

**Returned & Services League of Australia (Victorian  
Branch) Inc.**

**ABN 73 941 765 364**

**Annual Report - 31 December 2021**

**Returned & Services League of Australia (Victorian Branch) Inc.  
Committee Members' report  
31 December 2021**

Your Committee Members submit the financial statements of Returned & Services League of Australia (Victorian Branch) Inc. (the "Association") for the financial year ended 31 December 2021.

**Committee Members**

The names of committee members throughout the year and at the date of this statement are:

**Brian Cairns (appointed 25 June 2021)**  
Interim CEO

Brian has a very distinguished 30 year association with the RSL and is the current Interim Chief Executive Officer at RSL Victoria providing leadership, governance and direction to both the organisation and the network. In 2008 Brian joined RSL Victoria as the LSBA Executive Officer and in 2012 became the Chief Operating Officer. Brian currently leads the Executive Leadership Team that compromise of the CEO's Office, Veterans Services, Operations and Finance Departments.

**Desmond Callaghan OAM BJ JP**  
Country representative

National Service 1968 to 1970. Joined RSL as a service member 1978. Awarded Life Member in 2000 and Meritorious Medal in 2011. Desmond is proactively involved in other ESO's. Member of State Executive since 2016.

**Glen Philip Ferrarotto**  
Metro representative

Army Reservist from 1997 and posted to 4/19 PWLH Regiment. Enlisted Regular Army from 1998 to 2008. Two overseas deployments with Special Ops. Joined Montmorency Eltham committee in 2016, and elected Senior Vice President in 2017. In 2012 founded Ironside Recruitment, agency for Veterans and Ex-Service Personnel. Personally honoured as Australia's Most Outstanding Contributor to Veteran Employment by the Hon Malcolm Turnbull, Prime Minister of Australia.

**Andrew Hanns**  
State Executive member

Andrew served as a reserve forces rifleman at Geelong Deakin University Company in 1992, to then joining the regular Army to become a ASLAV Armoured Vehicle Crew Commander. Main posting being 2 Cav Regt 1st Brigade Palmerston, deployed to East Timor INTERFET 1999. Outside service Andrew has worked in the construction industry for a decade to pursue helping veterans as a Wellbeing Advocate at the Geelong RSL Sub Branch. During this time has served 3 terms as Sub Branch President.

**Timothy Holden FCA GAICD RITP (appointed 27 May 2021)**  
State Honorary Treasurer

Timothy enlisted with the Royal Australian Navy in 1979. He served on HMAS Cerberus, HMAS Torrens, HMAS Stirling and HMAS Acute prior to being granted an honourable discharge in 1983 at the rank of Able Seaman. Timothy joined RSL as a service member of Beaumaris RSL Sub-Branch in 2013 and became Treasurer in 2017. In May 2021, Timothy was appointed Honorary Treasurer of RSL Victoria. Timothy is a Fellow of Chartered Accountants Australia & New Zealand.

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**Angelos Kenos**

State Executive member

Ange was a naval reserve diver and later a navigating officer. Ange has been a teacher at college, TAFE and University as well as an author of several texts and a pioneer in education. Ange is a cofounder of the Victorian Space Science Education Centre. Ange has previously sat on the boards of RACV, Eye & Ear Hospital, and the foundation vice chair of the SIO/ GIO Consumer Appeals Centre. He is committee member of the Lemnos Gallipoli Commemoration Committee, the Battle of Greece & Battle of Crete Council and a member of the 25 March Greek Committee.

**Terence (Terry) Makings AM (appointed 30 September 2021)**

Terry was in the Royal Australian Navy for over 20 years. He was a Navy Cadet in TS Barwon, Geelong for four years before joining the RAN. Terry left the Navy as a Commander. After the Navy, Terry served in the Melbourne Port Division (RANReserves) as the Senior Technical Officer. He then took up employment with the City of Melbourne, whereby he was employed as Branch Manager, Group Manager, Director Assets & Services and Director Statutory Services.

Terry's active participation in support of Veterans resulted in being asked to contribute as the Associations representative on the Naval Commemoration Committee of Victoria - a committee comprising Ship/Branch Associations. He works tirelessly within the Veteran community and some of his current roles include Governor of the Shrine of Remembrance, Melbourne (since 2006) and President of the Melbourne Sub-section, Naval Association of Australia. He has also received various Awards/Medals, including Member of the Order of Australia, Active Service Medal, Vietnam Logistic and Support Medal and Defence Force Services Medal (20yr Clasp): National Medal.

**David Martin OAM**

Country representative

Enlisted in Army 1964, served in Vietnam from April 1968 to April 1969 and continued serving full time till 1985.

During this time David was promoted to Captain and posted as the Officer Commanding of an Army Workshop in Townsville. Joined RSL in 1969 and appointed Life Membership in 2004, and then awarded the RSL Meritorious Service Medal in 2016.

Member of Rutherglen RSL Sub Branch.

Awarded OAM in 2012 for services to the community in particular people with disabilities, the aged, veterans and their families.

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**David Ridley ACA  
CFO**

David Ridley, who is a qualified chartered accountant, commenced employment with RSL Victoria in 2012 as a Business Analyst after decades of various commercial experience. Within his current role as Chief Financial Officer, David is responsible for providing leadership to all the Finance Team, Property & Legal and the Fundraising Team. David has the aptitude to transfer strategy into achievable goals. He delivers strong strategic recommendations to the CEO and Executive Management Team.

**Simon Thorn  
State Executive member**

Simon is a former commissioned Australian Regular Army officer who served in a wide variety of roles including active service in Iraq and Afghanistan. He has held senior roles at the Office of Police Integrity and the Independent Broad-based Anti-corruption Commission. Simon was previously the senior executive responsible for regulation of the apprenticeship and vocational education sectors in Victoria. Simon is currently a senior executive in the national vocational education regulator. Simon holds an MBA from Latrobe University, is a graduate of the AICD and an ANZSOG Executive Fellow.

**S. Jamie Twidale CSM (resigned 27 May 2021)**

Chief Executive Officer  
Graduate Australian Institute of Company Directors  
Master of Business Administration  
Post Graduate Certificate in Security, Terrorism and Counter-Terrorism Studies  
Bachelor of Social Science  
Director Victorian Veterans Council

Jamie is a former Australian Regular Army soldier and officer and current serving member of the Army Reserves. Jamie has served in a wide variety of roles in Australia and overseas including deployments to Afghanistan, East Timor and Solomon Islands. He was awarded the Conspicuous Service Medal in 2006 as well as being awarded an Army Commendation for outstanding service in 2007.

Upon leaving the full time Army, Jamie has worked in senior management roles within the SES in Queensland and Victoria. In 2015 to 2019 Jamie lead the EPA (Victoria) emergency management program.

**Lee Webb JP (resigned 26 August 2021)**

Senior Vice President  
Chairman of Corporate & Business Services  
Committee Property Committee

Enlisted in the Army in 1968 to 1988.

Joined RSL in 1982 and has been a State Executive member since 2013. Proactively involved in other ESO's Appointed Life Member in 2004 and then awarded the Meritorious Medal in 2015.

**Dr Robert Webster OAM**

State President  
Director RSL National  
Trustee Shrine of Remembrance  
ex-officio all RSL committees

National service 1969 to 1971.

Joined RSL in 1971 and elected to State Executive in 1989.

Received Life Membership in 2001 and awarded Life Membership with Gold badge in 2002. Currently RSL representative on a number of boards.

Director of AVCAT. Director of Veterans' Children Education Board.

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal activities**

The principal activities of the Association during the year were to provide advocacy, commemoration, and welfare support to those current and ex-serving members of the Australian Defence Forces (the "ADF") and their families, the Victorian RSL Sub Branch network and the wider Victorian Community.

**Vision and Mission statements**

**Vision Statement**

To promote the wellbeing and values of the serving and ex-serving men and women of the ADF, while supporting our members and local communities.



**Returned & Services League of Australia (Victorian Branch) Inc.  
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**Mission Statement**

The Returned & Services League (Victorian Branch) Inc. will continue to be the most relevant, sustainable and recognised ex-service organisation promoting mateship and providing outstanding advocacy, welfare commemoration and community services.

**Strategy for achieving Vision and Mission statements**

1. Ensuring we understand need and how it is evolving
2. Targeting growth
3. Enhancing our capacity
4. Remaining relevant
5. Having integrity in everything we do
6. Achieving excellence in core activities
7. Improving our communication

**Meetings of Committee Members**

The number of meetings of the company's Board of Committee Members ('the Board') held during the year ended 31 December 2021, and the number of meetings attended by each Committee Member were:

	Full Committee	
	Attended	Eligible to attend
Brian Cairns	7	7
Desmond Callaghan	11	11
Glen Phillip Ferrarotto	9	11
Andrew Hanns	9	11
Timothy Holden	8	8
Angelo Kenos	11	11
Terry Makings	4	4
David Martin	9	11
David Ridley	11	11
Simon Thorn	10	11
S. Jamie Twidale	4	4
Lee Webb	6	7
Robert S. Webster	11	11

A total of 11 meetings were held during the financial year. The number of meetings of Committee Members attended by each committee member is as above.

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration as required under s60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included in page 5 of this financial report and forms part of the Responsible Entities' Report.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Association during the financial year.

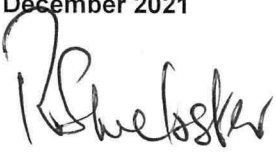
**Operating results**

The surplus for the Association amounted to \$2,710,398 (31 December 2020: loss of \$1,629,250).

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

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Robert Webster  
State President

18 May 2022

## Auditor's Independence Declaration

To the Committee Members of Returned & Services League of Australia (Victorian Branch) Inc.

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Returned & Services League of Australia (Victorian Branch) Inc. for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

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**Returned & Services League of Australia (Victorian Branch) Inc.  
Statement of profit or loss and other comprehensive income  
For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Revenue</b>	3	8,323,715	2,675,591
Other income	4	270,057	999,577
<b>Expenses</b>			
Provision for impairment of loan receivables	9	129,046	(2,845)
Employee benefits expense	5	(3,930,431)	(4,050,795)
Administrative expenses	6	(1,549,330)	(884,159)
Service expenses	7	(253,874)	(57,699)
Purchases and other direct costs		(12,108)	(17,688)
Depreciation and amortisation expense	12	(64,985)	(86,423)
Occupancy expense		(179,909)	(178,499)
Finance expenses		(8,621)	(12,471)
Other expenses		(13,162)	(13,839)
<b>Surplus/(loss) for the year</b>		2,710,398	(1,629,250)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Profit/(loss) in O'Brien Trust reserve		65	97
Other comprehensive income for the year		65	97
<b>Total comprehensive income/(loss) for the year</b>		<u>2,710,463</u>	<u>(1,629,153)</u>

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

Returned & Services League of Australia (Victorian Branch) Inc.  
Statement of financial position  
As at 31 December 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	8,622,255	7,169,081
Trade and other receivables	9	2,021,062	1,282,514
Inventories	11	33,307	27,071
Other assets	10	165,868	164,765
Total current assets		<u>10,842,492</u>	<u>8,643,431</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	<u>3,769,230</u>	<u>574,852</u>
Total non-current assets		<u>3,769,230</u>	<u>574,852</u>
<b>Total assets</b>		<u>14,611,722</u>	<u>9,218,283</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	8,495,239	3,346,527
Contract liabilities	15	1,631,946	582,368
Employee provisions	14	652,791	559,369
Total current liabilities		<u>10,779,976</u>	<u>4,488,264</u>
<b>Non-current liabilities</b>			
Trade and other payables	13	-	3,613,762
Employee provisions	14	48,900	43,874
Total non-current liabilities		<u>48,900</u>	<u>3,657,636</u>
<b>Total liabilities</b>		<u>10,828,876</u>	<u>8,145,900</u>
<b>Net assets</b>		<u>3,782,846</u>	<u>1,072,383</u>
<b>Equity</b>			
Reserves		442,757	442,692
Retained profits		<u>3,340,089</u>	<u>629,691</u>
<b>Total equity</b>		<u>3,782,846</u>	<u>1,072,383</u>

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

**Returned & Services League of Australia (Victorian Branch) Inc.**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	O'Brien trust reserve \$	Revaluation reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2020	64,663	377,932	2,258,941	2,701,536
Loss for the year	-	-	(1,629,250)	(1,629,250)
Other comprehensive income for the year	97	-	-	97
Total comprehensive income/(loss) for the year	97	-	(1,629,250)	(1,629,153)
Balance at 31 December 2020	<u>64,760</u>	<u>377,932</u>	<u>629,691</u>	<u>1,072,383</u>
	O'Brien trust reserve \$	Revaluation reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2021	64,760	377,932	629,691	1,072,383
Surplus for the year	-	-	2,710,398	2,710,398
Other comprehensive income for the year	65	-	-	65
Total comprehensive income for the year	65	-	2,710,398	2,710,463
Balance at 31 December 2021	<u>64,825</u>	<u>377,932</u>	<u>3,340,089</u>	<u>3,782,846</u>

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

**Returned & Services League of Australia (Victorian Branch) Inc.**  
**Statement of cash flows**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		5,064,454	2,330,811
Receipts from the government		3,860,768	795,150
Payments to suppliers		(5,243,737)	(5,876,288)
Interest Income		7,985	55,231
Interest Paid		<u>(8,621)</u>	<u>(12,471)</u>
Net cash from/(used in) operating activities	16	<u>3,680,849</u>	<u>(2,707,567)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	12	(3,259,363)	(1,255)
Net receipts from sale/(purchase) of investments at amortised cost		<u>-</u>	<u>63,591</u>
Net cash from/(used in) investing activities		<u>(3,259,363)</u>	<u>62,336</u>
<b>Cash flows from financing activities</b>			
Net proceeds from/(repayment of) borrowings		<u>1,031,688</u>	<u>(14,899)</u>
Net cash from/(used in) financing activities		<u>1,031,688</u>	<u>(14,899)</u>
Net increase/(decrease) in cash and cash equivalents		1,453,174	(2,660,130)
Cash and cash equivalents at the beginning of the financial year		<u>7,169,081</u>	<u>9,829,211</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>8,622,255</u></u>	<u><u>7,169,081</u></u>

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



**Returned & Services League of Australia (Victorian Branch) Inc.**  
**Notes to the financial statements**  
**31 December 2021**

**Note 1. General information and basis of preparation**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Returned & Services League of Australia (Victorian Branch) Inc. (the "Association").

