

2. Summary of significant accounting policies (continued)

g) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, RSL NSW depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Land and buildings

Land and buildings (except for investment properties) are shown at fair value based on periodic, but at least triennial valuations by registered independent valuers with recognition where appropriate for subsequent cost of building improvements. Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant and equipment	5%-33%
Motor vehicle	20%
Leasehold improvements	17%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the intangibles, as follows:

Computer Software	20%-33%
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i) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

2. Summary of significant accounting policies (continued)

j) Impairment of non-financial assets

RSL NSW assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, RSL NSW estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

RSL NSW bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of RSL NSW's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, RSL NSW estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) 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 RSL NSW prior to the end of the financial year that are unpaid and arise when RSL NSW 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.

l) Employee benefit liabilities

Wages and salaries

Liabilities for wages and salaries which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave and annual leave

RSL NSW does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. RSL NSW recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

m) Borrowings

RSL NSW's financial liabilities include borrowings. These are measured subsequently at amortised cost using effective interest rate method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

2. Summary of significant accounting policies (continued)

n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to RSL NSW 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.

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that a discount will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Rendering of services

Revenue from rendering services is recognised in profit or loss at the reporting date.

Rental income

Rental income from tenants within the hotel is recognised in profit or loss on a straight-line basis over the term of the lease.

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.

Income from sale of investments

Revenue is recognised when the income is received.

Dividends

Dividends are recognised when RSL NSW's right to receive payment is established.

Donations

Revenue is recognised when monies are received by RSL NSW.

Subscriptions and fees

Revenue is primarily recognised when received or receivable with allowances made for revenue received in advance of the provision of services at year-end.

Administration services

Revenue is recognised when the service has been performed by RSL NSW.

Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and RSL NSW will comply with all attached conditions.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

2. Summary of significant accounting policies (continued)

o) Taxes

RSL NSW under its constitution is a not for profit organisation and as such is exempt from income tax.

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.

p) Specific purpose obligations

Specific purpose obligations represent funds received from individuals, estates or other parties for various purposes including: Scholarships or Youth sporting and other social activities. Such funds are held by RSL NSW to spend at its discretion for the purpose for which they originated. RSL NSW recognises the obligation to expend these funds as a provision, in some cases also maintaining a separate bank account. When the particular purpose for which the funds were contributed is completed, the obligation is extinguished, or RSL NSW decides that the funds can no longer be expended for the originally established purpose any surplus funds are recognised as revenue. In addition, RSL NSW holds funds on behalf of other parties for specific memorials or commemorations purposes. These funds are held as an asset and a corresponding liability.

3. Significant accounting judgements, estimates and assumptions

The preparation of RSL NSW'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

RSL NSW makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities.

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.

Revaluation of land and buildings

RSL NSW measures its land and buildings at revalued amounts, with changes in fair value being recognised in OCI. The land and buildings were independently valued, using the Direct Comparison method of valuation. Further details on the revaluations are provided in note 8 and note 11.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

4. Revenue	Notes	12 months ended 30 June 2019	6 months ended 30 June 2018
4.1 Hotel revenue		\$	\$
Accommodation		7,394,505	3,923,643
Ancillary income		127,783	10,517
Catering		-	35,458
Conference room hire		45,221	59,439
		7,567,509	4,029,057
		\$	\$
4.2 Other income		\$	\$
Fee For Service		2,536,903	-
Closed sub-Branches		205,674	25,198
Sundry income		223,787	453,839
Investment income		155,650	-
Unrealised Gain/(Loss) in investment property revaluation		400,000	-
Support and assistance fund contribution		121,720	-
Support Fund	20	69,230	-
Administration Fee Income		42,087	-
Dividend received		272,115	105,735
		4,027,166	584,772
		\$	\$
5. Cash and cash equivalents		\$	\$
Cash at bank and on hand		2,030,100	753,120
Short-term deposits		47,143	844,737
		2,077,243	1,597,857

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

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

5. Cash and cash equivalents (continued)

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Cash flow reconciliation		
Reconciliation of net deficit to net cash flows used in operations:		
Net deficit for the period	(2,041,826)	(3,253,816)
Adjustments for:		
Depreciation and amortisation	165,086	26,697
Loss on sale of property, plant and equipment	20,377	1,051
Gain on sale of financial assets	-	(20,000)
Gain on sale of investment properties	(750,000)	-
Impairment of financial assets	-	28,439
Revaluation of Investment properties	(400,000)	-
Impairment of Investment properties	-	2,407,636
Other non-cash items	69,470	(16,178)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	128,714	(1,651,209)
(Increase)/decrease in inventories	96,686	(60,651)
Increase/(decrease) in trade and other payables	(1,816,067)	1,526,468
Increase/(decrease) in employee benefits	301,770	(29,761)
Net cash flows from operating activities	(4,225,791)	(1,041,324)

