



**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 2023**

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

### **Contents**

Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7
Responsible entities' declaration	23
President's declaration	24
Independent auditor's report	25
Auditor independence declaration	28

**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 2023**

		2023	2022
	Notes	\$	\$
Donations received		5,062,203	4,280,011
Management fees		62,263	46,876
Fair value gain on investment properties	10	897,202	1,000,612
Gain on sale of investment properties		-	5,258,127
Grants		175,417	215,349
Hotel revenue	4.1	8,100,732	3,881,907
Interest income		464,449	59,689
Membership fees and subscriptions		-	95,743
Other income	4.2	987,913	925,604
Rental income		130,626	87,350
Sale of goods		35,528	33,832
<b>Total revenue</b>		<b>15,916,333</b>	<b>15,885,099</b>
Administration expenses		(799,751)	(763,728)
Communications and publications		(283,312)	(195,743)
Cost of goods sold		(27,153)	(29,695)
Client support payments		-	(8,253)
Depreciation expense	8	(420,178)	(262,822)
Amortisation expense	9	(83,674)	(110,970)
Donations made	23	(2,873,282)	(3,225,865)
Employee benefits expense		(5,423,008)	(4,182,660)
Events		(349,186)	(290,773)
Bad debts		(115)	-
Hotel related expenses		(1,648,958)	(1,067,267)
Interest paid - Lease Liability		(2,313)	(1,731)
Amortisation of Lease Asset in Use	18	(9,531)	(6,991)
Loss on disposal of assets		(72,856)	(50,191)
Other employee related expenses		(326,731)	(198,632)
Other expenses		(177,968)	(64,529)
Professional fees		(1,056,055)	(1,084,083)
Property expenses		(507,128)	(142,484)
RSL National fees		(383,526)	(517,894)
Director and President expenses		(45,950)	(28,903)
<b>Total expenses</b>		<b>(14,490,675)</b>	<b>(12,233,214)</b>
<b>Net surplus for the period</b>		<b>1,425,658</b>	<b>3,651,885</b>
<b>Other comprehensive income</b>			
Increase in the fair value of land and buildings	17	2,849,577	2,955,975
Net change in fair value of financial assets	17	595,906	(2,023,477)
<b>Other comprehensive income for the period</b>		<b>3,445,483</b>	<b>932,498</b>
<b>Total comprehensive income for the period</b>		<b>4,871,141</b>	<b>4,584,383</b>

*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 2023**

	Notes	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	15,693,357	10,343,233
Trade and other receivables	6	360,521	360,485
Inventories		44,049	42,334
Other financial assets	7	3,000,000	-
<b>Total current assets</b>		<b>19,097,927</b>	<b>10,746,052</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	65,607,099	63,176,305
Intangible assets	9	147,767	231,441
Investment properties	10	23,805,512	22,908,310
Financial assets	11	13,888,720	12,174,016
Right of Use Asset	18	31,771	41,302
Other financial assets	7	322,582	27,220
<b>Total non-current assets</b>		<b>103,803,451</b>	<b>98,558,594</b>
<b>Total assets</b>		<b>122,901,378</b>	<b>109,304,646</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	13	5,209,225	4,200,925
Specific purpose obligations	15	8,871,288	-
Employee benefit liabilities	14	791,316	768,157
Lease Liability	18	9,261	8,715
<b>Total current liabilities</b>		<b>14,881,090</b>	<b>4,977,797</b>
<b>Non-current liabilities</b>			
Employee benefit liabilities	14	30,572	18,508
Specific purpose obligations	15	81,039	4,561,544
Lease Liability	18	23,929	33,190
Deferred income	16	9,900,000	6,600,000
<b>Total non-current liabilities</b>		<b>10,035,540</b>	<b>11,213,242</b>
<b>Total liabilities</b>		<b>24,916,630</b>	<b>16,191,039</b>
<b>Net assets</b>		<b>97,984,748</b>	<b>93,113,607</b>
<b>Equity</b>			
Accumulated funds		48,759,333	47,333,675
Fair value reserve	17	49,225,415	45,779,932
<b>Total equity</b>		<b>97,984,748</b>	<b>93,113,607</b>