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Associations Incorporation Reform Act 2012 in Victoria and the Australian Charities and Not-for profits Commission Act 2012.

**Note 2. Statement of significant accounting policies**

**Summary of accounting policies**

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

**New or amended Accounting Standards and Interpretations adopted**

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

*IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)*

The entity has adopted the IFRIC Agenda Decision from 1 January 2021. The Agenda Decision provides clarification on the elements of expenditure that meet the definition of an Intangible Asset as defined by AASB 138 Intangible Assets.

The adoption of this standard did not have an impact on the entity.

**Returned & Services League of Australia (Victorian Branch) Inc.**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Statement of significant accounting policies (continued)**

**Revenue**

*Charges to sub-branches*

The Association bills administration levies, support fees and membership affiliation charges to sub-branches. Charges to sub-branches are recognised on an accrual basis when the Association earns the relevant revenues relating to the charges.

*Corporate Sponsorship income without sufficiently specific and enforceable performance obligations*

Corporate Sponsorship funds received by the Association that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds.

*Corporate Sponsorship income with sufficiently specific and enforceable performance obligations*

Where an amount may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Association receives a non-reciprocal contribution of an asset from a party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

*Donation income*

Donation income is recognised when the Association gains control of the funds and are only recognised as income when the funds have been provided to further the Association's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

*Interest income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

*Government assistance*

Government assistance represents the JobKeeper payments received/receivable from the government in response to the ongoing novel coronavirus (COVID-19) pandemic. Government assistance is recognised as income, in accordance with AASB 1058, at fair value when there is a reasonable assurance that the Group has complied with the requirements of the JobKeeper Payment scheme and that the assistance will be received, if not yet received by reporting date.

**Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service at the date of their origin.

**Income tax**

No provision for income tax has been raised as the Association is exempt from income tax under Div 50. of the Income Tax Assessment Act 1997. The ongoing Income Tax Exempt Charity status is subject to the meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia dated 24 September 2002.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**Note 2. Statement of significant accounting policies (continued)**

**Property, plant and equipment**

*Land and Buildings*

Land and buildings are stated at re-valued amounts. Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

*Plant and other equipment*

Plant and other equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended. Plant and other equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses. Depreciable assets are written off over their useful lives commencing from the time the asset is held ready for use.

The following indicates the rates upon which depreciation charges are based:

Buildings: 2% per annum, diminishing value  
Motor Vehicles: 30% per annum, diminishing value  
Computers: 20% per annum, diminishing value

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss within other income or other expenses.

**Financial instruments**

(i) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Note 2. Statement of significant accounting policies (continued)**

(ii) Classification and subsequent measurement of financial assets

Amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's trade and most other receivables fall into this category of financial instruments as well as long-term deposits.

Fair value through other comprehensive income (FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless a dividend clearly represents a return of capital. This category includes listed equity securities.

(iii) Impairment of financial assets

The Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, the Association considers commercial bills to be financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'). Therefore the '12-month expected credit losses' are determined as a probability-weighted estimate.

(iv) Trade and other receivables

The Association makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

(v) Classification and measurement of financial liabilities

The Association's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest 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.

**Inventories**

Inventories are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Association where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

**Note 2. Statement of significant accounting policies (continued)**

**Employee benefits**

*Short-term employee benefits*

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The Association's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association presents employee benefit obligations as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement for at least twelve months after the reporting period, irrespective of when the actual settlement is expected to take place.

*Post-employment benefits plans*

The Association provides post-employment benefits through defined contribution plans.

*Defined contribution plans*

The Association pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The Association has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

**Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Association can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

**Critical accounting estimates and judgments**

The State Executive members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Returned & Services League of Australia (Victorian Branch) Inc.**  
**Notes to the financial statements**  
**31 December 2021**

**Note 3. Revenue**

Revenue may be analysed as follows for each major product and service category:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Administration levy	1,490,036	669,405
Support fees	2,692,152	1,251,416
Donations	20,444	1,583
Corporate sponsorship	75,000	120,000
Membership affiliation charge	65,200	70,300
TGS sponsorship	342,516	142,077
Rewards and marketing fees	340,886	90,810
Grants received	3,297,481	330,000
	<u>8,323,715</u>	<u>2,675,591</u>

**Note 4. Other income**

Revenue may be analysed as follows for each major product and service category:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Government assistance - jobkeeper	154,000	795,150
Interest income	7,985	43,177
Other	108,072	161,250
	<u>270,057</u>	<u>999,577</u>

**Note 5. Employee benefits expense**

Expenses recognised for employee benefits are analysed below:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Employee benefit expense	3,745,292	3,804,569
Motor vehicle expenses	81,631	67,620
Training expenses	34,221	40,020
Fringe benefit tax	60,383	125,518
State executive expenses	320	3,325
Other expenses	8,584	9,743
	<u>3,930,431</u>	<u>4,050,795</u>

Returned & Services League of Australia (Victorian Branch) Inc.  
Notes to the financial statements  
31 December 2021

**Note 6. Administrative expenses**

	2021 \$	2020 \$
Computer expenses	72,082	75,391
Energy expenses	29,397	55,446
Insurance expense	49,675	47,044
Legal fees	154,550	43,152
Marketing and advertising expense	530,966	165,986
Travel and accommodation expense	33,509	35,554
Professional fees	154,951	169,136
Postage and printing	168,029	211,622
Telephone expense	40,586	31,095
National capitations	261,016	-
Other expenses	54,569	49,733
	<u>1,549,330</u>	<u>884,159</u>

**Note 7. Service expenses**

	2021 \$	2020 \$
Grants	195,921	2,607
Functions and conferences	29,541	13,440
Honorariums	26,400	32,000
Donations	2,012	9,652
	<u>253,874</u>	<u>57,699</u>

**Note 8. Cash and cash equivalents**

	2021 \$	2020 \$
<i>Current assets</i>		
Cash on hand	256	86
Cash at bank	3,372,121	2,451,371
Term deposits	5,249,878	4,717,624
	<u>8,622,255</u>	<u>7,169,081</u>

Returned & Services League of Australia (Victorian Branch) Inc.  
Notes to the financial statements  
31 December 2021

**Note 9. Trade and other receivables**

	2021 \$	2020 \$
<i>Current assets</i>		
Trade receivables	1,630,884	1,199,027
Other receivables	390,178	83,487
	<u>2,021,062</u>	<u>1,282,514</u>
<i>Non-current assets</i>		
Loan Receivables	1,566,645	2,598,334
Less: Provision for Impairment of Loan Receivables	<u>(1,566,645)</u>	<u>(2,598,334)</u>
	-	-
	<u>2,021,062</u>	<u>1,282,514</u>

The below table outlines details of the loans to sub-branches which are outstanding as at 31 December 2021. It should be noted that for each of the sub-branch loan receivables, a provision has been raised where the loan has been deemed doubtful. For the year ended 31 December 2021, total total repayments of previously deemed irrecoverable loans is \$131,460, resulting in a net gain on the profit or loss statement of \$131,460.

During the period, \$900,229 of previously provided for sub-branch loans were fully written off as bad debts.

Sub-branch	2021	2020	Provisioned	Net Receivable
Beaumaris RSL Inc.	-	900,229	-	-
Hampton RSL Inc.	-	29,776	-	-
Kew RSL Inc.	52,575	52,575	(52,575)	-
Oakleigh RSL Inc.	69,100	69,100	(69,100)	-
Sale RSL Inc.	760,337	777,937	(760,337)	-
Upwey/Belgrave RSL Inc.	160,085	171,125	(160,085)	-
Wangaratta RSL Inc.	-	28,083	-	-
Wangaratta RSL Inc. BPF	-	29,961	-	-
West Heidelberg RSL Inc.	524,548	539,548	(524,548)	-
Total	<u>1,566,645</u>	<u>2,598,334</u>	<u>(1,566,645)</u>	-

**Note 10. Other assets**

	2021 \$	2020 \$
<i>Current assets</i>		
Prepayments	<u>165,868</u>	<u>164,765</u>

**Note 11. Inventories**

	2021 \$	2020 \$
<i>Current assets</i>		
Inventory	<u>33,307</u>	<u>27,071</u>



Returned & Services League of Australia (Victorian Branch) Inc.  
Notes to the financial statements  
31 December 2021

Note 12. Property, plant and equipment

	2021 \$	2020 \$
<i>Non-current assets</i>		
Land - at fair value	338,000	338,000
Buildings - at fair value	30,000	30,000
Less: Accumulated depreciation	(3,269)	(2,724)
	<u>26,731</u>	<u>27,276</u>
Plant and equipment - at cost	3,302	1,579
Less: Accumulated depreciation	(713)	(569)
	<u>2,589</u>	<u>1,010</u>
Fixtures and fittings - at cost	1,859	1,859
Less: Accumulated depreciation	(327)	(327)
	<u>1,532</u>	<u>1,532</u>
Motor vehicles - at cost	230,382	234,029
Less: Accumulated depreciation	(119,398)	(87,664)
	<u>110,984</u>	<u>146,365</u>
Computer equipment - at cost	128,337	90,837
Less: Accumulated depreciation	(51,664)	(30,168)
	<u>76,673</u>	<u>60,669</u>
Works in progress	3,212,721	-
	<u><u>3,769,230</u></u>	<u><u>574,852</u></u>

During the year, the entity received government funding for the purpose of building a Veteran Wellbeing Centre in Wodonga. The Works in Progress balance represents the portion of the build which is complete at 31 December 2021. The project is set to complete in the coming financial year.

*Reconciliations*

Movements in the carrying amounts of property, plant and equipment are as follows:

	Land & Buildings \$	Computer Equipment \$	Furniture, Fixtures & Fittings \$	Motor Vehicles \$	Plant & Equipment \$	Works in Progress \$	Total \$
Balance at 1 January 2021	365,276	60,669	1,532	146,365	1,010	-	574,852
Additions/(Disposals)	-	37,500	-	7,419	1,723	3,212,721	3,259,363
Depreciation expense	(545)	(21,496)	-	(42,800)	(144)	-	(64,985)
Balance at 31 December 2021	<u><u>364,731</u></u>	<u><u>76,673</u></u>	<u><u>1,532</u></u>	<u><u>110,984</u></u>	<u><u>2,589</u></u>	<u><u>3,212,721</u></u>	<u><u>3,769,230</u></u>

Fair value of the land and building is estimated based on appraisals performed by independent, professional qualified property valuers. The land and building was revalued in 2018. The property will be revalued in 2022.

Returned & Services League of Australia (Victorian Branch) Inc.  
Notes to the financial statements  
31 December 2021

**Note 13. Trade and other payables**

	2021 \$	2020 \$
<i>Current liabilities</i>		
Life Member Funds Payable	5,193	5,193
Sporting Bodies Payable	109,415	107,548
Accounts Payable	496,866	359,305
RSL Loyalty Points	2,120,998	1,687,749
Future funds	3,796,167	-
Other payables	1,966,600	1,186,732
	<u>8,495,239</u>	<u>3,346,527</u>
<i>Non-current liabilities</i>		
Future funds	-	3,613,762
	<u>8,495,239</u>	<u>6,960,289</u>

Future funds payable to sub-branches are due in August 2022.

**Note 14. Employee provisions**

	2021 \$	2020 \$
<i>Current liabilities</i>		
Annual leave	357,351	327,278
Long service leave	295,440	232,091
	<u>652,791</u>	<u>559,369</u>
<i>Non-current liabilities</i>		
Long service leave	48,900	43,874
	<u>701,691</u>	<u>603,243</u>

**Note 15. Contract liabilities**

	2021 \$	2020 \$
<i>Current liabilities</i>		
Contract liabilities	1,631,946	582,368
	<u>1,631,946</u>	<u>582,368</u>

*Accounting policy for contract liabilities*

Contract liabilities represent the Association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Association has transferred the goods or services to the customer.

In 2021, the contract liabilities account includes amounts deferred for the construction of the Wodonga Veterans Wellbeing Centre Hub, which is set to complete in the next financial year.

Returned & Services League of Australia (Victorian Branch) Inc.  
Notes to the financial statements  
31 December 2021

**Note 16. Cash flow information**

	2021 \$	2020 \$
<b>Reconciliation of net cash provided by operating activities to net profit</b>		
Net profit/(loss) for the year	2,710,463	(1,629,250)
Depreciation	64,985	86,423
Decrease/(increase) in trade and other receivables	(739,586)	37,655
(Increase)/decrease in inventories	(6,236)	(12,747)
Increase/(decrease) in trade and other payables	2,584,463	(1,255,744)
Increase in provisions	98,448	63,251
(Decrease)/increase in provision for impairment of assets	(1,031,688)	2,845
Net cash provided by operating activities	<u>3,680,849</u>	<u>(2,707,567)</u>

**Note 17. Transactions with related entities**

The Fund's related parties include its key management personnel and related entities. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

During the term the Association remained the Trustee of the General Appeals Patriotic Fund, The Welfare Trust Fund, the Statewide Building Patriotic Fund and numerous Sub Branch Welfare and Building Patriotic Funds.