6. Trade and other receivables

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Current		
Trade debtors	1,424,769	390,888
Sundry debtors	192,868	1,314,734
Prepayments and accrued income	314,191	354,920
	1,931,827	2,060,542

7. Other financial assets

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Current		
Loans - secured	7,084	141,305
Short-term deposits	-	4,287,600
	7,084	4,428,906
Non-current		
Term Deposit - non-current	26,517	-
Loans - secured	34,744	657,484
	61,261	657,484

Notes in relation to the secured loans:

- (1) Loan amounting to \$110,979 to Norfolk Island RSL Sub branch in December 2007 with maturity in 2027. \$7,084 due in the next 12 month; \$34,744 due after one year until maturity
- (2) The remaining loan receivable balance of \$615,656 from Tilligerry RSL Sports Club Ltd has been fully repaid this year on 17 September 2018.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

8. Property, plant and equipment

	Land and buildings	Plant and equipment	Motor vehicle	Leasehold improvements	Capital Work In Progress	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 July 2018	48,100,000	267,481	30,087	619,239	152,821	49,169,628
Additions	-	33,564	36,354	19,890	458,279	548,087
Revaluations	-	-	-	-	-	-
Disposals	-	(33,391)	-	(619,239)	-	(652,630)
Transfers	-	152,821	-	-	(152,821)	-
At 30 June 2019	48,100,000	420,475	66,441	19,890	458,279	49,065,085
Depreciation						
At 1 July 2018	-	68,823	30,087	611,458	-	710,368
Depreciation charge for the period	-	71,721	4,219	2,789	-	78,729
Disposals	-	(20,326)	-	(611,926)	-	(632,252)
At 30 June 2019	-	120,218	34,306	2,321	-	156,845
Net book value						
At 30 June 2019	48,100,000	300,257	32,135	17,569	458,279	48,908,240
At 30 June 2018	48,100,000	198,658	-	7,781	152,821	48,459,260

Addition

Additions of property plant and equipment relates to computer equipments, new motor vehicle and new fit out carried out as leasehold improvement for Campbelltown warehouse.

Disposals

Disposal of leasehold improvements relate to RSL NSW's tenancy at ANZAC House, 245 Castlereagh Street, Sydney and are fully depreciated as at 30 June 2019 as ANZAC House relocated to 341 George Street, Sydney. The property, plant and equipment of the RSL sub-Branches are not part of RSL NSW's property, plant and equipment disclosed in this note.

Loss on disposal of plant and equipment no longer on hand amounting to \$20,377.

Hyde Park Inn

The State Executive assess that as at 30 June 2019 no material impairment has been identified and that the fair value of the asset remains unchanged since 30 June 2018. No independent revaluation assessment of the property has been made during the year. The 2018 revaluation of the property was done by an independent valuer "Preston Rowe Paterson", a member of the Australian Property Institute. The valuer adopted the "Direct Comparison" Method of Valuation and have completed an analysis of sales of comparable properties within the vicinity of the property and of comparable zoning.

9. Intangible Assets

	Intangible Assets	Capital Work In Progress	Total
	\$	\$	\$
Cost			
At 1 July 2018	-	-	-
Additions	349,221	31,719	380,940
Disposals	-	-	-
At 30 June 2019	349,221	31,719	380,940
Amortisation			
At 1 July 2018	-	-	-
Amortisation charge for the period	86,357	-	86,357
Disposals	-	-	-
At 30 June 2019	86,357	-	86,357
Net book value at 30 June 2019	262,864	31,719	294,583
Net book value at 30 June 2018	-	-	-

Addition of Intangible assets

Additions of intangible assets relate to new payroll software Aurion, new accounting software Navision, new expense management software Concur and DXC Eclipse SharePoint project for RSL NSW.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

10. Asset held for sale

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Concord RSL & Community Club, Concord West	5,747,023	-
	5,747,023	-

Concord RSL & Community Club, Concord West

The initial recognition of the property was measured at its fair value at acquisition and transaction costs. The valuation of the properties was done by an independent valuer "Preston Rowe Paterson", a member of the Australian Property Institute. The property is valued using the Summation method as at 1 May 2019. The State Executive assess that the carrying value of the property approximates its market value as at 30 June 2019.