*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 2023**

	Accumulated funds	Fair value reserve	Total equity
	\$	\$	\$
<b>At 1 July 2021</b>	<b>43,681,790</b>	<b>44,847,434</b>	<b>88,529,224</b>
Net surplus for the year	3,651,885	-	3,651,885
Other comprehensive income (Note 17)	-	932,498	932,498
<b>Total comprehensive income for the year</b>	<b>3,651,885</b>	<b>932,498</b>	<b>4,584,383</b>
<b>At 30 June 2022</b>	<b>47,333,675</b>	<b>45,779,932</b>	<b>93,113,607</b>
<b>At 1 July 2022</b>	<b>47,333,675</b>	<b>45,779,932</b>	<b>93,113,607</b>
Net surplus for the year	1,425,658	-	1,425,658
Other comprehensive income (Note 17)	-	3,445,483	3,445,483
<b>Total comprehensive income for the year</b>	<b>1,425,658</b>	<b>3,445,483</b>	<b>4,871,141</b>
<b>At 30 June 2023</b>	<b>48,759,333</b>	<b>49,225,415</b>	<b>97,984,748</b>

*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 2023**

	Notes	2023	2022
		\$	\$
<b>Cash flow from operating activities</b>			
Membership fees and employees subscriptions		-	95,743
Payments to suppliers and employees		(10,081,121)	(4,909,277)
Receipts from accommodation charges		8,185,936	3,953,606
Grants received		175,417	215,349
Donations received		5,297,412	4,694,383
Receipts from other income		341,272	357,276
Receipts from sale of goods		104,133	43,008
Investment income		192,889	134,226
Dividends received		426,288	88,994
Interest received		378,750	41,940
Donations paid		(2,872,364)	(3,177,514)
Interest paid		-	(22)
Receipts for Special purpose funds		4,379,399	4,472,306
<b>Net cash from operating activities</b>	5.2	<b>6,528,011</b>	<b>6,010,018</b>
<b>Cash flow from investing activities</b>			
Deposit from sale of asset		3,300,000	3,300,000
Disposal of Investment Properties		-	8,558,127
Purchase of property, plant and equipment		(1,821)	(99,528)
Disposal of property, plant and equipment		427	400
Purchase of financial instruments		(8,173,446)	(19,126,910)
Disposal of financial instruments		3,707,981	9,207,588
<b>Net cash from/(used in) investing activities</b>		<b>(1,166,859)</b>	<b>1,839,677</b>
<b>Cash flow from financing activities</b>			
Lease payment		(11,028)	(8,110)
<b>Net cash used in financing activities</b>		<b>(11,028)</b>	<b>(8,110)</b>
Cash at beginning of the period		10,343,233	2,501,648
Net increase in cash and cash equivalents		5,350,124	7,841,585
<b>Cash and Cash equivalents at 30 June 2023</b>	5.1	<b>15,693,357</b>	<b>10,343,233</b>

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

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements**  
**For the year ended 30 June 2023**

**1. Entity information**

The financial statements of The Returned and Services League of Australia (New South Wales Branch) ("RSL NSW") for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 21 September 2023.

RSL NSW 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 the Corporations Act 2001.

The registered office and principal place of business of RSL NSW is ANZAC House, 175 Pitt Street, Sydney, NSW 2000.

The principal activities of RSL NSW during the financial year were to provide for the well-being, care and commemoration of serving and ex-serving Defence Force personnel and their dependants and promote Government and Community awareness of current issues relevant to serving and ex-serving ADF personnel.

**2. Summary of significant accounting policies**

**a) 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 RSL NSW sub-Branches or 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. The Board has determined that the accounting policies adopted are appropriate to meet the needs of the users.