The Association charges an 'administration levy' to the related parties mentioned above for services and recharges. During the year the following recharges were made:

	2021 \$	2020 \$
Administration Levy:		
RSL Victorian Branch Welfare Trust Fund	24,902	70,557
RSL of Aust. Victorian Branch General Appeals Patriotic Fund	799,257	362,895
Returned & Services League Of Australia Victoria House Building Patriotic Fund	139,861	96,729
RSL Statewide Building Patriotic Fund	526,015	131,266

The association was charged \$160,000 for rent of the premises by RSL Victoria House (2020: \$160,000).

Other related entry transactions which occur generally relate to either the repayment of expenses on behalf of related parties or the transfer of cash, these are maintained through the accounts payable and receivable ledgers and are generally paid back within normal creditor/debtor terms (i.e. 90 days). At year end the following net trade creditor/debtor balances were in relation to transactions outstanding:

	2021 \$	2020 \$
Other transactions:		
RSL of Aust. Victorian Branch General Appeals Patriotic Fund	612,505	(92,349)
RSL of Australia Victoria House Building	1,476	(60,261)
RSL Statewide Building Patriotic Fund	840	(14,115)
RSL Victorian Branch Welfare Trust Fund	840	(8,120)

**Returned & Services League of Australia (Victorian Branch) Inc.**  
**Notes to the financial statements**  
**31 December 2021**

**Note 18. Transactions with Key Management Personnel**

Key Management Personnel include the State Executive members of Returned & Services League (Victorian Branch) Inc. Key Management Personnel remuneration includes the following expenses:

	2021 \$	2020 \$
Honorariums paid to State Executive	26,400	32,000
Non-Monetary Benefit to State Executive	12,740	21,850
Key Management Personnel remuneration	937,395	932,767
Non-Monetary Benefit to Key Management Personnel	<u>50,567</u>	<u>56,083</u>
Key Management Personnel remuneration	<u>1,027,102</u>	<u>1,042,700</u>

**Note 19. Contingent liabilities**

There are no contingent liabilities that have been incurred by the Association in relation to the periods ended 31 December 2021 and 31 December 2020.

**Note 20. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

**Note 21. Association details**

The registered office and principal place business of the Association is:

ANZAC House  
4 Collins Street  
MELBOURNE VIC 3000

**Returned & Services League of Australia (Victorian Branch) Inc.  
Committee Members' declaration  
31 December 2021**

In the opinion of the State Executive, the financial statements and notes of Returned & Services League of Australia (Victorian Branch) Inc. is in accordance with the Associations Incorporation Reform Act 2012 in Victoria and the Australian Charities and Not-for-profits Commission Act 2012, including:

- Giving a true and fair view of its financial position as at 31 December 2021 and of its performance and cash flows for the year ended on that date; and
- Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Veterans (Patriotic Funds) Regulation 2008 and the Australian Charities and Not-for-profits Commission Regulation 2013.

There are reasonable grounds to believe that Returned & Services League of Australia (Victorian Branch) Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the State Executive and is signed for and on behalf of the committee by:



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Robert Webster  
State President

18 May 2022

# Independent Auditor's Report

To the Committee Members of Returned & Services League (Victorian Branch) Inc.

## Report on the audit of the financial report

### Opinion

We have audited the financial report of Returned & Services League (Victorian Branch) Inc. (the "Association"), which comprises the statement of financial position as at 31 December 2021, and 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 comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

In our opinion, the accompanying financial report of Returned & Services League (Victorian Branch) Inc. has been prepared in accordance with the Association Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- a presents fairly, in all material respects, the Fund's financial position as at 31 December 2021 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards – Reduced Disclosure Requirements 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 are independent of the Association 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 audit opinion.

### Other Information- Committee Members' Report

The Committee Members are responsible for the other information. The other information comprises the information included in the Association's financial report for the year ended 31 December 2021, 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 the Committee Members for the Financial Report**

The Committee Members of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the requirements of the Associations Incorporation Reform Act 2012, the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the Members. This responsibility includes such internal controls as the Committee Members determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Association'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 Committee Members either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee Members are responsible for overseeing the Association'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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D M Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

**Returned & Services League of Australia Victorian  
Branch General Appeals Patriotic Fund**

**ABN 85 107 546 293**

**Annual Report - 31 December 2021**



**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Committee members' report  
31 December 2021**

Your committee members submit the financial statement of RSL of Aust. Victorian Branch General Appeals Patriotic Fund (the "Fund") for the financial year ended 31 December 2021.

**Committee members**

The names of committee members throughout the year and at the date of this statement are:

**Brian Cairns (appointed 25 June 2021)**  
Interim CEO

Brian has a very distinguished 30 year association with the RSL and is currently Interim Chief Executive Officer at RSL Victoria providing leadership, governance and direction to both the organisation and the network. In 2008 Brian joined RSL Victoria as the LSBA Executive Officer and in 2012 became the Chief Operating Officer. Brian currently leads the Executive Leadership Team that compromise of the CEO's Office, Veterans Services, Operations and Finance Departments.

**Desmond Callaghan OAM BJ JP**  
Country representative

National Service 1968 to 1970. Joined RSL as a service member 1978. Awarded Life Member in 2000 and Meritorious Medal in 2011. Desmond is proactively involved in other ESO's. Member of State Executive since 2016.

**Glen Phillip Ferrarotto**  
Metro representative

Army Reservist from 1997 and posted to 4/19 PWLH Regiment. Enlisted Regular Army from 1998 to 2008. Two overseas deployments with Special Ops. Joined Montmorency Eltham committee in 2016, and elected Senior Vice President in 2017. In 2012 founded Ironside Recruitment, agency for Veterans and Ex-Service Personnel. Personally honoured as Australia's Most Outstanding Contributor to Veteran Employment by the Hon Malcolm Turnbull, Prime Minister of Australia.

**Andrew Hanns**  
State Executive member

Andrew served as a reserve forces rifleman at Geelong Deakin University Company in 1992, to then joining the regular Army to become a ASLAV Armoured Vehicle Crew Commander. Main posting being 2 Cav Regt 1st Brigade Palmerston, deployed to East Timor INTERFET 1999. Outside service Andrew has worked in the construction industry for a decade to pursue helping veterans as a Wellbeing Advocate at the Geelong RSL Sub Branch. During this time has served 3 terms as Sub Branch President.

**Timothy Holden FCA GAICD RITP (appointed 27 May 2021)**  
State Honorary Treasurer

Timothy enlisted with the Royal Australian Navy in 1979. He served on HMAS Cerberus, HMAS Torrens, HMAS Stirling and HMAS Acute prior to being granted an honourable discharge in 1983 at the rank of Able Seaman. Timothy joined RSL as a service member of Beaumaris RSL Sub-Branch in 2013 and became Treasurer in 2017. In May 2021, Timothy was appointed Honorary Treasurer of RSL Victoria. Timothy is a Fellow of Chartered Accountants Australia & New Zealand.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Committee members' report  
31 December 2021**

**Angelos Kenos**  
State Executive member

Ange was a naval reserve diver and later a navigating officer. Ange has been a teacher at college, TAFE and University as well as an author of several texts and a pioneer in education. Ange is a cofounder of the Victorian Space Science Education Centre. Ange has previously sat on the boards of RACV, Eye & Ear Hospital, and the foundation vice chair of the SIO/GIO Consumer Appeals Centre. He is committee member of the Lemnos Gallipoli Commemoration Committee, the Battle of Greece & Battle of Crete Council and a member of the 25 March Greek Committee.

**Terence (Terry) Makings AM (appointed 30 September 2021)**

Terry was in the Royal Australian Navy for over 20 years. He was a Navy Cadet in TS Barwon, Geelong for four years before joining the RAN. Terry left the Navy as a Commander. After the Navy, Terry served in the Melbourne Port Division (RANReserves) as the Senior Technical Officer. He then took up employment with the City of Melbourne, whereby he was employed as Branch Manager, Group Manager, Director Assets & Services and Director Statutory Services. Terry's active participation in support of Veterans resulted in being asked to contribute as the Association's representative on the Naval Commemoration Committee of Victoria - a committee comprising Ship/Branch Associations. He works tirelessly within the Veteran community and some of his current roles include Governor of the Shrine of Remembrance, Melbourne (since 2006) and President of the Melbourne Sub-section, Naval Association of Australia. He has also received various Awards/Medals, including Member of the Order of Australia, Active Service Medal, Vietnam Logistic and Support Medal and Defence Force Services Medal (20yr Clasp): National Medal.

**David Martin OAM**  
Country representative

Enlisted in Army 1964, served in Vietnam from April 1968 to April 1969 and continued serving full time till 1985. During this time David was promoted to Captain and posted as the Officer Commanding of an Army Workshop in Townsville. Joined RSL in 1969 and appointed Life Membership in 2004, and then awarded the RSL Meritorious Service Medal in 2016. Member of Rutherglen RSL Sub Branch. Awarded OAM in 2012 for services to the community in particular people with disabilities, the aged, veterans and their families.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Committee members' report  
31 December 2021**

**David Ridley ACA  
CFO**

David Ridley, who is a qualified chartered accountant, commenced employment with RSL Victoria in 2012 as Business Analyst after decades of various commercial experience. Within his current role as Chief Financial Officer, David is responsible for providing leadership to all the Finance Team, Property & Legal and the Fundraising Team. David has the aptitude to transfer strategy into achievable goals. He delivers strong strategic recommendations to the CEO and Executive Management Team.

**Simon Thorn  
State Executive member**

Simon is a former commissioned Australian Regular Army officer who served in a wide variety of roles including active service in Iraq and Afghanistan. He has held senior roles at the Office of Police Integrity and the Independent Broad-based Anti-corruption Commission. Simon was previously the senior executive responsible for regulation of the apprenticeship and vocational education sectors in Victoria. Simon is currently a senior executive in the national vocational education regulator. Simon holds an MBA from Latrobe University, is a graduate of the AICD and an ANZSOG Executive Fellow.

**S. Jamie Twidale CSM (resigned 27 May 2021)  
Chief Executive Officer  
Graduate Australian Institute of Company Directors  
Master of Business Administration  
Post Graduate Certificate in Security, Terrorism and Counter-Terrorism Studies  
Bachelor of Social Science  
Director Victorian Veterans Council**

Jamie is a former Australian Regular Army soldier and officer and current serving member of the Army Reserves. Jamie has served in a wide variety of roles in Australia and overseas including deployments to Afghanistan, East Timor and Solomon Islands. He was awarded the Conspicuous Service Medal in 2006 as well as being awarded an Army Commendation for outstanding service in 2007. Upon leaving the full time Army, Jamie has worked in senior management roles within the SES in Queensland and Victoria. In 2015 to 2019 Jamie lead the EPA (Victoria) emergency management program.

**Lee Webb JP (resigned 26 August 2021)  
Senior Vice President  
Chairman of Corporate & Business Services  
Committee Property Committee**

Enlisted in the Army in 1968 to 1988.  
Joined RSL in 1982 and has been a State Executive member since 2013. Proactively involved in other ESO's Appointed Life Member in 2004 and then awarded the Meritorious Medal in 2015.

**Dr Robert Webster OAM  
State President  
Director RSL National  
Trustee Shrine of Remembrance  
ex-officio all RSL committees**

National service 1969 to 1971.  
Joined RSL in 1971 and elected to State Executive in 1989.  
Received Life Membership in 2001 and awarded Life Membership with Gold badge in 2002. Currently RSL representative on a number of boards.  
Director of AVCAT. Director of Veterans' Children Education Board.

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal activities**

The principal activities of the Fund during the year were to provide benevolent welfare and charitable assistance to those current and ex-serving members of the Australian and Allied Defence Forces and their dependants. The activities are funded via the conduct of two major public appeals being the ANZAC Appeal and the Poppy Appeal.

**Vision and Mission statement**

**Vision Statement**

To promote the wellbeing and values of the serving and ex-serving men and women of the ADF, while supporting our members and local communities.

**Mission Statement**

The Returned & Services League (Victorian Branch) Inc. will continue to be the most relevant, sustainable and recognised ex-service organisation promoting mateship and providing outstanding advocacy, welfare, commemoration and community services.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Committee members' report  
31 December 2021**

Strategy for achieving Vision and Mission statements

1. Ensuring we understand need and how its evolving
2. Targeting growth
3. Enhancing our capacity
4. Remaining relevant
5. Having integrity in everything we do
6. Achieving excellence in core activities
7. Improving our communication

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

**Meetings of Committee Members**

The number of meetings of the company's Board of Committee members ('the Board') held during the year ended 31 December 2021, and the number of meetings attended by each committee member were:

	Full Committee	
	Attended	Eligible to attend
Brian Cairns	7	7
Desmond Callaghan	11	11
Glen Phillip Ferrarotto	9	11
Andrew Hanns	9	11
Timothy Holden	8	8
Angelo Kenos	11	11
Terry Makings	4	4
David Martin	9	11
David Ridley	11	11
Simon Thorn	10	11
S. Jamie Twidale	4	4
Lee Webb	6	7
Robert S. Webster	11	11

A total of 11 meetings were held during the financial year. The number of meetings of Responsible Entities (including meetings of committees of Responsible Entities) attended by each committee member is as above.

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration as required under s60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included in page 5 of this financial report and forms part of the Responsible Entities' Report.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the entity during the financial year.