11. Investment Properties

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
262 Castlereagh Street, Sydney	11,000,000	10,600,000
Lot 452, Lemon Tree Passage Road, Tanilba Bay	-	550,000
18-24 Matong Street, Dareton	270,000	-
17-23 Matong Street, Dareton	380,000	-
	11,650,000	11,150,000

262 Castlereagh Street, Sydney

In 2015, RSL NSW purchased the property at 262 Castlereagh Street, Sydney for \$8,690,000 and incurred expenses in respect of a development application of \$782,179. The property was reclassified to investment property for the year ended 31 December 2016 to reflect its intended use. The property is intended to be held for rental return and capital appreciation.

The 2019 revaluation of the property was done by an independent valuer "Preston Rowe Paterson", a member of the Australian Property Institute. The property is valued using the Direct Comparison method as at 30 June 2019. The State Executive assess that the carrying value of the property approximates its market value as at 30 June 2019.

Lot 452, Lemon Tree Passage Road, Tanilba Bay

Lot 452, Lemon Tree Passage Road, Tanilba Bay has been sold in September 2018 for \$1.3m. The gain on sale of the asset is recognised as revenue in the year.

Units - Matong Street, Dareton

The initial recognition of the property was measured at its fair value at time of transfer. The valuation of the property was done by an independent valuer "Herron Todd White", a member of the Australian Property Institute. The property is valued using the Direct Comparison method as at 11 February 2019. The State Executive assess that the carrying value of the property approximates its market value as at 30 June 2019.

12. Financial Asset investments

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Listed property trusts	-	236,691
Mortgage and wholesale funds	1,588,539	586,706
Fixed interest listed	-	1,068,812
Shares in listed companies	-	3,200,614
Index Funds	4,204,219	-
	5,792,758	5,092,823

The fair value is determined by reference to published price quotations in an active market.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

13. Fair value measurement

The following table provides the valuation details of RSL NSW's assets measured at fair value:

	Date of Valuation	\$
Assets measured at fair value:		
Financial Asset investments (Note 12)		
Listed property trusts	30 June 2019	-
	30 June 2018	236,691
Mortgage and wholesale funds	30 June 2019	1,588,539
	30 June 2018	586,706
Fixed interest listed	30 June 2019	-
	30 June 2018	1,068,812
Shares in listed companies	30 June 2019	-
	30 June 2018	3,200,614
Index Funds	30 June 2019	4,179,161
	30 June 2018	-
Cash Trust	30 June 2019	25,058
	30 June 2018	-
Property, plant and equipment (Note 8)		
Hyde Park Inn	30 June 2019	48,100,000
	30 June 2018	48,100,000
Asset held for sale (Note 10)		
Concord RSL & Community Club, Concord West	30 June 2019	5,747,023
	30 June 2018	-
Investment properties (Note 11)		
262 Castlereagh Street, Sydney	30 June 2019	11,000,000
	30 June 2018	10,600,000
Lot 452, Lemon Tree Passage Road, Tanilba Bay	30 June 2019	-
	30 June 2018	550,000
18-24 Matong Street, Dareton	30 June 2019	270,000
	30 June 2018	-
17-23 Matong Street, Dareton	30 June 2019	380,000
	30 June 2018	-

The fair value of all investments are determined by reference to published price quotation in an active market.

Hyde Park Inn is valued on a Direct Comparison method of valuation by an independent valuer.

262 Castlereagh Street, Sydney is valued on a Direct Comparison method of valuation by an independent valuer.

Concord RSL & Community Club, Concord West is valued on a Summation method of valuation by an independent valuer.

18-24 Matong Street and 17-23 Matong Street, Dareton are valued on a Direct Comparison method of valuation by an independent valuer.

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

14. Trade and other payables	Note	12 months ended 30 June 2019	6 months ended 30 June 2018
		\$	\$
Current			
Trade and other payables		1,069,288	2,446,179
Deposits in advance		482,952	890,492
RSL NSW Sub-Branch Support Fund	20	-	55,809
Subscriptions received in advance		10,830	5,302
Payroll Tax Payable		18,645	
		1,581,715	3,397,782

15. Employee benefit liabilities	12 months ended 30 June 2019	6 months ended 30 June 2018
	\$	\$
Current		
Annual leave	516,978	315,097
Long service leave	292,276	256,367
	809,254	571,464
Non-current		
Long service leave	87,531	23,550
	87,531	23,550

16. Borrowings	12 months ended 30 June 2019	6 months ended 30 June 2018
	\$	\$
Non-current		
Loan payable	4,000,000	4,000,000
	4,000,000	4,000,000

Borrowings represents a loan from the Five Dock RSL sub-Branch obtained in July 2015. The loan is secured by a mortgage against 262 Castlereagh Street, Sydney. The principal is repayable after the expiration of the 5 year term of the loan. The interest rate on the loan is the cash rate plus 2.5% margin.