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 (\$).

**Changes in accounting policies, new and amended standards and interpretations**

RSL NSW has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The impact of these new standards and interpretations, however, is not expected to have a material impact on RSL NSW's financial statements.

**b) AASB 16 Leases**

At inception of a new lease contract, RSL NSW will assess whether a contract is a lease contract. A contract is a lease contract if the contract gives the right to control the use of the underlying asset for a period of time in exchange for a rental payment. The lease term is the minimum number of periods (months/years) for which RSL NSW is contractually obligated to pay the lease rentals. Judgement is used to determine whether an extension option will be exercised at the end of the lease term.

For lease contracts with a lease term of 12 months or less, or where a lease is for a low value asset, Management elect to apply a recognition exemption and lease payments are recognised as an expense in the profit and loss statement.

**Measurement and recognition of Lease liability**

The lease liability is initially measured at the present value of the lease rental payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, RSL NSW's incremental borrowing rate. Generally RSL NSW uses its incremental borrowing rate as the discount rate. After initial recognition, the lease liability is amortised over the period of the lease using the annualised rental payment.

**Measurement and recognition of Right of use asset**

A right of use asset is recognised and is initially recorded at the same value as the lease liability.

It is then recorded in the balance sheet as "Lease Right of Use Asset" and amortised over the lease term using the straight line method. After initial recognition, the Right of Use Asset is measured using the depreciated cost model.

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

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

**c) AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for Profit Entities**

Under AASB 15, a customer of RSL NSW is a party that has contracted with RSL NSW to obtain goods or services that are an output of RSL NSW's ordinary activities in exchange for consideration. The new revenue standard has a single model to deal with revenue from contracts with customers. Its core principle is that revenue should be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which RSL NSW expects to be entitled in exchange for those goods or services.

RSL NSW uses a 5 – step approach to revenue recognition and measurement as follows:

- Identify the contract with the customer
- Identify the separate performance obligations
- Determine the transaction price
- Allocate the transaction price to the separate performance obligations
- Recognise revenue when (or as) performance obligations are satisfied

RSL NSW applies AASB 1058 Income of Not-for-Profit Entities when RSL NSW enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset, principally to enable the organisation to further its charitable objectives. RSL NSW will recognise and measure the asset at fair value in accordance with other applicable Australian Accounting Standards.

RSL NSW follows the above conditions to recognise its rental income arising from leases on the investment properties over the lease term and includes this income as revenue in the statement of profit or loss. RSL NSW also follows the above conditions to recognise its grants and donation income when received.

**d) 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

All other liabilities are classified 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 2023**

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

**e) 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 market 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

**f) 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.

**g) 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.

**h) Inventories**

Inventories comprise goods for resale and goods for distribution for 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.

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

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

**i) 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 listed and non-listed equity investments under this category

**j) 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. All other repairs and maintenance costs are recognised in the statement of profit or loss as incurred.

***Land and buildings***

The land and building is measured at fair value, with changes in fair value recognised in asset revaluation reserve. On December 2020 RSL NSW entered into a put and call option deed with Central Element to sell its land and building Hyde Park Inn. RSL NSW has used the future minimum sale price as the fair value for Hyde Park Inn and has used the discounted present value method to revalue Hyde Park Inn as at 30 June 2023.

A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve 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 reserve.

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

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

**j) Property, plant and equipment (continued)**

***Land and buildings (continued)***

An annual transfer from the asset revaluation reserve 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%
Leasehold improvements	20%

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.

**k) 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%
-------------------	---------

**l) 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 the statement of profit or loss in the period in which they arise.

**m) 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.

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

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

**m) Impairment of non-financial assets (continued)**

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.

Impairment losses are recognised in the statement of profit or loss 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.

**n) 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.

**o) 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.

**p) Taxes**

RSL NSW is a not-for-profit organisation outlined in its constitution and registered with ACNC (Australian Charities and Not-for-profits Commission) and as such, is exempt from income tax.