**Operating results**

The surplus for the entity amounted to \$341,321 (31 December 2020: \$311,926).



Robert Webster  
State President

18 May 2022

## Auditor's Independence Declaration

### To the Committee Members of RSL of Aust. Victorian Branch General Appeals Patriotic Fund Account

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of RSL of Aust. Victorian Branch General Appeals Patriotic Fund Account for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Revenue</b>	3	10,110,276	5,383,351
Other income	4	183,866	1,150,774
<b>Expenses</b>			
Employee benefits expense	5	(3,984,461)	(3,135,378)
Administrative expenses	6	(1,894,754)	(1,086,673)
Service expenses	7	(3,202,083)	(1,545,894)
Purchases and other direct costs	8	(624,595)	(249,587)
Depreciation and amortisation expense		(46,736)	(48,319)
Occupancy expenses		(139,106)	(108,069)
Finance expenses		(16,137)	(14,170)
Other expenses		(44,949)	(34,109)
<b>Surplus for the year</b>		341,321	311,926
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>341,321</u>	<u>311,926</u>

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

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Statement of financial position  
As at 31 December 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	8,069,138	7,291,182
Trade and other receivables	10	1,433,483	686,731
Inventories	12	1,619,711	1,976,441
Other assets	11	70,810	65,503
Total current assets		<u>11,193,142</u>	<u>10,019,857</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	564,600	433,645
Total non-current assets		<u>564,600</u>	<u>433,645</u>
<b>Total assets</b>		<u>11,757,742</u>	<u>10,453,502</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	1,811,416	877,832
Employee provisions	15	512,382	467,582
Total current liabilities		<u>2,323,798</u>	<u>1,345,414</u>
<b>Non-current liabilities</b>			
Employee provisions	15	4,791	20,256
Total non-current liabilities		<u>4,791</u>	<u>20,256</u>
<b>Total liabilities</b>		<u>2,328,589</u>	<u>1,365,670</u>
<b>Net assets</b>		<u>9,429,153</u>	<u>9,087,832</u>
<b>Equity</b>			
Reserves		410,000	410,000
Retained profits		9,019,153	8,677,832
<b>Total equity</b>		<u>9,429,153</u>	<u>9,087,832</u>

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

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	<b>Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2020	410,000	8,365,906	8,775,906
Surplus for the year	-	311,926	311,926
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	311,926	311,926
Balance at 31 December 2020	<u>410,000</u>	<u>8,677,832</u>	<u>9,087,832</u>
	<b>Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2021	410,000	8,677,832	9,087,832
Surplus for the year	-	341,321	341,321
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	341,321	341,321
Balance at 31 December 2021	<u>410,000</u>	<u>9,019,153</u>	<u>9,429,153</u>

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



Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Statement of cash flows  
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		7,069,449	6,156,188
Receipts from the government		2,300,759	985,800
Payments to suppliers and employees		<u>(8,408,806)</u>	<u>(6,571,266)</u>
		961,402	570,722
Interest received		10,382	37,285
Interest paid		<u>(16,137)</u>	<u>(14,170)</u>
Net cash from operating activities	16	<u>955,647</u>	<u>593,837</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	13	<u>(177,691)</u>	<u>(47,666)</u>
Net cash used in investing activities		<u>(177,691)</u>	<u>(47,666)</u>
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		777,956	546,171
Cash and cash equivalents at the beginning of the financial year		<u>7,291,182</u>	<u>6,745,011</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>8,069,138</u></u>	<u><u>7,291,182</u></u>

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

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 1. General information and basis of preparation**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for RSL of Aust. Victorian Branch General Appeals Patriotic Fund (the "Fund").

RSL of Aust. Victorian Branch General Appeals Patriotic Fund is established under the Veterans Act 2005 and is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Charities and Not-for profits Commission Act 2012 and the Veterans Act 2005.

**Note 2. Statement of significant accounting policies**

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. The State Executive members have determined that the Fund is a not-for-profit entity as the principal objective is not the generation of profit.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**New or amended Accounting Standards and Interpretations adopted**

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

The following Accounting Standards and Interpretations are most relevant to the entity:

*IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)*

The entity has adopted the IFRIC Agenda Decision from 1 January 2021. The Agenda Decision provides clarification on the elements of expenditure that meet the definition of an Intangible Asset as defined by AASB 138 Intangible Assets. The adoption of this standard did not have an impact on the entity.

**Summary of accounting policies**

**Revenue**

*Sale of goods*

Revenue from the sale of goods comprises of revenue earned from the sale of goods primarily during ANZAC and Poppy Appeals, biannually. Revenue is recognised when the Fund gains control of the funds and are only recognised as income when the funds have been provided to further the Fund objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

*Donation income*

Donations collected, including cash and goods for resale, are recognised when the Fund gains control of the funds and are only recognised as income when the funds have been provided to further the Fund's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

*Grant revenue without sufficiently specific and enforceable performance obligations*

A number of the Fund's programs are supported by grants received from the federal, state and local governments. Grant funds received by the Fund that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of funds.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Statement of significant accounting policies (continued)**

*Grant revenue with sufficiently specific and enforceable performance obligations*

Grand funds received by the Fund that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Fund satisfies its performance obligations.

*Interest income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

*Bequests*

Bequests are recognised when the legacy is received, unless the bequest gives rise to a contractual obligation with specific performance obligations.

Bequests that create a contractual obligation with specific performance conditions are recognised initially as contract liabilities and recognised as revenue as performance obligations are met.

Income from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the entity becomes legally entitled to the shares or property.

*Government assistance*

Government assistance represents the JobKeeper payments received/receivable from the government in response to the ongoing novel coronavirus (COVID-19) pandemic. Government assistance is recognised as income, in accordance with AASB 1058, at fair value when there is a reasonable assurance that the Group has complied with the requirements of the JobKeeper Payment scheme and that the assistance will be received, if not yet received by reporting date.

**Operating Expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service at the date of their origin.

**Property, plant and equipment**

Land and buildings held for use in production or administration is stated at re-valued amounts. Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit and loss. Any revaluation surplus remaining in enquiry on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

The following table indicates the rates upon which depreciation charges are based:

Buildings	2% p/a - Diminishing Value
Motor Vehicles	30% p/a - Diminishing Value

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

**Income tax**

No provision for income tax has been raised as the Fund is exempt from income tax under Div 50. of the Income Tax Assessment Act 1997. The ongoing Income Tax Exempt Charity status is subject to the meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia dated 24 September 2002.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Statement of significant accounting policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with banks, together with other that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Financial instruments**

*(i) Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and subsequent measurement of financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Fund's trade and most other receivables fall into this category of financial instruments as well as long-term deposits.

*Impairment of Financial assets*

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, the Fund considers commercial bills to be financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'). Therefore the '12-month expected credit losses' are determined as a probability-weighted estimate.

*Trade and other receivables*

The Fund makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Fund uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Statement of significant accounting policies (continued)**

*Classification and measurement of financial liabilities*

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Fund's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Fund's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest 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.

**Employee benefits**

**Short-term employee benefits**

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits**

The Fund's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Fund presents employee benefit obligations as current liabilities in the statement of financial position if the Fund does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

*Post-employment benefits plans*

The Fund provides post-employment benefits through defined contribution plans.

*Defined contribution plans*

The Fund pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The Fund has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

**Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Fund can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Statement of significant accounting policies (continued)**

**Reserves**

Other components of equity include the following:

Revaluation reserve: comprises gains and losses from the revaluation of land and buildings.

**Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to the useful life of buildings.

*Inventories*

Inventories comprises goods for resale and goods for distribution at no or nominal consideration as part of the Fund's charitable activities. Inventories may be purchased or received by way of donation.

*Goods for resale*

Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Fund where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

*Goods held for distribution*

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at cost. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

*Long service leave*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 3. Revenue**

Revenue may be analysed as follows for each major product and service category:

	2021	2020
	\$	\$
ANZAC Day Appeal	3,897,094	1,207,035
Poppy Day Appeal	2,667,820	1,415,993
Grants and Donations	2,164,318	2,554,433
Winter Appeal	233,373	-
Transfer of remitted funds to sub branches, Net	473,981	205,890
Bequests	673,690	-
Revenue	<u>10,110,276</u>	<u>5,383,351</u>



**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 4. Other income**

Other income may be analysed as follows for each major product and service category:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Government assistance - jobkeeper	166,800	985,800
Other	6,684	127,689
Interest Income	10,382	37,285
	<u>183,866</u>	<u>1,150,774</u>

**Note 5. Employee benefits expense**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Employee benefits expense	3,914,916	3,063,552
Fringe benefits tax	20,077	21,159
Motor vehicle expenses	35,108	34,577
Other expenses	14,360	16,090
	<u>3,984,461</u>	<u>3,135,378</u>

**Note 6. Administrative expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Insurances	35,301	37,408
Professional fees	303,910	107,509
Public relations	51,531	30,760
Travel and accommodation	32,803	21,876
Marketing	232,450	221,169
Administration levy	799,257	362,895
Other expenses	237,716	305,056
National capitations	201,786	-
	<u>1,894,754</u>	<u>1,086,673</u>

**Note 7. Service expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Transfer of remitted funds to sub-branches	2,534,182	614,332
Welfare and relief	573,433	892,603
Functions and conferences	14,358	2,339
Hire of equipment	79,158	35,734
Other expenses	952	886
	<u>3,202,083</u>	<u>1,545,894</u>

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Notes to the financial statements  
31 December 2021

**Note 8. Purchases and other direct costs**

	2021 \$	2020 \$
ANZAC appeal expenses	349,591	174,595
Poppy appeal expenses	254,301	49,589
Other expenses	20,703	25,403
	<u>624,595</u>	<u>249,587</u>

**Note 9. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	2021 \$	2020 \$
<i>Current assets</i>		
Cash on hand	200	-
Cash at bank	1,489,795	920,578
Term deposits	6,579,143	6,370,604
	<u>8,069,138</u>	<u>7,291,182</u>

**Note 10. Trade and other receivables**

	2021 \$	2020 \$
<i>Current assets</i>		
Trade receivables	1,396,691	648,199
Other receivables	36,792	38,532
	<u>1,433,483</u>	<u>686,731</u>

**Note 11. Other assets**

	2021 \$	2020 \$
<i>Current assets</i>		
Prepayments	70,810	65,503
	<u>70,810</u>	<u>65,503</u>

**Note 12. Inventories**

Inventories consist of the following:

	2021 \$	2020 \$
<i>Current assets</i>		
Finished goods - Other	1,551,662	1,920,400
Finished goods - Woolworths	68,049	56,041
	<u>1,619,711</u>	<u>1,976,441</u>



**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 13. Property, plant and equipment**

Details of the entity's property, plant and equipment and their carrying amounts are as follows:

	2021 \$	2020 \$
<i>Non-current assets</i>		
Land - at fair value	110,000	110,000
Land and buildings - at cost	300,000	300,000
Less: Accumulated depreciation	(86,429)	(82,070)
	<u>213,571</u>	<u>217,930</u>
Plant and equipment - at cost	6,005	-
Less: Accumulated depreciation	(467)	-
	<u>5,538</u>	<u>-</u>
Fixtures and fittings - at cost	27,238	-
Less: Accumulated depreciation	(1,995)	-
	<u>25,243</u>	<u>-</u>
Motor vehicles - at cost	192,869	192,869
Less: Accumulated depreciation	(118,869)	(87,154)
	<u>74,000</u>	<u>105,715</u>
Computer hardware and software - at cost	144,448	-
Less: Accumulated depreciation	(8,200)	-
	<u>136,248</u>	<u>-</u>
	<u>564,600</u>	<u>433,645</u>

*Reconciliations*

Movements in the carrying amounts of property, plant and equipment are as follows:

	Motor Vehicles \$	Land and buildings \$	Fixtures and fittings \$	Computer hardware and software \$	Plant and equipment \$	Total \$
Balance at 1 January 2021	105,715	327,930	-	-	-	433,645
Additions/(Disposals)	-	-	27,238	144,448	6,005	177,691
Depreciation expense	(31,715)	(4,359)	(1,995)	(8,200)	(467)	(46,736)
Balance at 31 December 2021	<u>74,000</u>	<u>323,571</u>	<u>25,243</u>	<u>136,248</u>	<u>5,538</u>	<u>564,600</u>

**Note 14. Trade and other payables**

Trade and other payables recognised consist of the following:

	2021 \$	2020 \$
<i>Current liabilities</i>		
Trade payables	1,590,537	806,180
Other payables	220,879	71,652
	<u>1,811,416</u>	<u>877,832</u>

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Notes to the financial statements  
31 December 2021

**Note 15. Employee provisions**

	2021 \$	2020 \$
<i>Current liabilities</i>		
Annual leave	313,301	249,815
Long service leave	199,081	217,767
	<u>512,382</u>	<u>467,582</u>
<i>Non-current liabilities</i>		
Long service leave	<u>4,791</u>	<u>20,256</u>

**Note 16. Cash flow information**

	2021 \$	2020 \$
<b>Reconciliation of net cash provided by operating activities to net profit</b>		
Net profit/(loss) for the year	341,321	311,927
Depreciation	46,736	48,319
(Increase)/decrease in trade and other receivables and other assets	(752,060)	637,876
Increase/(decrease) in trade and other payables and provisions	962,920	(242,777)
Decrease/(increase) in inventories	356,730	(161,507)
Net cash provided by operating activities	<u>955,647</u>	<u>593,838</u>

**Note 17. Key management personnel disclosures**

Key management of the Fund include the Executive members of the Fund's committees who are remunerated through Returned & Services League (Victorian Branch) and Executive management who are remunerated through the Fund.