17. Specific purpose obligations	12 months ended 30 June 2019	6 months ended 30 June 2018
	\$	\$
Non-current		
Youth councils	46,188	49,378
Scholarships	32,450	33,654
Memorial and commemoration provisions	74,657	793
	153,295	83,825

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

18. Fair value reserves

	Fair Value Reserve	Asset revaluation reserve	Total
	\$	\$	\$
As at 1 January 2018	1,917,167	17,300,542	19,217,709
Increase/(decrease) in value of financial asset investments	207,002	-	207,002
Increase in value of land and buildings	-	14,300,000	14,300,000
Impairment of financial asset investments	28,439	-	28,439
As at 30 June 2018	2,152,608	31,600,542	33,753,150
Increase/(decrease) in value of financial asset investments	313,116	-	313,116
As at 30 June 2019	2,465,724	31,600,542	34,066,266

Nature and purpose of reserves

Financial assets

Changes in the fair value and exchange differences arising on translation of investments that are classified as financial assets (e.g., equities), are recognised in other comprehensive income and accumulated in a separate reserve within equity.

Asset revaluation reserve

The land and building of Hyde Park Inn is measured at fair value, with changes in fair value being recognised in OCI. RSL NSW engaged an independent valuation specialist to assess the fair value of the property as at 30 June 2018, see accounting policy note 2(f) for details. Subsequent revaluations of the land and building of Hyde Park Inn are measured through the asset revaluation reserve.

19. Commitments , contingencies and lease commitments

Capital Commitments

RSL NSW did not have any capital commitments as at 30 June 2019 (30 June 2018: nil).

Contingent liabilities

RSL NSW has a Bank Guarantee of \$26,517 against Campbelltown warehouse lease as at 30 June 2019 (30 June 2018: nil).

Lease commitments

RSL NSW has entered into an operating lease for the warehouse at unit 1, 25 Badgally Road, Campbelltown. Lease term is until 30-Sep-2023. Future minimum rental payable under non-cancellable operating lease as at 30-Jun-2019 are as follows:

	12 months ended 30 June 2019	6 months ended 30 June 2018
	\$	\$
Within one year	81,596	-
After one year but not more than five years	282,224	-
More than five years	-	-
	363,820	-

The Returned and Services League of Australia (New South Wales Branch)

Notes to the financial statements (continued)

For the year ended 30 June 2019

20. RSL NSW support fund

The 2018 sub-Branch Support Fund is based on a resolution passed by State Council on 21 February 2018, directing certain sub-Branches to contribute a calculated amount to the Support Fund. This directive was to provide assistance to certain financially distressed sub-Branches during the 2018 calendar year. Details of the amounts received and paid to 30 June 2019, are as follows:

sub-Branch Name	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
	Contributions	Contributions
Ashfield RSL sub-Branch	-	2,980
Avalon Beach RSL sub-Branch	7,570	-
Balgowlah-Seaforth-Clontarf RSL sub-Branch	-	36,217
Ballina RSL sub-Branch	-	38,538
Bass Hill RSL sub-Branch	3,453	3,300
Bathurst RSL sub-Branch	-	13,843
Bexley RSL sub-Branch	14,792	-
Blayney RSL sub-Branch	2,000	-
Bondi Junction/Waverley RSL sub-Branch	92,263	-
Brighton Le Sands RSL sub-Branch	-	42,228
Bronte RSL sub-Branch	-	9,342
Bundanoon RSL sub-Branch	5,000	-
Burwood RSL sub-Branch	53,484	-
Camden RSL sub-Branch	-	3,600
Campsie RSL sub-Branch	10,195	10,000
Canterbury Hurlstone Park RSL sub-Branch	-	37,472
Cardiff RSL sub-Branch	-	6,183
Castle Hill and District RSL sub-Branch	-	82,172
Chatsworth/Illuka RSL sub-Branch	5,000	-
Chester Hill-Carramar RSL sub-Branch	16,345	-
City of Blacktown RSL sub-Branch	107,366	-
City of Newcastle RSL sub-Branch	-	15,043
City of Penrith RSL sub-Branch	-	35,862
City of Queanbeyan RSL sub-Branch	-	28,875
City of Wollongong RSL sub-Branch	-	5,194
Collaroy RSL sub-Branch	2,000	-
Coogee Randwick Clovelly RSL sub-Branch	-	22,316
Corrimal RSL sub-Branch	2,156	-
Cumberland RSL sub-Branch	-	161,472
Dee Why RSL sub-Branch	30,426	-
Doyalson RSL sub-Branch	-	7,101
Enfield/Croydon Park RSL sub-Branch	-	15,157
Five Dock RSL sub Branch	127,250	-
Forestville RSL sub-Branch	20,000	-
Glen Innes RSL sub-Branch	-	4,727
Huskisson RSL sub-Branch	-	27,251
Ingleburn RSL sub-Branch	-	9,696
Kensington RSL sub-Branch	21,000	30,838
Matraville RSL sub-Branch	-	15,801
Merchant Navy RSL sub-Branch	1,104	-
Merewether-Hamilton-Adamstown RSL sub-Branch	-	16,054
Merrylands RSL sub-Branch	-	7,898
Miranda RSL sub-Branch	-	1,249
Contributions received carry forward	521,404	690,410