***Goods and services tax (GST)***

Revenue, 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; and
- 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.

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

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

**q) 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 revenue, expenses, assets and liabilities, 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 affected assets or liabilities 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 assets***

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.

***Fair value measurement of land and buildings***

RSL NSW has entered into a put and call option deed with Central Element to sell its land and building, Hyde Park Inn. RSL NSW has used the future minimum sale price from this deed as the fair value and has used the discounted present value method to revalue Hyde Park Inn as at 30 June 2023. The market incremental borrowing rate at the reporting date has been used, to determine the present value of Hyde Park Inn (Note 8).

***Fair value measurement of investment properties***

RSL NSW has entered into a put and call option deed with Central Element to sell its investment property, 262 Castlereagh Street, Sydney. RSL NSW has used the future minimum sale price from this deed as the fair value and has used the discounted present value method to revalue its investment property as at 30 June 2023. The market incremental borrowing rate at the reporting date has been used, to determine the present value of 262 Castlereagh Street, Sydney (Note 10).

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

**4. Revenue**

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>4.1 Hotel revenue</b>		
Accommodation	8,073,172	3,872,035
Ancillary income	27,560	9,872
	<u>8,100,732</u>	<u>3,881,907</u>
<b>Geographical markets</b>		
Australia	8,100,732	3,881,907
<b>Total revenue from contracts with customers</b>	<u>8,100,732</u>	<u>3,881,907</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	27,560	9,872
Services transferred over time	8,073,172	3,872,035
<b>Total revenue from contracts with customers</b>	<u>8,100,732</u>	<u>3,881,907</u>

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>4.2 Other income</b>		
Closed sub-Branches	11,638	-
Other income*	314,778	243,862
Jobsaver subsidy	-	155,357
Investment income	42,654	10,770
Support and assistance fund contribution	235,208	414,373
Dividends received	383,635	101,242
	<u>987,913</u>	<u>925,604</u>

\*This includes income received from the Legion's merger, postage reimbursement from sub-Branches and business sponsorship from City of Newcastle for Congress.

**5. Cash and cash equivalents**

**5.1. Cash and cash equivalents**

	<u>2023</u>	<u>2022</u>
	\$	\$
Cash at bank and on hand**	15,693,357	10,343,233
Short-term deposits	-	-
	<u>15,693,357</u>	<u>10,343,233</u>

\*\*This includes \$8.87m quarantined funds held on behalf of sub-Branches in 2023. In 2022 sub-Branch quarantined funds was \$4.48m (as disclosed in Note 15).

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 2023**

**5.2. Cash and cash equivalents**

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Cash flow reconciliation</b>		
Reconciliation of surplus/(deficit) to net cash flows from/(used in) operations:		
<b>Net surplus/(deficit) for the period</b>	1,425,658	3,651,885
<b>Adjustments for:</b>		
Depreciation and amortisation	503,852	373,792
Written-off of intangible assets	-	17,316
(Gain)/loss on sale of property, plant and equipment	-	(400)
Loss on sale of debt instrument	72,856	50,191
Gain on disposal of right-of-use assets	-	(3,449)
(Gain)/loss on sale of investment properties	-	(5,258,127)
Amortisation and interest - lease liability	11,845	8,722
Revaluation (gain)/loss on investment properties	(897,203)	(1,000,612)
Investment Income - Other	-	(10,770)
Accrued dividend income	-	(12,248)
Accrued interest income	(21,551)	(17,749)
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(36)	46,038
(Increase)/decrease in inventories	(1,716)	9,575
Increase in trade and other payables	9,879,588	3,599,491
Increase in employee benefits	35,223	84,054
(Decrease)/increase in special purpose obligations	(4,480,505)	4,472,308
<b>Net cash flows from/(used in) operating activities</b>	<u><b>6,528,011</b></u>	<u><b>6,010,018</b></u>