	2021 \$	2020 \$
Key management personnel remuneration	214,877	163,199
Non-monetary benefit to key management personnel	22,378	25,594
Key management personnel remuneration	<u>237,255</u>	<u>188,793</u>

**Note 18. Transactions with related entities**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 17.

The Fund's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 18. Transactions with related entities (continued)**

*Transactions with related entities*

During the financial year ended 31 December 2021, the Fund paid an 'Administration Levy' of \$799,257 (2020: \$362,895) to Returned & Services League of Australia (Victorian Branch) Inc., representing a recharge for professional services delivered by the staff of the Returned & Services League of Australia (Victorian Branch) Inc.

Rent of the premises for \$13,804 (2020: \$41,412), as there is no rental agreement Returned & Services League of Australia Victoria House Building Patriotic Fund has the right to forego rental charges.

Grant income of \$1,000,000 (2020: \$500,000) was recognised from RSL Victorian Branch Welfare Trust Fund to support Sub-Branches and provide welfare assistance to veterans and dependents. This grant received appropriate CAV approval.

Other related entry transactions which occur generally relate to either the repayment of expenses on behalf of related parties or the transfer of cash, these are maintained through the accounts payable and receivable ledgers and are generally paid back within normal creditor/debtor terms (i.e. 90 days).

At year end the following balances were in relation to transactions outstanding:

	2021	2020
	\$	\$
Accounts receivable/(payable)		
Returned & Services League of Australia (Victorian Branch) Inc.	(612,505)	92,349

*Transactions with key management personnel*

Key management of the Fund include the Executive members of the Fund's committees who are remunerated through Returned & Services League (Victorian Branch) and Executive management who are remunerated through the Fund.

**Note 19. Contingent liabilities**

There are no contingent liabilities that have been incurred by the Fund in relation to the periods ended 31 December 2021 and 31 December 2020.

**Note 20. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

**Note 21. Fund details**

The registered office and principal place business of the Fund is:

ANZAC House  
4 Collins Street  
MELBOURNE VIC 3000

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund  
Committee members' declaration  
31 December 2021**

In the opinion of the committee, the financial statements and notes of RSL of Aust. Victorian Branch General Appeals Patriotic Fund is in accordance with the Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- Presenting fairly its financial position as at 31 December 2021 and of its performance and cash flows for the year ended on that date; and
- Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Veterans (Patriotic Funds) Regulations 2008 and the Australian Charities and Not-for-profits Commission Regulation 2013.

At the date of this statement, there are reasonable grounds to believe that RSL of Aust. Victorian Branch General Appeals Patriotic Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



---

Robert Webster  
State President

18 May 2022

## Independent Auditor's Report

### To the to the Committee Members of RSL of Aust. Victorian Branch General Appeals Patriotic Fund

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of RSL of Aust. Victorian Branch General Appeals Patriotic Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2021, and 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 comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial report of RSL of Aust. Victorian Branch General Appeals Patriotic Fund Account is in accordance with the Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- a Presenting fairly, in all material respects, the Fund's financial position as at 31 December 2021 and of its performance and cash flows for the year then ended; and
- b Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities, the Veterans (Patriotic Funds) Regulations 2008, and Not-for-Profits Commission Regulation 2013.

##### Basis for opinion

Donations and appeals are a significant source of fundraising revenue for the Fund. The Committee Members of the Fund have determined that it is impracticable to establish control over the collection of donations prior to their receipt into the Funds financial records, this is a common issue with fundraising in the not-for-profit industry. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to donations and appeals had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the donations and appeals recorded is complete.

The Fund holds inventory at multiple locations with restricted access which has limited our ability to observe inventory balances as at the year-end. As a result, we were unable to satisfy ourselves by alternative means concerning inventory quantities held at 31 December 2021. We therefore are unable to express an opinion whether the stock balances are accurate as at the year-end.

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 Fund 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.

#### **Other Information- Committee Members' Report**

The Committee Members are responsible for the other information. The other information comprises the information included in the Fund's financial report for the year ended 31 December 2021, 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 the Committee Members for the Financial Report**

The Committee Members of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Veterans Act 2005, the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the Beneficiaries. This responsibility includes such internal controls as the Committee Members determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Fund'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 Committee Members either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The Committee Members are responsible for overseeing the Fund'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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D M Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

# **Returned & Services League Victorian Branch Welfare Trust Fund**

**ABN 39 275 302 584**

**Annual Report - 31 December 2021**

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Committee members' report**  
**31 December 2021**

The committee members present their report, together with the financial statements, on the fund for the year ended 31 December 2021.

**Committee members**

The following persons were committee members of the fund during the whole of the financial year and up to the date of this report, unless otherwise stated:

The names of committee members throughout the year and at the date of this statement are:

**Brian Cairns (appointed 24 June 2021)**  
Interim CEO

Brian has a very distinguished 30 year association with the RSL and is the current Interim Chief Executive Officer at RSL Victoria providing leadership, governance and direction to both the organisation and the network. In 2008 Brian joined RSL Victoria as the LSBA Executive Officer and in 2012 became the Chief Operating Officer. Brian currently leads the Executive Leadership Team that compromise of the CEO's Office, Veterans Services, Operations and Finance Departments.

**Desmond Callaghan OAM BJ JP**  
Country representative

National Service 1968 to 1970. Joined RSL as a service member 1978. Awarded Life Member in 2000 and Meritorious Medal in 2011. Desmond is proactively involved in other ESO's. Member of State Executive since 2016.

**Glen Phillip Ferrarotto**  
Metro representative

Army Reservist from 1997 and posted to 4/19 PWLH Regiment. Enlisted Regular Army from 1998 to 2008. Two overseas deployments with Special Ops. Joined Montmorency Eltham committee in 2016 and elected Senior Vice President in 2017. In 2012 founded Ironside Recruitment, agency for Veterans and Ex-Service Personnel. Personally honoured as Australia's Most Outstanding Contributor to Veteran Employment by the Hon Malcolm Turnbull, Prime Minister of Australia.

**Andrew Hanns**  
State Executive member

Andrew served as a reserve forces rifleman at Geelong Deakin University Company in 1992, to then joining the regular Army to become a ASLAV Armoured Vehicle Crew Commander. Main posting being 2 Cav Regt 1st Brigade Palmerston, deployed to East Timor INTERFET 1999. Outside service Andrew has worked in the construction industry for a decade to pursue helping veterans as a Wellbeing Advocate at the Geelong RSL Sub Branch. During this time has served 3 terms as Sub Branch President.

**Timothy Holden FCA GAICD RITP (appointed 27 May 2021)**  
State Honorary Treasurer

Timothy enlisted with the Royal Australian Navy in 1979. He served on HMAS Cerberus, HMAS Torrens, HMAS Stirling and HMAS Acute prior to being granted an honourable discharge in 1983 at the rank of Able Seaman. Timothy joined RSL as a service member of Beaumaris RSL Sub-Branch in 2013 and became Treasurer in 2017. In May 2021, Timothy was appointed Honorary Treasurer of RSL Victoria. Timothy is a Fellow of Chartered Accountants Australia & New Zealand.



**Returned & Services League Victorian Branch Welfare Trust Fund  
Committee members' report  
31 December 2021**

**Angelos Kenos**  
State Executive member

Ange was a naval reserve diver and later a navigating officer. Ange has been a teacher at college, TAFE and University as well as an author of several texts and a pioneer in education. Ange is a cofounder of the Victorian Space Science Education Centre. Ange has previously sat on the boards of RACV, Eye & Ear Hospital, and the foundation vice chair of the SIO/GIO Consumer Appeals Centre. He is committee member of the Lemnos Gallipoli Commemoration Committee, the Battle of Greece & Battle of Crete Council and a member of the 25 March Greek Committee.

**Terence (Terry) Makings AM (appointed 30 September 2021)**

Terry was in the Royal Australian Navy for over 20 years. He was a Navy Cadet in TS Barwon, Geelong for four years before joining the RAN. Terry left the Navy as a Commander. After the Navy, Terry served in the Melbourne Port Division (RANReserves) as the Senior Technical Officer. He then took up employment with the City of Melbourne, whereby he was employed as Branch Manager, Group Manager, Director Assets & Services and Director Statutory Services.

Terry's active participation in support of Veterans resulted in being asked to contribute as the Associations representative on the Naval Commemoration Committee of Victoria - a committee comprising Ship/Branch Associations. He works tirelessly within the Veteran community and some of his current roles include Governor of the Shrine of Remembrance, Melbourne (since 2006) and President of the Melbourne Sub-section, Naval Association of Australia. He has also received various Awards/Medals, including Member of the Order of Australia, Active Service Medal, Vietnam Logistic and Support Medal and Defence Force Services Medal (20yr Clasp): National Medal.

**David Martin OAM**  
Country representative

Enlisted in Army 1964, served in Vietnam from April 1968 to April 1969 and continued serving full time till 1985.

During this time David was promoted to Captain and posted as the Officer Commanding of an Army Workshop in Townsville.

Joined RSL in 1969 and appointed Life Membership in 2004, and then awarded the RSL Meritorious Service Medal in 2016.

Member of Rutherglen RSL Sub Branch.

Awarded OAM in 2012 for services to the community in particular people with disabilities, the aged, veterans and their families.

**Returned & Services League Victorian Branch Welfare Trust Fund  
Committee members' report  
31 December 2021**

**David Ridley ACA  
CFO**

David Ridley, who is a qualified chartered accountant, commenced employment with RSL Victoria in 2012 as a Business Analyst after decades of various commercial experience. Within his current role as Chief Financial Officer, David is responsible for providing leadership to all the Finance Team, Property & Legal and the Fundraising Team. David has the aptitude to transfer strategy into achievable goals. He delivers strong strategic recommendations to the CEO and Executive Management Team.

**Simon Thorn  
State Executive member**

Simon is a former commissioned Australian Regular Army officer who served in a wide variety of roles including active service in Iraq and Afghanistan. He has held senior roles at the Office of Police Integrity and the Independent Broad-based Anti-corruption Commission. Simon was previously the senior executive responsible for regulation of the apprenticeship and vocational education sectors in Victoria. Simon is currently a senior executive in the national vocational education regulator. Simon holds an MBA from Latrobe University, is a graduate of the AICD and an ANZSOG Executive Fellow.

**S. Jamie Twidale CSM (resigned 27 May 2021)**

Former Chief Executive Officer  
Graduate Australian Institute of Company Directors  
Master of Business Administration  
Post Graduate Certificate in Security, Terrorism and Counter-Terrorism Studies  
Bachelor of Social Science  
Director Victorian Veterans Council

Jamie is a former Australian Regular Army soldier and officer and current serving member of the Army Reserves. Jamie has served in a wide variety of roles in Australia and overseas including deployments in Afghanistan, East Timor and Solomon Islands. He was awarded the Conspicuous Service Medal in 2006 as well as being awarded an Army Commendation for outstanding service in 2007. Upon leaving the full time Army, Jamie has worked in senior management roles within the SES in Queensland and Victoria. In 2015 to 2019 Jamie lead the EPA (Victoria) emergency management program.

**Lee Webb JP (resigned 26 August 2021)  
Senior Vice President  
Chairman of Corporate & Business Services  
Committee Property Committee**

Enlisted in the Army in 1968 to 1988.  
Joined RSL in 1982 and has been a State Executive member since 2013. Proactively involved in other ESO's Appointed Life Member in 2004 and then awarded the Meritorious Medal in 2015.

**Dr Robert Webster OAM  
State President  
Director RSL National  
Trustee Shrine of Remembrance  
ex-officio all RSL committees**

National service 1969 to 1971.  
Joined RSL in 1971 and elected to State Executive in 1989.  
Received Life Membership in 2001 and awarded Life Membership with Gold badge in 2002. Currently RSL representative on a number of boards.  
Director of AVCAT. Director of Veterans' Children Education Board.

**Principal activities**

The principal activities of the Fund during the year were to provide welfare and charitable assistance to those current and ex-serving members of the Australian and Allied Defence Forces and their dependants.

**Returned & Services League Victorian Branch Welfare Trust Fund  
Committee members' report  
31 December 2021**

**Meetings of committee members**

	Full Committee	
	Attended	Eligible to attend
Brian Cairns	7	7
Desmond Callaghan	11	11
Glen Phillip Ferrarotto	9	11
Andrew Hanns	9	11
Timothy Holden	8	8
Angelo Kenos	11	11
Terry Makings	4	4
David Martin	9	11
David Ridley	11	11
Simon Thorn	10	11
S. Jamie Twidale	4	4
Lee Webb	6	7
Robert S. Webster	11	11

A total of 11 meetings were held during the financial year. The number of meetings attended by each committee member is as above.

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration as required under s60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included in page 5 of this financial report and forms part of the Responsible Entities' Report.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the fund during the financial year.

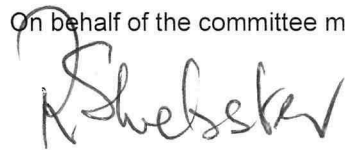
**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the fund's operations, the results of those operations, or the fund's state of affairs in future financial years.

**Review of operations**

The surplus for the fund amounted to \$3,344,544 (31 December 2020: loss of \$690,091).