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

20. RSL NSW support fund (continued)

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
sub-Branch Name	Contributions	Contributions
Contributions brought forward	521,404	690,410
Nelson Bay RSL sub-Branch	12,023	-
Newtown RSL sub-Branch	8,128	-
North Bondi RSL sub-Branch	200,000	-
Paddington/Woollahra RSL sub-Branch	5,000	-
Pelican Flat RSL sub-Branch	15,572	20,000
Ramsgate RSL sub-Branch	-	34,221
Redfern RSL sub-Branch	-	9,035
Rockdale RSL sub-Branch	-	18,941
Seven Hills Toongabbie Wentworthville RSL sub-Branch	-	44,550
South Lake Macquarie RSL sub-Branch	7,577	-
Tamworth RSL sub-Branch	-	1,061
The Entrance/Long Jetty RSL sub-Branch	39,995	-
Toronto RSL sub-Branch	3,722	-
Toukley RSL sub-Branch	-	5,738
Tumut RSL sub-Branch	5,033	-
Wagga Wagga RSL sub-Branch	-	24,198
Wyong RSL sub-Branch	-	21,203
Total contributions received	818,454	869,358

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

20. RSL NSW support fund (continued)

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Distributions made to sub-Branches	Distributions Made	Distributions Made
Aberdeen RSL sub-Branch	-	(2,000)
Abermain RSL sub-Branch	-	(18,316)
Adaminaby RSL sub-Branch	-	(2,641)
Ariah Park RSL sub-Branch	-	(2,658)
Arncliffe RSL sub-Branch	(15,508)	-
Austinmer-Thirroul RSL sub-Branch	-	(14,906)
Balmain Rozelle RSL sub-Branch	(22,656)	-
Balranald RSL sub-Branch	-	(4,477)
Bangalow RSL sub-Branch	(19,576)	-
Baradine RSL sub-Branch	-	(6,458)
Barham & District RSL sub-Branch	-	(17,596)
Barraba RSL sub-Branch	-	(5,931)
Berrigan RSL sub-Branch	(12,935)	-
Berry RSL sub-Branch	(15,545)	-
Bingara RSL sub-Branch	-	(7,035)
Blackheath/Mt Victoria RSL sub-Branch	-	(20,976)
Blaxland/Glenbrook RSL sub-Branch	(19,985)	-
Blayney RSL sub-Branch	-	(7,549)
Boggabri RSL sub-Branch	(11,738)	-
Bonalbo RSL sub-Branch	-	(5,324)
Boorowa RSL Sub Branch	-	(9,782)
Bowral RSL sub-Branch	(12,004)	-
Bowraville and District RSL sub-Branch	(10,336)	-
Braidwood RSL sub-Branch	-	(16,838)
Branxton RSL sub-Branch	-	(24,947)
Bribbaree RSL sub-Branch	-	(4,054)
Bulahdelah RSL sub-Branch	-	(6,225)
Bundanoon RSL sub-Branch	-	(8,907)
Burringbar RSL sub-Branch	(4,141)	-
Candelo RSL sub-Branch	-	(4,014)
Canowindra RSL sub-Branch	-	(5,722)
Cessnock RSL sub-Branch	(24,775)	-
Chatsworth/Illuka RSL sub-Branch	-	(9,747)
Cobar RSL sub-Branch	(10,881)	-
Cobargo RSL sub-Branch	-	(11,767)
Coledale RSL sub-Branch	(4,545)	(10,370)
Collarenebri RSL sub-Branch	-	(5,850)
Collaroy RSL sub-Branch	-	(12,605)
Coolah RSL sub-Branch	-	(6,182)
Coolamon RSL sub-Branch	(13,684)	-
Cooma/Monaro RSL sub-Branch	-	(10,202)
Coonabarabran RSL sub-Branch	(7,221)	-
Corowa RSL sub-Branch	(25,271)	-
Crookwell RSL sub-Branch	-	(11,249)
Culburra Beach-Orient Point RSL sub-Branch	-	(15,328)
Culcairn RSL sub-Branch	-	(5,285)
Distributions carried forward	(230,801)	(294,943)