**6. Trade and other receivables**

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Current</b>		
Trade debtors	8,330	93,534
Sundry debtors	34,917	38,935
Prepayments and accrued income	317,274	228,016
	<u><b>360,521</b></u>	<u><b>360,485</b></u>

**7. Other financial assets**

	<u>2023</u>	<u>2022</u>
	\$	\$
Term Deposit - current	3,000,000	-
	<u><b>3,000,000</b></u>	<u>-</u>
Term Deposit - non-current	322,582	27,220
	<u><b>322,582</b></u>	<u><b>27,220</b></u>

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

**8. Property, plant and equipment**

	Land and buildings	Plant and equipment	Leasehold improvements	Total
	\$	\$	\$	\$
<b>Cost</b>				
<b>At 1 July 2022</b>	63,482,638	429,976	15,598	63,928,212
Additions	-	1,821	-	1,821
Disposals	-	(118,471)	-	(118,471)
Revaluation	2,849,577	-	-	2,849,577
<b>At 30 June 2023</b>	<b>66,332,215</b>	<b>313,326</b>	<b>15,598</b>	<b>66,661,139</b>
<b>Depreciation</b>				
<b>At 1 July 2022</b>	401,295	347,278	3,333	751,907
Depreciation charge for the	379,000	37,404	3,774	420,178
Disposals	-	(118,044)	-	(118,045)
<b>At 30 June 2023</b>	<b>780,296</b>	<b>266,638</b>	<b>7,107</b>	<b>1,054,040</b>
<b>Net book value</b>				
<b>At 30 June 2023</b>	<b>65,551,919</b>	<b>46,688</b>	<b>8,491</b>	<b>65,607,099</b>
<b>At 30 June 2022</b>	<b>63,081,343</b>	<b>82,698</b>	<b>12,265</b>	<b>63,176,305</b>

**Additions**

Additions relate to the LED Smart TV for the Board room at 175 Pitt Street, Sydney.

**Hyde Park Inn**

In December 2020, RSL NSW entered into a Put and Call Option (PCO) Deed for the the sale of Hyde Park Inn and 262 Castlereagh Street with Central Element. The PCO will allow the purchaser to exercise a call option during the call option period (between 30-48 months from the date of the Deed) to buy Hyde Park Inn and 262 Castlereagh Street. If the call option is not exercised by Central Element, RSL NSW can exercise a put option during the put option period (15 business days after the call option expiry date) to sell both properties and make the agreement binding for both parties. The future Minimum Purchase Price has been agreed at \$95m. RSL NSW has used this \$95m plus a forecast uplift of \$11m as a future fair value for both Hyde Park Inn and 262 Castlereagh Street and has used the discounted present value method to revalue Hyde Park Inn and 262 Castlereagh Street as at 30 June 2023. A discount rate of 10.18% has been selected which is the market incremental borrowing rate at the reporting date to determine the present value of the properties. This has resulted in a revaluation gain of \$2.8m for Hyde Park Inn which has been credited to the asset revaluation reserve in equity.



**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

**9. Intangible Assets**

	<b>Intangible Assets</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
<b>At 1 July 2022</b>	776,190	776,190
Additions	-	-
Disposals	-	-
<b>At 30 June 2023</b>	<b>776,190</b>	<b>776,190</b>
<b>Amortisation</b>		
<b>At 1 July 2022</b>	544,749	544,749
Amortisation charge for the period	83,674	83,674
Disposals	-	-
<b>At 30 June 2023</b>	<b>628,423</b>	<b>628,423</b>
	-	-
<b>Net book value at 30 June 2023</b>	<b>147,767</b>	<b>147,767</b>
<b>Net book value at 30 June 2022</b>	<b>231,441</b>	<b>231,441</b>