On behalf of the committee members




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Robert Webster  
State President

18 May 2022

## Auditor's Independence Declaration

### To the Committee Members of RSL Victorian Branch Welfare Trust Fund

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of RSL Victorian Branch Welfare Trust Fund for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

**Returned & Services League Victorian Branch Welfare Trust Fund**

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**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Donations		4,420,000	-
Other income	3	5,400	26,379
<b>Expenses</b>			
Depreciation		(9,315)	(9,532)
Donation		(2,791)	(4,750)
Grant		(1,036,286)	(623,708)
Professional fees		(6,209)	(6,477)
Administration Levy		(24,902)	(70,557)
Other		(1,353)	(1,446)
		<u>3,344,544</u>	<u>(690,091)</u>
<b>Surplus/(loss) for the year</b>		3,344,544	(690,091)
Other comprehensive income for the year		-	-
		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>3,344,544</u></u>	<u><u>(690,091)</u></u>

This statement should be read in conjunction with the notes to the financial statements.

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

Returned & Services League Victorian Branch Welfare Trust Fund  
Statement of financial position  
As at 31 December 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	7,819,098	4,502,638
Trade and other receivables	5	5,125	13,870
Total current assets		<u>7,824,223</u>	<u>4,516,508</u>
<b>Non-current assets</b>			
Property, plant and equipment	6	<u>456,453</u>	<u>465,768</u>
Total non-current assets		<u>456,453</u>	<u>465,768</u>
<b>Total assets</b>		<u>8,280,676</u>	<u>4,982,276</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	<u>277,854</u>	<u>323,998</u>
Total current liabilities		<u>277,854</u>	<u>323,998</u>
<b>Total liabilities</b>		<u>277,854</u>	<u>323,998</u>
<b>Net assets</b>		<u>8,002,822</u>	<u>4,658,278</u>
<b>Equity</b>			
Reserves		516,632	516,632
Retained profits		<u>7,486,190</u>	<u>4,141,646</u>
<b>Total equity</b>		<u>8,002,822</u>	<u>4,658,278</u>

This statement should be read in conjunction with the notes to the financial statements.

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	<b>Property revaluation reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2020	516,632	4,831,737	5,348,369
Loss for the year	-	(690,091)	(690,091)
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year	-	(690,091)	(690,091)
Balance at 31 December 2020	<u>516,632</u>	<u>4,141,646</u>	<u>4,658,278</u>
	<b>Property revaluation reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2021	516,632	4,141,646	4,658,278
Surplus for the year	-	3,344,544	3,344,544
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,344,544	3,344,544
Balance at 31 December 2021	<u>516,632</u>	<u>7,486,190</u>	<u>8,002,822</u>

This statement should be read in conjunction with the notes to the financial statements.



**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Statement of cash flows**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		4,428,744	-
Payments to suppliers and employees		<u>(1,117,684)</u>	<u>(746,235)</u>
Interest earned		3,311,060	(746,235)
		<u>5,400</u>	<u>26,379</u>
Net cash from/(used in) operating activities	8	<u>3,316,460</u>	<u>(719,856)</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		3,316,460	(719,856)
Cash and cash equivalents at the beginning of the financial year		<u>4,502,638</u>	<u>5,222,494</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>7,819,098</u></u>	<u><u>4,502,638</u></u>

This statement should be read in conjunction with the notes to the financial statements.

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

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 1. General information**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Charities and Not-for profits Commission Act 2012 and the Veterans Act 2005.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for RSL Victorian Branch Welfare Trust Fund (the "Fund").

RSL Victorian Branch Welfare Trust Fund is established under the Veterans Act 2005 and is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012.

**Note 2. Significant accounting policies**

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. The Committee Members have determined that the Fund is a not-for-profit entity as the principal objective is not the generation of profit.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Revenue**

*Donations*

Donation income is recognised when the Fund gains control of the funds and are only recognised as income when the funds have been provided to further the Fund's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

During the financial year, a significant donation of \$4,420,000 was received from Beaumaris RSL PF. This donation did not entail any specific performance obligations and will be utilised in coming financial years to provide welfare services.

*Interest income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

**Property, plant and equipment**

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

The following table indicates the rates upon which depreciation charges are based:

Buildings	2% - Diminishing Value
-----------	------------------------

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Significant accounting policies (continued)**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50. of the Income Tax Assessment Act 1997.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Critical accounting estimates and judgments**

The committee members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised or the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Adoption of new and revised accounting standards**

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. There was no impact on the fund's financial performance or position.

**Financial instruments**

*(i) Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*(ii) Classification and subsequent measurement of financial assets*

**Amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Significant accounting policies (continued)**

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Fund's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as term deposits.

**Fair value through other comprehensive income (FVOCI)**

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless a dividend clearly represents a return of capital. This category includes listed equity securities.

*(iii) Impairment of financial assets*

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

*(iv) Trade and other receivables*

The Fund makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Fund uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

*(v) Classification and measurement of financial liabilities*

The Fund's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Fund designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest 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.

**Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Fund can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Significant accounting policies (continued)**

**Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Impairment**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

*Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to the useful life of buildings.

**Note 3. Other income**

	2021 \$	2020 \$
Interest income	<u>5,400</u>	<u>26,379</u>

**Note 4. Current assets - cash and cash equivalents**

	2021 \$	2020 \$
Cash at bank	305,908	117,959
Term deposits	<u>7,513,190</u>	<u>4,384,679</u>
	<u>7,819,098</u>	<u>4,502,638</u>

**Note 5. Current assets - trade and other receivables**

	2021 \$	2020 \$
Other receivables	<u>5,125</u>	<u>13,870</u>

**Note 6. Non-current assets - Property, plant and equipment**

	2021 \$	2020 \$
Buildings at fair value	485,000	485,000
Less: Accumulated depreciation	<u>(28,547)</u>	<u>(19,232)</u>
	<u>456,453</u>	<u>465,768</u>

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 6. Non-current assets - Property, plant and equipment (continued)**

*Reconciliations*

Movements in the carrying amounts of property, plant and equipment are as follows:

	Buildings \$	Total \$
Balance at 1 January 2021	465,768	465,768
Depreciation expense	(9,315)	(9,315)
	<u>465,768</u>	<u>465,768</u>
Balance at 31 December 2021	<u>456,453</u>	<u>456,453</u>

**Note 7. Current liabilities - trade and other payables**

	2021 \$	2020 \$
Trust Funds Payable	270,864	316,209
Other payable	6,990	7,789
	<u>277,854</u>	<u>323,998</u>

**Note 8. Cash flow information**

	2021 \$	2020 \$
<b>Reconciliation of net cash provided by operating activities to net profit</b>		
Net surplus/(loss) for the year	3,344,544	(690,090)
Depreciation	9,315	9,532
(Decrease)/increase in trade and other receivables	8,745	(8,153)
Decrease in trade and other payables	(46,144)	(31,145)
	<u>3,316,460</u>	<u>(719,856)</u>
Net cash from operating activities	<u>3,316,460</u>	<u>(719,856)</u>

**Note 9. Transactions with related entities**

The Fund's related parties include its key management personnel and related entities. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

**Returned & Services League Victorian Branch Welfare Trust Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 9. Transactions with related entities (continued)**

*Transactions with related parties*

The Fund's related parties include its key management personnel and related entities. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

During the financial year ended 31 December 2021, the Fund paid an 'Administration Levy' of \$24,902 (2020: \$70,557) to Returned & Services (Victorian Branch) Inc., representing a recharge for professional services delivered by staff of Returned & Services League Australia (Victorian Branch) Inc.

Grant expense of \$1,000,000 (2020: \$500,000) was paid to Returned & Services League of Australia, Victorian General Appeals Patriotic Fund to support Sub-Branched and provide welfare assistance to veterans and dependents. This received appropriate CAV approval.

Other related entity transactions which occur generally relate to either the repayment of expenses on behalf of related parties or the transfer of cash, these are maintained through the accounts payable and receivable ledgers and are generally paid back within normal creditor/debtor terms (i.e. 90 days). At year end the following balances were in relation to transactions outstanding:

	2021	2020
	\$	\$
Amounts receivable/(payable)		
Returned & Services League of Australia, Victorian General Appeals Patriotic Fund	(840)	-

*Transaction with key management personnel*

Key management of the Fund are the Executive members of the Fund's committees. Key management personnel are not remunerated through the Fund, but through Returned & Services League (Victorian Branch) Inc.

**Note 10. Contingent Liabilities**

There are no contingent liabilities that have been incurred by the Fund in relation to the period ended 31 December 2021 and 2020.

**Note 11. Fund details**

The registered office and principal place of business of the Fund is:

ANZAC House  
4 Collins Street  
MELBOURNE VIC 3000

**Returned & Services League Victorian Branch Welfare Trust Fund  
Committee members' declaration  
31 December 2021**

In the opinion of the committee, the financial statements and notes of RSL Victorian Branch Welfare Trust Fund is in accordance with the Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- presenting fairly its financial position as at 31 December 2021 and of its performance and cash flows for the year ended on that date; and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Veterans (Patriotic Funds) Regulations 2008 and the Australian Charities and Not-for-profits Commission Regulation 2013.

At the date of this statement, there are reasonable grounds to believe that RSL Victorian Branch Welfare Trust Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



---

Robert Webster  
State President

18 May 2022



# Independent Auditor's Report

## To the Committee Members of RSL Victorian Branch Welfare Trust Fund

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of RSL Victorian Branch Welfare Trust Fund (the Fund), which comprises the statement of financial position as at 31 December 2021, and 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 comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

In our opinion, the accompanying financial report of RSL Victorian Branch Welfare Trust Fund has been prepared in accordance with Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- a presents fairly, in all material respects, the Fund's financial position as at 31 December 2021 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards – Reduced Disclosure Requirements and the Veterans (Patriotic Funds) Regulations 2008 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 audit opinion.

#### Other Information- Committee Members' Report

The Committee Members are responsible for the other information. The other information comprises the information included in the Fund's financial report for the year ended 31 December 2021, 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 the Committee Members for the Financial Report**

The Committee Members of the Fund are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Veterans Act 2005, the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the Beneficiaries. This responsibility includes such internal controls as the Committee Members determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Fund'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 Committee Members either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Committee Members are responsible for overseeing the Fund'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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D M Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

# **RSL State Wide Building Patriotic Fund**

**ABN 58 414 029 878**

**Annual Report - 31 December 2021**

**RSL State Wide Building Patriotic Fund  
Committee members' report  
31 December 2021**

The committee members present their report, together with the financial statements, on the fund for the year ended 31 December 2021.

**Committee members**

The names of committee members throughout the year and at the date of this statement are:

**Brian Cairns (appointed 24 June 2021)**  
Interim CEO

Brian has a very distinguished 30 year association with the RSL and is the current Interim Chief Executive Officer at RSL Victoria providing leadership, governance and direction to both the organisation and the network. In 2008 Brian joined RSL Victoria as the LSBA Executive Officer and in 2012 became the Chief Operating Officer. Brian currently leads the Executive Leadership Team that compromise of the CEO's Office, Veterans Services, Operations and Finance Departments.

**Desmond Callaghan OAM BJ JP**  
Country representative

National Service 1968 to 1970. Joined RSL as a service member 1978. Awarded Life Member in 2000 and Meritorious Medal in 2011. Desmond is proactively involved in other ESO's.  
Member of State Executive since 2016.

**Glen Phillip Ferrarotto**  
Metro representative

Army Reservist from 1997 and posted to 4/19 PWLH Regiment. Enlisted Regular Army from 1998 to 2008. Two overseas deployments with Special Ops.  
Joined Montmorency Eltham committee in 2016 and elected Senior Vice President in 2017.  
In 2012 founded Ironside Recruitment, agency for Veterans and Ex-Service Personnel. Personally honoured as Australia's Most Outstanding Contributor to Veteran Employment by the Hon Malcolm Turnbull, Prime Minister of Australia.

**Andrew Hanns**  
State Executive member

Andrew served as a reserve forces rifleman at Geelong Deakin University Company in 1992, to then joining the regular Army to become a ASLAV Brigade Palmerston, deployed to East Timor INTERFET 1999. Outside service Andrew has worked in the construction industry for a decade to pursue helping veterans as Wellbeing Advocate at the Geelong RSL Sub Branch. During this time has served 3 terms as Sub Branch President.

**Timothy Holden FCA GAICD RITP (appointed 27 May 2021)**  
State Honorary Treasurer

Timothy enlisted with the Royal Australian Navy in 1979. He served on HMAS Cerberus, HMAS Torrens, HMAS Sterling and HMAS Acute prior to being granted an honourable discharge in 1983 at rank of Able Seaman. Timothy joined RSL as a service member of Beaumaris RSL Sub-Branch in 2013 and became Treasurer in 2017. In May 2021, Timothy was appointed Honorary Treasurer of RSL Victoria. Timothy is a Fellow of Chartered Accountants Australia & New Zealand.

**RSL State Wide Building Patriotic Fund  
Committee members' report  
31 December 2021**

**Angelos Kenos**

State Executive member

Ange was a naval reserve diver and later a navigating officer. Ange has been a teacher at college, TAFE and University as well as an author of several texts and a pioneer in education. Ange is a cofounder of the Victorian Space Science Education Centre. Ange has previously sat on the boards of RACV, Eye & Ear Hospital, and the foundation vice chair of the SIO/GIO Consumer Appeals Centre. He is committee member of the Lemnos Gallipoli Commemoration Committee, the Battle of Greece & Battle of Crete Council and a member of the 25 March Greek Committee.

**Terrence (Terry) Makings AM (appointed 30  
September 2021)**

Terry was in the Royal Australian Navy for over 20 years. He was a Navy Cadet in TS Barwon, Geelong for four years before joining the RAN. Terry left the Navy as a Commander. After the Navy, Terry served in the Melbourne Port Division (RANReserves) as the Senior Technical Officer. He then took up employment with the City of Melbourne, whereby he was employed as Branch Manager, Group Manager, Director Assets & Services and Director Statutory Services.