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

20. RSL NSW support fund (continued)

	12 months ended 30 June 2019	6 months ended 30 June 2018
	\$	\$
Distributions made to sub-Branches (continued)		
Distributions brought forward	(230,801)	(294,943)
Darlington Point/Coleambally RSL sub-Branch	-	(4,681)
Delegate RSL sub-Branch	-	(8,180)
Dunedoo/Leadville RSL sub-Branch	-	(3,550)
Eden and District RSL sub-Branch	-	(13,155)
Estonian RSL sub-Branch	-	(2,851)
Eumungerie/Coboco RSL sub-Branch	-	(16,753)
Finley RSL sub-Branch	(15,682)	-
Ganmain RSL sub-Branch	-	(7,456)
Gilgandra RSL sub-Branch	-	(8,238)
Grenfell RSL sub-Branch	(6,627)	-
Gresford RSL sub-Branch	-	(6,460)
Greta RSL sub-Branch	-	(8,631)
Gundagai RSL sub-Branch	(34,686)	-
Guyra RSL sub-Branch	(5,820)	-
Harbord RSL sub-Branch	(5,780)	-
Harrington-Crowdy Head RSL sub-Branch	-	(17,393)
Hay RSL sub-Branch	(7,739)	-
Heathcote RSL sub-Branch	(7,325)	-
Helensburgh RSL sub-Branch	-	(3,928)
Henty RSL sub-Branch	-	(3,984)
Hillston-Ivanhoe RSL sub-Branch	-	(7,676)
Howlong RSL sub-Branch	(13,068)	-
Jerilderie RSL sub-Branch	-	(4,431)
Junee RSL sub-Branch	(9,235)	-
Kandos RSL sub-Branch	(4,943)	-
Karuah RSL sub-Branch	(30,266)	-
Kendall RSL sub-Branch	-	(7,062)
Kiama Jamberoo RSL sub-Branch	-	(22,969)
Lake Cargelligo RSL sub-Branch	-	(1,154)
Lane Cove RSL sub-Branch	(4,785)	-
Leeton RSL sub-Branch	(22,351)	-
Lockhart RSL sub-Branch	-	(4,463)
Lord Howe Island RSL sub-Branch	-	(5,858)
Lyndhurst RSL sub-Branch	-	(1,874)
Maltese Ex-Servicemen's Association RSL sub-Branch	-	(6,250)
Maritime Services Board RSL sub-Branch	-	(2,619)
Masonic RSL sub-Branch	-	(5,209)
Medowie RSL sub-Branch	(5,203)	-
Mendooran RSL sub-Branch	-	(2,769)
Merchant Navy RSL sub-Branch	-	(4,776)
Merriwa RSL sub-Branch	-	(11,823)
Milton/Ulladulla RSL sub-Branch	(14,474)	-
Mittagong RSL sub-Branch	(26,158)	-
Moama RSL sub-Branch	(15,856)	-
Molong RSL sub-Branch	-	(6,107)
Moree RSL sub-Branch	(27,351)	-
Moruya RSL sub-Branch	(8,532)	-
Mosman RSL sub-Branch	-	(20,503)
Moss Vale RSL sub-Branch	-	(14,083)
Mungindi RSL sub-Branch	-	(12,855)
Nabiac RSL sub-Branch	-	(5,654)
Narooma RSL sub-Branch	(27,431)	-
Narrandera RSL sub-Branch	(13,230)	-
Norfolk Island RSL sub-Branch	(21,721)	-
North Sydney RSL sub-Branch	(19,731)	-
Nyngan RSL sub-Branch	(6,542)	-
Peak Hill RSL sub-Branch	-	(3,799)
Picton-Thirlmere-Bargo RSL sub-Branch	(25,556)	-
Portland RSL sub-Branch	-	(4,592)
Pottsville District RSL sub-Branch	-	(27,979)
Quirindi RSL sub-Branch	-	(11,167)
Distributions carried forward	(610,893)	(595,875)