**10. Investment properties**

	<b>Investment properties</b>
	<b>\$</b>
<b>262 Castlereagh Street, Sydney</b>	
Fair value 1 July 2021	21,907,698
Net gains from fair value adjustment	1,000,612
<b>Fair value 30 June 2022</b>	<b>22,908,310</b>
Fair value 1 July 2022	22,908,310
Net gains from fair value adjustment	897,202
<b>Fair value 30 June 2023</b>	<b>23,805,512</b>

**262 Castlereagh Street, Sydney**

In 2015, RSL NSW purchased 262 Castlereagh Street, Sydney for \$8,690,000 and in future periods incurred expenses in respect of a development application of \$782,179. The property was reclassified to as an investment property for the year ended 31 December 2016 to reflect its intended use. The property was intended to be held for capital appreciation. On December 2020, RSL NSW entered into a Put and Call Option (PCO) deed with Central Element to sell 262 Castlereagh Street along with Hyde Park Inn. The future Minimum Purchase Price has been agreed at \$95m for both properties. RSL NSW has used this \$95m plus a forecast uplift of \$11m as a future fair value for both Hyde Park Inn and 262 Castlereagh Street and has used the discounted present value method to revalue 262 Castlereagh Street as at 30 June 2023. This has resulted in a revaluation gain of \$897k for 262 Castlereagh Street which has been credited to the profit and loss statement as a fair value gain on investment properties.

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

**11. Financial Asset investments**

**Financial assets held at fair value through other comprehensive income**

	<u>2023</u>	<u>2022</u>
	\$	\$
Investment - Debt Instruments	6,374,024	6,289,583
Mortgage and wholesale funds	5,392,901	4,989,965
Investment - Alternative Assets	2,121,794	894,468
	<b>13,888,720</b>	<b>12,174,016</b>

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

**12. Fair value measurement**

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

	<u>Date of Valuation</u>	<u>\$</u>
<b>Assets measured at fair value:</b>		
<b>Financial Asset investments (Note 11)</b>		
Mortgage and wholesale funds	<b>2023</b>	<b>5,392,901</b>
	2022	4,989,965
Investment - Debt Instruments	<b>2023</b>	<b>6,374,024</b>
	2022	6,289,583
Investment - Alternative Assets	<b>2023</b>	<b>2,121,794</b>
	2022	894,468
<b>Property, plant and equipment (Note 8)</b>		
Hyde Park Inn	<b>2023</b>	<b>65,551,919</b>
	2022	63,081,343
<b>Investment properties (Note 10)</b>		
262 Castlereagh Street, Sydney	<b>2023</b>	<b>23,805,512</b>
	2022	22,908,310

The fair value of financial assets 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 2023**

**13. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade and other payables	1,662,304	634,825
Deposits in advance	56,006	102,314
Donation payable to RSL LifeCare	2,619,622	3,162,224
Payroll tax payable	7,477	5,334
sub-Branch grant received in advance	863,816	296,228
	<b>5,209,226</b>	<b>4,200,925</b>

**14. Employee benefit liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual leave	386,496	379,849
Long service leave	404,820	388,308
	<b>791,316</b>	<b>768,157</b>
<b>Non-current</b>		
Long service leave	30,572	18,508
	<b>30,572</b>	<b>18,508</b>

**15. Specific purpose obligations**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Funds held on behalf of sub-Branches	8,871,288	-
	<b>8,871,288</b>	<b>-</b>
<b>Non-current</b>		
Youth councils	47,752	41,650
Scholarships	32,494	32,494
Memorial and commemoration provisions	793	793
Funds held on behalf of sub-Branches	-	4,486,607
	<b>81,039</b>	<b>4,561,544</b>

**16. Deferred income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Option fees received in advance from sale of asset	9,900,000	6,600,000
	<b>9,900,000</b>	<b>6,600,000</b>