Terry's active participation in support of Veterans resulted in being asked to contribute as the Associations representative on the Naval Commemoration Committee of Victoria - a committee comprising Ship/Branch Associations. He works tirelessly within the Veteran community and some of his current roles include Governor of the Shrine of Remembrance, Melbourne (since 2006) and President of the Melbourne Sub-section, Naval Association of Australia.

He has also received various Awards/Medals, including Member of the Order of Australia, Active Service Medal, Vietnam Logistic and Support Medal and Defence Force Services Medal (20yr Clasp): National Medal.

**David Martin OAM**

Country representative

Enlisted in Army 1964, served in Vietnam from April 1968 to April 1969 and continued serving full time till 1985.

During this time David was promoted to Captain and posted as the Officer Commanding of an Army Workshop in Townsville.

Joined RSL in 1969 and appointed Life Membership in 2004, and then awarded the RSL Meritorious Service Medal in 2016.

Member of Rutherglen RSL Sub Branch.

Awarded OAM in 2012 for services to the community in particular people with disabilities, the aged, veterans and their families.

**RSL State Wide Building Patriotic Fund  
Committee members' report  
31 December 2021**

**David Ridley ACA**  
CFO

David Ridley, who is a qualified chartered accountant, commenced employment with RSL Victoria in 2012 as a Business Analyst after decades of various commercial experience. Within his current role as Chief Financial Officer, David is responsible for providing leadership to all the Finance Team, Property & Legal and the Fundraising Team. David has the aptitude to transfer strategy into achievable goals. He delivers strong strategic recommendations to the CEO and Executive Management Team.

**Simon Thorn**  
State Executive member

Simon is a former commissioned Australian Regular Army officer who served in a wide variety of roles including active service in Iraq and Afghanistan. He has held senior roles at the Office of Police Integrity and the Independent Broad-based Anti-corruption Commission. Simon was previously the senior executive responsible for regulation of the apprenticeship and vocational education sectors in Victoria. Simon is currently a senior executive in the national vocational education regulator. Simon holds an MBA from Latrobe University, is a graduate of the AICG and an ANZSOG Executive Fellow.

**S. Jamie Twidale CSM (resigned 27 May 2021)**  
Chief Executive Officer  
Graduate Australian Institute of Company Directors  
Master of Business Administration  
Post Graduate Certificate in Security, Terrorism and Counter-Terrorism Studies  
Bachelor of Social Science  
Director Victorian Veterans Council

Jamie is a former Australian Regular Army soldier and officer and current serving member of the Army Reserves. Jamie has served in a wide variety of roles in Australia and overseas including deployments to Afghanistan, East Timor and Solomon Islands. He was awarded the Conspicuous Service Medal in 2006 as well as being awarded an Army Commendation for outstanding service in 2007. Upon leaving the full time Army, Jamie has worked in senior management roles within the SES in Queensland and Victoria. In 2015 to 2019 Jamie lead the EPA (Victoria) emergency management program.

**Lee Webb JP (resigned 26 August 2021)**  
Senior Vice President  
Chairman of Corporate & Business Services  
Committee Property Committee

Enlisted in the Army in 1968 to 1988.  
Joined RSL in 1982 and has been a State Executive member since 2013. Proactively involved in other ESO's Appointed Life Member in 2004 and then awarded the Meritorious Medal in 2015.

**Dr Robert Webster OAM**  
State President  
Director RSL National  
Trustee Shrine of Remembrance  
ex-officio all RSL committees

National service 1969 to 1971.  
Joined RSL in 1971 and elected to State Executive in 1989.  
Received Life Membership in 2001 and awarded Life Membership with Gold badge in 2002. Currently RSL representative on a number of boards  
Director of AVCAT. Director of Veterans' Children Education Board.

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal activities**

The principal activities of the Fund during the year were to provide grants and loans in support of Victorian RSL Sub Branch Building Patriotic Funds.

**RSL State Wide Building Patriotic Fund  
Committee members' report  
31 December 2021**

**Meetings of committee members**

	Full committee	
	Attended	Eligible to attend
Brian Cairns	7	7
Desmond Callaghan	11	11
Glen Phillip Ferrarotto	9	11
Andrew Hanns	9	11
Timothy Holden	8	8
Angelos Kenos	11	11
Terry Makings	4	4
David Martin	9	11
David Ridley	11	11
Simon Thorn	10	11
S. Jamie Twidale	4	4
Lee Webb	6	7
Robert S. Webster	11	11

A total of 11 meetings were held during the financial year. The number of meetings of Committee Members attended by each committee member is as above.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the fund's operations, the results of those operations, or the fund's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration as required under s60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included in page 5 of this financial report and forms part of the Committee Members' Report.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the fund during the financial year.

**Operating results**

The surplus for the fund amounted to \$703,868 (31 December 2020: loss of \$93,373).



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Robert Webster  
State President

18 May 2022

## Auditor's Independence Declaration

### To the Committee Members of RSL Statewide Building Patriotic Fund

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of RSL Statewide Building Patriotic Fund for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022



**RSL State Wide Building Patriotic Fund**

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**31 December 2021**

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**RSL State Wide Building Patriotic Fund**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Donations		1,026,971	-
Grants		-	600,000
Net fair value movement of financial assets		405,055	-
		<u>1,432,026</u>	<u>600,000</u>
Other income	3	19,542	113,690
<b>Expenses</b>			
Grant		(23,022)	(561,000)
Administration levy		(526,015)	(131,266)
Insurance		(9,046)	(8,172)
Depreciation and amortisation expense		(39,761)	(36,303)
Professional fees		(8,871)	(6,477)
Net fair value movement of financial assets		-	(62,357)
Donations		(139,812)	-
Other expenses		(1,173)	(1,488)
		<u>703,868</u>	<u>(93,373)</u>
<b>Surplus/(loss) for the year</b>			
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		-	196,000
Other comprehensive income for the year		-	196,000
<b>Total comprehensive income for the year</b>		<u><u>703,868</u></u>	<u><u>102,627</u></u>

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

**RSL State Wide Building Patriotic Fund**  
**Statement of financial position**  
**As at 31 December 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,990,947	1,579,822
Trade and other receivables	5	70,630	118,799
<b>Total current assets</b>		<u>2,061,577</u>	<u>1,698,621</u>
<b>Non-current assets</b>			
Trade and other receivables	5	2,520,107	2,645,720
Property, plant and equipment	7	2,824,904	2,843,364
Financial assets	6	3,430,009	3,024,954
<b>Total non-current assets</b>		<u>8,775,020</u>	<u>8,514,038</u>
<b>Total assets</b>		<u>10,836,597</u>	<u>10,212,659</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	52,178	132,108
<b>Total current liabilities</b>		<u>52,178</u>	<u>132,108</u>
<b>Total liabilities</b>		<u>52,178</u>	<u>132,108</u>
<b>Net assets</b>		<u>10,784,419</u>	<u>10,080,551</u>
<b>Equity</b>			
Reserves		196,000	196,000
Retained profits		10,588,419	9,884,551
<b>Total equity</b>		<u>10,784,419</u>	<u>10,080,551</u>

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

**RSL State Wide Building Patriotic Fund  
Statement of changes in equity  
For the year ended 31 December 2021**

	<b>Property Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2020	-	9,977,924	9,977,924
Loss for the year	-	(93,373)	(93,373)
Other comprehensive income for the year	196,000	-	196,000
Total comprehensive income for the year	<u>196,000</u>	<u>(93,373)</u>	<u>102,627</u>
Balance at 31 December 2020	<u>196,000</u>	<u>9,884,551</u>	<u>10,080,551</u>
	<b>Property Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2021	196,000	9,884,551	10,080,551
Surplus for the year	-	703,868	703,868
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>703,868</u>	<u>703,868</u>
Balance at 31 December 2021	<u>196,000</u>	<u>10,588,419</u>	<u>10,784,419</u>

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

**RSL State Wide Building Patriotic Fund**  
**Statement of cash flows**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		1,621,163	704,543
Payments to suppliers and employees		<u>(787,869)</u>	<u>(636,654)</u>
		833,294	67,889
Interest received		<u>4,187</u>	<u>12,620</u>
Net cash from operating activities	9	<u>837,481</u>	<u>80,509</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	7	(21,301)	(35,466)
Receipts from/(payments for) investments		<u>(405,055)</u>	<u>62,356</u>
Net cash from/(used in) investing activities		<u>(426,356)</u>	<u>26,890</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		411,125	107,399
Cash and cash equivalents at the beginning of the financial year		<u>1,579,822</u>	<u>1,472,423</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>1,990,947</u></u>	<u><u>1,579,822</u></u>

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

**RSL State Wide Building Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 1. General information**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Charities and Not-for profits Commission Act 2012 and the Veterans Act 2005.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for RSL State Wide Building Patriotic Fund (the "Fund").

RSL State Wide Building Patriotic Fund is established under the Veterans Act 2005 and is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012.

**Note 2. Statement of significant accounting policies**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Charities and Not-for profits Commission Act 2012 and the Veterans Act 2005.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. The State Executive members have determined that the Fund is a not-for-profit entity as the principal objective is not the generation of profit.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Revenue**

*Donations and grants*

Donation income is recognised when the Fund gains control of the funds and are only recognised as income when the funds have been provided to further the Fund's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

*Interest and dividend income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. Dividend income is recognised at the time the right to receive payment is established.

**Property, plant and equipment**

Freehold land and buildings, plant and other equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended. Land and buildings, plant and other equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses. Depreciable assets are written off over their useful lives commencing from the time the asset is held ready for use.

The following indicates the rates upon which depreciation charges are based:

Building improvements: 2% p/a - Diminishing value

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**Income tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50. of the Income Tax Assessment Act 1997.

**Note 2. Statement of significant accounting policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

**Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Critical accounting estimates and judgements**

The Committee members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity. Actual results may differ from these estimates.

**Financial Instruments**

*(i) Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*(ii) Classification and subsequent measurement of financial assets*

**Amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Fund's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as term deposits.

**Fair value through other comprehensive income (FVOCI)**

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless a dividend clearly represents a return of capital. This category includes listed equity securities.

**Note 2. Statement of significant accounting policies (continued)**

*(iii) Impairment of financial assets*

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

*(iv) Trade and other receivables*

The Fund makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Fund uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

*(v) Classification and measurement of financial liabilities*

The Fund's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest 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.

**Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Fund can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

**Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.



**RSL State Wide Building Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 2. Statement of significant accounting policies (continued)**

*Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Specifically when assessing the recoverability of Sub Branch loans due consideration is given to the current and future trading profitability of the Sub Branch and in relation to monies lent to Sub Branch Building Patriotic funds the net asset position of the particular fund in question is also factored into decision making.

*Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to the useful life of buildings.

**Note 3. Other income**

Revenue may be analysed as follows for each major product and service category:

	2021 \$	2020 \$
Interest Income	4,187	12,620
Other Income	15,355	101,070
	<u>19,542</u>	<u>113,690</u>

**Note 4. Cash and cash equivalents**

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

	2021 \$	2020 \$
<i>Current assets</i>		
Cash at bank	479,798	919,856
Term deposits	1,511,149	659,966
	<u>1,990,947</u>	<u>1,579,822</u>

**Note 5. Trade and other receivables**

	2021 \$	2020 \$
<i>Current assets</i>		
Trade receivables	70,630	118,799
<i>Non-current assets</i>		
Loan Receivable	<u>2,520,107</u>	<u>2,645,720</u>

The loan receivables relate to amounts receivable from Sub-branches. It is noted that these loans are considered fully recoverable and therefore have not been provided for as doubtful. The below table outlines these receivables in more detail;

**RSL State Wide Building Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 5. Trade and other receivables (continued)**

**Sub-branch**

Bentleigh RSL BPF	1,534,480
Boronia RSL BPF	155,894
Kew RSL Inc.	<u>829,733</u>
	<u><u>2,520,107</u></u>

**Note 6. Financial assets**

The carrying amounts of financial assets are as follows:

	2021 \$	2020 \$
<i>Non-current assets</i>		
Investment in managed funds	<u>3,430,009</u>	<u>3,024,954</u>

**Note 7. Property, plant and equipment**

	2021 \$	2020 \$
<i>Non-current assets</i>		
Land - at cost	<u>1,027,000</u>	<u>1,027,000</u>
Building improvements - at cost	1,999,593	1,978,291
Less: Accumulated depreciation	<u>(201,689)</u>	<u>(161,927)</u>
	<u>1,797,904</u>	<u>1,816,364</u>
	<u><u>2,824,904</u></u>	<u><u>2,843,364</u></u>

*Reconciliations*

Movements in the carrying amounts of property, plant and equipment are as follows:

	Land \$	Building Improvement \$	Total \$
Balance at 1 January 2021	1,027,000	1,816,364	2,843,364
Additions	-	21,301	21,301
Depreciation expense	-	<u>(39,761)</u>	<u>(39,761)</u>
Balance at 31 December 2021	<u>1,027,000</u>	<u>1,797,904</u>	<u>2,824,904</u>

**Note 8. Trade and other payables**

	2021 \$	2020 \$
<i>Current liabilities</i>		
Other payables	<u>52,178</u>	<u>132,108</u>

**RSL State Wide Building Patriotic Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 9. Cash flow information**

	2021 \$	2020 \$
<b>Reconciliation of net cash provided by operating activities to net profit</b>		
Net (Loss)/profit for the year	703,868	(93,374)
Depreciation	39,761	36,303
Decrease/(Increase) in trade and other receivables	173,782	65,830
(Decrease)/Increase in trade and other payables	(79,930)	71,750
	<u>837,481</u>	<u>80,509</u>
Net cash provided by operating activities	<u>837,481</u>	<u>80,509</u>

**Note 10. Related party transactions**

The Fund's related parties include its key management personnel and related entities. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

*Transactions with related entities*

The objects and purpose of the Fund dictate grants can only be provided to RSL Patriotic Funds of which RSL Victorian Branch Inc. is trustee. In 2021, those grants amounted to \$23,022 (2020: \$561,000).