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

20. RSL NSW support fund (continued)

	12 months ended 30 June 2019	6 months ended 30 June 2018
	\$	\$
Distributions made to sub-Branches (continued)		
Distributions brought forward	(610,893)	(595,875)
Scone RSL sub-Branch	-	(4,632)
Shoalhaven Heads RSL sub-Branch	-	(25,342)
Snowy River RSL sub-Branch	-	(10,733)
South Grafton RSL sub-Branch	(26,332)	-
St Georges Basin RSL sub-Branch	(4,908)	-
Stuarts Point RSL sub-Branch	-	(7,456)
Taralga RSL sub-Branch	-	(12,063)
Taylor's Arm RSL sub-Branch	-	(12,812)
Teachers RSL sub-Branch	-	(7,276)
Temora RSL sub-Branch	(7,222)	-
Tenterfield RSL sub-Branch	(8,078)	-
The Rock RSL sub-Branch	-	(11,641)
Tingha RSL sub-Branch	-	(7,065)
Tomakin RSL sub-Branch	-	(5,270)
Ulmarra RSL sub-Branch	-	(4,049)
Ungarie RSL sub-Branch	-	(5,542)
Uralla RSL sub-Branch	(13,317)	-
Urbenville RSL sub-Branch	-	(18,170)
Urunga RSL sub-Branch	-	(5,515)
Walcha RSL sub-Branch	(7,427)	-
Walgett RSL sub-Branch	-	(5,715)
War Veterans Village (Narrabeen) RSL sub-Branch	(12,304)	-
Warialda and District RSL sub-Branch	(3,521)	-
Werris Creek RSL sub Branch	(17,000)	-
Weston RSL sub-Branch	-	(21,532)
Wirrimah/Koorawatha RSL sub-Branch	-	(13,136)
Woodburn/Evans Head RSL sub-Branch	(21,675)	-
Woodenbong RSL sub-Branch	-	(5,642)
Woronora River RSL sub-Branch	(37,253)	-
Yamba RSL sub-Branch	-	(28,886)
Yass RSL sub-Branch	(17,402)	-
Yenda RSL sub-Branch	-	(5,198)
Young RSL sub-Branch	(17,701)	-
Total distributions made	(805,033)	(813,549)
Amount yet to be distributed	13,421	55,809
Amount taken to income	69,230	-
Special purpose obligations at 30 June	-	55,809

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

21. Related party information

	Description of transactions	Entity Type	30 June 2019	30 June 2018
Revenue from			\$	\$
ANZAC House Trust	Management fees	1	20,400	10
RSL Welfare & Benevolent Institution (WBI)	fees & Shared expenses	2	2,536,903	490,072
Australian Forces Overseas Fund (AFOF)	Management fees	4	26,476	-
			2,583,779	490,082
			30 June 2019	30 June 2018
Payments To			\$	\$
ANZAC House Trust	Office Rent	1	258,036	134,062
RSL Welfare & Benevolent Institution (WBI)	BEST Grant & Shared expenses	2	206,449	106,258
			464,485	240,320
			30 June 2019	30 June 2018
Amounts owed by/(to) Related Parties			\$	\$
ANZAC House Trust		1	1,870	(22,088)
RSL Welfare & Benevolent Institution (WBI)		2	1,202,343	242,208
RSL LifeCare		3	(211,603)	-
			992,610	220,120

Entity Type

1. The entity is the co-occupier of the premises sub-leased by the Trust. The entity and the Trust have common natural persons as members of the Board of Management
2. RSL WBI and the Entity share resources and have common management personnel. The entity provides services to the Trustees
3. RSL NSW is the sole member of RSL LifeCare.
4. The entity and the Trust have common natural persons as members of the Board of Management

RSL NSW was provided funding from RSL LifeCare in March and April 2018 to support the delivery of services by RSL NSW to current serving veterans. The funding agreement was for the delivery of services within the period of 1 January to 30 September 2018. A separate agreement was entered into with RSL WBI for RSL NSW to deliver services to ex-serving veterans, the cost of which was invoiced by RSL NSW to RSL WBI. RSL WBI employees were seconded to RSL NSW to allow for the provision of these services. On 1 January 2019, RSL WBI employees were permanently transferred to RSL NSW to allow for the continuation of these services. RSL WBI continues to fund the provision of services to ex-serving veterans.

22. Auditors remuneration

	12 months ended 30 June 2019	6 months ended 30 June 2018
The auditor of RSL NSW is Ernst & Young (Australia)	\$	\$
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit of the financial report of the entity	99,840	134,411
Accounting assistance	-	47,380
Other audit services	12,480	-
	112,320	181,791

The Returned and Services League of Australia (New South Wales Branch)
Notes to the financial statements (continued)
For the year ended 30 June 2019

23. Board of Directors and key management personnel compensation

The members of the Board during the reporting period was as follows:

Name	Position
James Brown	President, resigned 19 June 2019
Raymond James	Acting President
Michael Bainbridge	Director, resigned 20 February 2019
Phillip Chin	State Treasurer
Sandra Lambkin	Director
Bryan Slattery	Director
Scott Seccombe	Director, resigned 11 November 2018
Gregory Makutu	Director, resigned 28 May 2019
David Bell	Director, appointed 11 June 2019
Phillip Bridie	Director, appointed 15 April 2019
John Hutcheson	Director, appointed 15 April 2019
Sophie Ray	Director, appointed 11 June 2019
Jonathon Tuckfield	Director, appointed 11 June 2019

The Directors are not remunerated by RSL NSW, only certain expenses incurred on behalf of RSL NSW are reimbursed. These expenses amounted to \$61,807 (2018: \$30,538).