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

**17. Fair value reserves**

	Fair Value Reserve	Asset revaluation reserve	Total
	\$	\$	\$
<b>As at 1 July 2021</b>	<b>2,659,495</b>	<b>42,187,939</b>	<b>44,847,434</b>
Decrease in value of financial asset investments	(2,023,477)	-	(2,023,477)
Increase in value of land and buildings	-	2,955,975	2,955,975
<b>As at 30 June 2022</b>	<b>636,018</b>	<b>45,143,914</b>	<b>45,779,932</b>
Increase in value of financial asset investments	595,906	-	595,906
Increase in value of land and buildings	-	2,849,577	2,849,577
<b>As at 30 June 2023</b>	<b>1,231,924</b>	<b>47,993,491</b>	<b>49,225,415</b>

**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. On December 2020 RSL NSW entered into a put and call option deed with Central Element to sell Hyde Park Inn. RSL NSW has used the future sale price of \$106m (future minimum sale price of \$95m plus forecast uplift of \$11m) as the fair value for Hyde Park Inn and has used the discounted present value method to revalue Hyde Park Inn as at 30 June 2023. The revaluation gain has been credited to the asset revaluation reserve.

**18. Leases**

RSL NSW entered into lease commitments in August 2021 with FujiFilm for printers and photocopy machines at its office premises. The lease term with FujiFilm will expire in October 2026. Information regarding the leases are presented below:

	Right of Use Asset	
	\$	
<b>Right of Use Asset</b>		
Balance at 1 July 2022		41,302
Additions during the year		-
Amortisation		(9,531)
Disposals during the year		-
<b>Balance at 30 June 2023</b>		<b>31,771</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Lease liability</b>		
<i>Maturity analysis - contractual undiscounted cashflows</i>		
Within one year	11,028	11,028
After 1 year but less than 5 years	25,732	36,760
More than 5 years	-	-
	<b>36,760</b>	<b>47,788</b>
<b>Lease liabilities included in the statement of financial position as at 30 June 2023:</b>		
Current	9,261	8,715
Non-current	23,929	33,190
	<b>33,190</b>	<b>41,905</b>

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

**19. Commitments, contingencies and lease commitments**

**Capital Commitments**

RSL NSW did not have any capital commitments as at 30 June 2023 (30 June 2022: nil).

**Contingent liabilities**

RSL NSW has a Bank Guarantee of \$322,582 against 175 Pitt Street premise's lease commitment as at 30 June 2023 (30 June 2022: nil).

**20. Related party information**

	<b>Description of transactions</b>	<b>Entity Type</b>	<b>2023</b>	<b>2022</b>
<b>Revenue from</b>			<b>\$</b>	<b>\$</b>
ANZAC House Trust	Management fees	1	40,200	20,400
Australian Forces Overseas Fund (AFOF)	Management fees	2	22,063	26,476
RSL LifeCare	Shared expenses	3	6,117	-
			<b>68,380</b>	<b>46,876</b>
			<b>2023</b>	<b>2022</b>
<b>Payments To</b>			<b>\$</b>	<b>\$</b>
RSL LifeCare Ltd.	Donation, grants and other	3	3,166,442	-
			<b>3,166,442</b>	<b>-</b>
			<b>2023</b>	<b>2022</b>
<b>Amounts owed to Related Parties</b>			<b>\$</b>	<b>\$</b>
RSL LifeCare Ltd.		3	(2,619,622)	(3,162,224)
			<b>(2,619,622)</b>	<b>(3,162,224)</b>
<b>Amounts owed by Related Parties</b>				
RSL LifeCare Ltd.		3	6,117	-
			<b>6,117</b>	<b>-</b>

**Entity Type**

1. The entity occupies the premises leased by the Trust. The entity and the Trust have common natural persons as members of the Board of Management.
2. The entity and AFOF have common natural persons as members of the Board of Management.
3. RSL NSW is the sole corporate member of RSL LifeCare Ltd.

**21. Auditors remuneration**

PKF(NS) Audit & Assurance Ltd Partnership was appointed to conduct the audit of the statutory financial report of RSL NSW for the year ended 30 June 2023.