Key management personnel are persons who have authority and responsibility for planning, directing and controlling the activities of RSL NSW during the financial period. The key management personnel in office during the financial period were:

Name	Position
Robyn Collins	Chief Executive Officer
Jeffrey O'Brien	State Secretary
Rajeesh Nair	Chief Operating Officer
Leanne Meyer	General Counsel
Nicole Hasrouni	Chief Financial Officer, appointed 9 Apr 2019
Shannah Baichoo	General Manager, Revenue Generation, appointed 22 Oct 2018
Nicholas Mowat	Company Secretary
Wayne Watson	Client Services Manager, appointed 1 Jan 2019
Michael Hartung	General Manager, Veteran Sport Australia, appointed 3 Dec 2018

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Total compensation paid to key management personnel	1,539,263	736,377

24. Donations made

	12 months ended	6 months ended
	30 June 2019	30 June 2018
	\$	\$
Funds were distributed as follows:		
RSL sub-Branches	29,814	-
Donations Made	30,695	60,466
Invictus Games Contribution	557,500	507,157
Total	618,009	567,623



Responsible Entities' declaration

I, Ronald Raymond James, Acting President of The Returned and Services League of Australia (New South Wales Branch) (RSL NSW) declare that:

1. RSL NSW suspended fundraising from 9 August 2017 and as at the date of making this declaration, fundraising has not recommenced. As a result, RSL NSW has not conducted any fundraising appeals and has not received or applied any income or incurred any expenditure with respect to fundraising appeals during the financial period to 30 June 2019.
2. In my opinion:
 - a) the financial statements and notes of RSL NSW satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012, including by giving a true and fair view of the financial position of RSL NSW as at 30 June 2019 and of its performance for the year ended on that date; and by complying with Australian Accounting Standards to the extent described in Note 2 to the financial statements;
 - b) there are reasonable grounds to believe RSL NSW is able to pay all of its debts as and when they become due and payable.
3. I am authorised by the responsible entities to sign this declaration under section 60.15(2) of the ACNC Regulation.

Ronald Raymond James
Acting President
RSL NSW

Dated this 25 day of September 2019



President's declaration given under Charitable Fundraising Authority Condition 6(3)

I, Ronald Raymond James, Acting President of The Returned and Services League of Australia (New South Wales Branch) (RSL NSW) declare that:

1. RSL NSW suspended fundraising from 9 August 2017 and as at the date of making this declaration, fundraising has not recommenced. As a result, RSL NSW has not conducted any fundraising appeals and has not received or applied any income or incurred any expenditure with respect to fundraising appeals during the financial period to 30 June 2019.
2. In the circumstances, and to the relevant extent, in my opinion:
 - a) the income statement gives a true and fair view of the state of affairs of income and expenditure of RSL NSW with respect to fundraising appeals;
 - b) the balance sheet gives a true and fair view of the state of affairs of RSL NSW with respect to fundraising appeals;
3. As there has been no fundraising activity in the relevant financial period as a result of the fundraising ban, it is not possible to express an opinion on whether:
 - a) the provisions of the Act, the regulations under the Act and the conditions attached to the RSL NSW Charitable Fundraising Authority have been complied with; or
 - b) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by RSL NSW from any fundraising appeal.

Ronald Raymond James
Acting President
RSL NSW

Dated this 25 day of September 2019

Independent Auditor's Report to the Members of The Returned and Services League of Australia (New South Wales Branch)

Opinion

We have audited the financial report, being a special purpose financial report, of The Returned and Services League of Australia (New South Wales Branch) (the "League"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 2, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

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 Company 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 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 relating 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

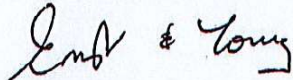
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

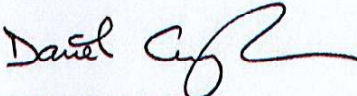
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.



Ernst & Young



Daniel Cunningham
Partner
Sydney
25 September 2019



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Auditor's Independence Declaration to the Members of The Returned and Services League of Australia (New South Wales Branch)

In relation to our audit of the financial report of The Returned and Services League of Australia (New South Wales Branch) for the year ended 30 June 2019, 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 the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Daniel W Cunningham
Partner
25 September 2019