	<b>2023</b>	<b>2022</b>
<b>Amounts received or due and receivable:</b>	<b>\$</b>	<b>\$</b>
Fees for auditing the statutory financial report - PKF(NS) Audit & Assurance Ltd Partnership	60,000	55,000
	<b>60,000</b>	<b>55,000</b>

**The Returned and Services League of Australia (New South Wales Branch)**  
**Notes to the financial statements (continued)**  
**For the year ended 30 June 2023**

**22. Board of Directors and key management personnel compensation**

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

<b>Name</b>	<b>Position</b>
Ronald Raymond James	President
Phillip Chin	Director
Sophie Ray	Director
Phillip Bridie	Director
John Hutcheson	Director
David McCann	Director
Stephen Graham	Director
Louise Sullivan	Director
Jason Hazell	Director
James Hungerford	Director

The Directors are not remunerated by RSL NSW, only certain expenses incurred on behalf of RSL NSW are reimbursed. These expenses amounted to \$45,950 (2022: \$28,903).

Key management personnel are persons who have authority and responsibility for planning, directing and controlling the activities of RSL NSW during the financial period. Total remuneration paid to key management personnel is reported below:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Total compensation paid to key management personnel</b>	1,191,893	1,191,333

**23. Donations made**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Funds were distributed as follows:</b>		
RSL sub-Branches	234,000	66,359
Donations made to RSL LifeCare Ltd.	2,619,622	3,154,506
Donation other	19,660	5,000
	<b>2,873,282</b>	<b>3,225,865</b>



### **Responsible Entities' declaration**

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

- 1) 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 2023 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;
- 2) there are reasonable grounds to believe RSL NSW is able to pay all of its debts as and when they become due and payable.

I am authorised by the responsible entities to sign this declaration under section 60.15(2) of the ACNC Regulation.

A handwritten signature in blue ink that reads 'RR James'.

---

**Ronald Raymond James**  
President  
RSL NSW

Dated this 21st day of September 2023



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

I, Ronald Raymond James, President of The Returned and Services League of Australia (New South Wales Branch) (RSL NSW) declare that in the circumstances and to the relevant extent, in my opinion:

1. 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;
2. the balance sheet gives a true and fair view of the state of affairs of RSL NSW with respect to its fundraising appeals;
3. 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
4. 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 appeals.

Type text here

A handwritten signature in blue ink that reads 'RR James'.

---

**Ronald Raymond James**

President  
RSL NSW

Dated this 21st day of September 2023



**Firm Name**PKF(NS) Audit & Assurance Limited Partnership  
ABN 91 850 861 839PO Box 2368  
Dangar NSW 2309GPO Box 5446  
Sydney NSW 2001

+61(2) 4962 2688

+61(2) 8346 6000

pkf.com.au

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE RETURNED AND SERVICES LEAGUE OF AUSTRALIA (NEW SOUTH WALES BRANCH) ("RSL NSW")

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Returned and Services League of Australia (New South Wales Branch) ("RSL NSW"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of RSL NSW, has been prepared in accordance with *Division 60 of 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 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 2 and *Division 60 of 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 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 report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's 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.

#### Independence

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* (including Independence Standards) (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.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of 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 in accordance with Australian Accounting Standards to the extent described in Note 2 and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

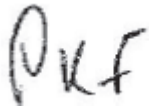
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY  
PARTNER

21 SEPTEMBER 2023  
SYDNEY, NSW



**Firm Name**

PKF(NS) Audit & Assurance Limited Partnership  
ABN 91 850 861 839

PO Box 2368  
Dangar NSW 2309

GPO Box 5446  
Sydney NSW 2001

+61(2) 4962 2688

+61(2) 8346 6000

pkf.com.au

**Auditors' Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of The Returned and Services League of Australia (New South Wales Branch) ("RSL NSW")**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink, appearing to be 'Kym Reilly'.

KYM REILLY  
PARTNER

21 SEPTEMBER 2023  
SYDNEY, NSW