During the financial year ended 31 December 2021, the Fund paid an 'Administration Levy' of \$526,015 (2020: \$131,266) to Returned & Services (Victorian Branch) Inc., representing a recharge for professional services delivered by staff of Returned & Services League Australia (Victorian Branch) Inc.

Other related entity transactions which occur generally relate to either the repayment of expenses on behalf of related parties or the transfer of cash, these are maintained through the accounts payable and receivable ledgers and are generally paid back within normal creditor/debtor terms (i.e. 90 days). At year end the following balances were in relation to transactions outstanding:

	2021 \$	2020 \$
Amounts receivable/(payable)		
Returned & Services League of Australia (Victorian Branch) Inc.	(840)	(14,115)

*Transactions with key management personnel*

Key management of the Fund are the Executive members of the Fund's committees. Key management personnel are not remunerated through the Fund, but through Returned & Services League (Victorian Branch) Inc.

**Note 11. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the fund's operations, the results of those operations, or the fund's state of affairs in future financial years.

**Note 12. Fund details**

The registered office and principal place business of the Fund is:

ANZAC House  
4 Collins Street  
MELBOURNE VIC 3000

**RSL State Wide Building Patriotic Fund  
Committee members' declaration  
31 December 2021**

In the opinion of the Committee, the financial statements and notes of RSL State Wide Building Patriotic Fund is in accordance with the Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- Presenting fairly its financial position as at 31 December 2021 and of its performance and cash flows for the year ended on that date; and
- Complying with Australian Accounting standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Veterans (Patriotic Funds) Regulations 2008 and the Australian Charities and Not-for-profits Commission Regulation 2013.

At the date of this statement, there are reasonable grounds to believe that RSL State Wide Building Patriotic Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



---

Robert Webster  
State President

18 May 2022

## Independent Auditor's Report

### To the Committee Members of RSL Statewide Building Patriotic Fund

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of RSL Statewide Building Patriotic Fund (the Fund), which comprises the statement of financial position as at 31 December 2021, and 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 comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

In our opinion, the accompanying financial report of RSL Statewide Building Patriotic Fund has been prepared in accordance with Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- a presents fairly, in all material respects, the Fund's financial position as at 31 December 2021 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards – Reduced Disclosure Requirements and the Veterans (Patriotic Funds) Regulations 2008 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 audit opinion.

##### Other Information- Committee Members' Report

The Committee Members are responsible for the other information. The other information comprises the information included in the Fund's financial report for the year ended 31 December 2021, 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 the Committee Members for the Financial Report**

The Committee Members of the Fund are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Veterans Act 2005, the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the Beneficiaries. This responsibility includes such internal controls as the Committee Members determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Fund'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 Committee Members either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Committee Members are responsible for overseeing the Fund'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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D M Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

# **RSL Victoria House Building Fund**

**ABN 53 294 327 597**



**Annual Report - 31 December 2021**

## **RSL Victoria House Building Fund**

### **Trustees' report**

**31 December 2021**

The Trustees present their report, together with the financial statements, on the company for the year ended 31 December 2021.

#### **Trustees**

The names of Trustees throughout the year and at the date of this statement are:

##### **Francis Bell OAM RFD ED**

Member of the RSL since 1974. Currently member at Kyneton RSL Sub Branch. Awarded Life Membership with Gold badge in 2001 and the Meritorious Service Medal in 2005. Volunteer at ANZAC house since 1988. In 2017 awarded OAM for services to veterans and their families.

##### **Colonel Jason Cooke**

Joined Army Reserve in 1982 and has served overseas, held key appointments as Chief Instructor, Chief of Staff 4th Brigade, SO1 reform and Assistant Commander 4th BDE. Brigade Commander Australian Army Cadets Victoria. Awarded Silver Commendation for work as the Chief of Staff of the Joint Task Force during Victorian bushfires. Chief Marshall for ANZAC Day March on behalf of RSL Victorian Branch.

##### **John Cullen OAM**

Chairman of Trustees, Victoria House Building Trust  
State Honorary Treasurer  
Finance & Audit Committee  
Property Committee  
Remuneration Committee  
National Institute of Accountants - FIFA  
Australian Institute of Company Directors - MAICD

National Service 1968 to 1970.

Joined RSL as a service member 1970. John has extensive experience in the not-for-profit organisation, including senior positions in Vasey RSL Care Ltd. In 2006 awarded OAM for services to veterans and their families.

##### **Lieutenant Commander Pelagia Markogiannakis**

Deputy Chair Victorian Veterans Council

Pela has been a Navy Reservist since 1986 and had attained the rank of Lieutenant Commander. She has had a variety of logistics, engineering, and infrastructure related roles.

Pela is an engineer and certified project professional. She has been the Aide-de-Camp in Waiting to His Excellency the Governor of New South Wales and to His Excellency the Administrator of the Commonwealth of Australia. She is currently serving as the Deputy Director Navy Infrastructure and is the Staff Officer for Reservists in Victoria reporting to the CO HMAS Cerberus in Western Port. Pela currently holds the executive Project Controls role with Major Road Projects Victoria in the Major Transport Infrastructure Authority.

##### **Major General David McLachlan AO**

Company member Vasey RSL Case  
Director of The Royal Humane Society of Australasia  
Victorian Government Veterans Employment Advocate

Enlisted in the Army 1959 to 1994.

Elected on the State Executive in 1999 and then appointed State President in 2002.

David has significant experience in executive governance roles across a range of industry sectors.



**RSL Victoria House Building Fund  
Trustees' report  
31 December 2021**

**Dr Robert Webster OAM**

State President  
Director RSL National  
Trustee Shrine of Remembrance  
Chair of Victorian Branch Awards Committee  
Chair of ADCC  
ex-officio all RSL Committees

National Service 1969 to 1971.  
Joined RSL in 1971 and elected to State Executive in 1989.  
Received Life Membership in 2001 and awarded Life  
Membership with Gold badge in 2002. Currently RSL  
representative on a number of boards.  
Director of AVCAT. Director of Veterans' Children Education  
Board.

Trustees have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal activities**

The principal activities of the Fund during the year were to provide commercial property accommodation for the Returned & Services League of Australia (Victorian Branch) Inc. in support of its objectives in providing welfare and charitable activities to its members and returned servicemen.

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration as required under s60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included in page 3 of this financial report and forms part of the Trustees' Report.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the fund during the financial year.

**Operating Results**

The loss for the fund amounted to \$431,684 (31 December 2020: \$411,980).

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the fund's operations, the results of those operations, or the fund's state of affairs in future financial years.

This report is made in accordance with a resolution of Trustees, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Trustees



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John Cullen  
Trustee

18 May 2022

## Auditor's Independence Declaration

To the Trustees of Returned & Services League of Australia Victoria House Building Patriotic Fund

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Returned & Services League of Australia Victoria House Building Patriotic Fund for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022

## **RSL Victoria House Building Fund**

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**RSL Victoria House Building Fund**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Rental revenue		325,418	216,007
Grants		-	20,000
Donations		<u>139,812</u>	<u>-</u>
		465,230	236,007
Other Income	3	1,922	13,098
<b>Expenses</b>			
Insurances		(64,916)	(57,001)
Depreciation and amortisation expense		(366,282)	(392,360)
Loss on disposal of assets		(185,988)	-
Professional fees		(6,209)	(6,477)
Property outgoing		(90,442)	(79,152)
Other expenses		(43,775)	(28,361)
Finance costs		(1,363)	(1,005)
Administration levy		<u>(139,861)</u>	<u>(96,729)</u>
<b>Loss for the year</b>		(431,684)	(411,980)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>(431,684)</u></u>	<u><u>(411,980)</u></u>

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

**RSL Victoria House Building Fund**  
**Statement of financial position**  
**As at 31 December 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,786,742	1,769,833
Trade and other receivables	5	18,858	66,066
Other assets	6	<u>38,372</u>	<u>44,289</u>
Total current assets		<u>1,843,972</u>	<u>1,880,188</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	<u>20,180,539</u>	<u>20,594,442</u>
Total non-current assets		<u>20,180,539</u>	<u>20,594,442</u>
<b>Total assets</b>		<u>22,024,511</u>	<u>22,474,630</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	<u>35,482</u>	<u>53,917</u>
Total current liabilities		<u>35,482</u>	<u>53,917</u>
<b>Total liabilities</b>		<u>35,482</u>	<u>53,917</u>
<b>Net assets</b>		<u>21,989,029</u>	<u>22,420,713</u>
<b>Equity</b>			
Reserves		13,767,124	13,767,124
Retained profits		<u>8,221,905</u>	<u>8,653,589</u>
<b>Total equity</b>		<u>21,989,029</u>	<u>22,420,713</u>

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

**RSL Victoria House Building Fund**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	<b>Property Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2020	13,767,124	9,065,569	22,832,693
Loss for the year	-	(411,980)	(411,980)
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year-----		<u>(411,980)</u>	<u>(411,980)</u>
Balance at 31 December 2020	<u>13,767,124</u>	<u>8,653,589</u>	<u>22,420,713</u>
	<b>Property Revaluation Reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2021	13,767,124	8,653,589	22,420,713
Loss for the year	-	(431,684)	(431,684)
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year-----		<u>(431,684)</u>	<u>(431,684)</u>
Balance at 31 December 2021	<u>13,767,124</u>	<u>8,221,905</u>	<u>21,989,029</u>

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

**RSL Victoria House Building Fund**  
**Statement of cash flows**  
**For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from operations		512,643	228,192
Payments to suppliers		<u>(543,709)</u>	<u>(296,883)</u>
		(31,066)	(68,691)
Interest received		1,717	13,098
Finance Costs		<u>(1,363)</u>	<u>(1,005)</u>
Net cash used in operating activities		<u>(30,712)</u>	<u>(56,598)</u>
<b>Cash flows from investing activities</b>			
Receipts/(payments) for property, plant and equipment	7	<u>47,621</u>	<u>(502,634)</u>
Net cash from/(used in) investing activities		<u>47,621</u>	<u>(502,634)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		16,909	(559,232)
Cash and cash equivalents at the beginning of the financial year		<u>1,769,833</u>	<u>2,329,065</u>
Cash and cash equivalents at the end of the financial year	4	<u>1,786,742</u>	<u>1,769,833</u>

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

**RSL Victoria House Building Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 1. General information and basis of preparation**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Returned & Services League of Australia Victoria House Building Patriotic Fund (the "Fund").

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Veterans Act 2005, and the Australian Charities and Not-for profits Commission Act 2012.

**Note 2. Statement of significant accounting policies**

**New or amended Accounting Standards and Interpretations adopted**

The fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

*IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (AASB 138 Intangible Assets)*

The fund has adopted the IFRIC Agenda Decision from 1 January 2021. The Agenda Decision provides clarification on the elements of expenditure that meet the definition of an Intangible Asset as defined by AASB 138 Intangible Assets. The adoption of this standard did not have an impact on the fund.

**Summary of accounting policies**

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

**Revenue**

*Rental income*

Rent revenue is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

*Donations*

Donation income is recognised when the Fund gains control of the funds and are only recognised as income when the funds have been provided to further the Fund's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

*Interest and dividend income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. Dividend income is recognised at the time the right to receive payment is established.

**Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service at the date of their origin.

**Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997. The ongoing Income Tax Exempt Charity status is subject to meeting the terms of the Deed of Settlement with the Commissioner of Taxation of the Commonwealth of Australia dated 24 September 2002.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.



**Note 2. Statement of significant accounting policies (continued)**

**Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**Property, plant and equipment**

Land and buildings are stated at re-valued amounts. Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Plant and other equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Plant and other equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses. Depreciable assets are written off over their useful lives commencing from the time the asset is held ready for use.

Buildings	2% per annum, diminishing value
Plant, equipment and fixtures	10% - 30% per annum, diminishing value

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss within other income or other expenses.

**Financial instruments**

*(i) Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Note 2. Statement of significant accounting policies (continued)**

*(ii) Classification and subsequent measurement of financial assets*

Amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Fund's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as term deposits.

Fair value through other comprehensive income (FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividends from these investments continue to be recorded as other income within the profit or loss unless a dividend clearly represents a return of capital. This category includes listed equity securities.

*(iii) Impairment of financial assets*

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

*(iv) Trade and other receivables*

The Fund makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Fund uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

*(v) Classification and measurement of financial liabilities*

The Fund's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest 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.

**Note 2. Statement of significant accounting policies (continued)**

**Reserves**

Other components of equity include the revaluation reserve comprising of gains and losses from the revaluation of land and buildings.

**Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Fund can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

**Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

*Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to the useful life of buildings.

**Critical accounting estimates and judgements**

The Trustees evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Note 3. Other Income**

	2021 \$	2020 \$
Other income	205	-
Interest income	1,717	13,098
Other Income	<u>1,922</u>	<u>13,098</u>

**RSL Victoria House Building Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 4. Current assets - Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	233,295	218,187
Term deposits	1,553,447	1,551,646
	<u>1,786,742</u>	<u>1,769,833</u>

**Note 5. Current assets - Trade and other receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Other receivables	17,908	65,116
Trade debtors	950	950
	<u>18,858</u>	<u>66,066</u>

**Note 6. Current assets - Other assets**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>38,372</u>	<u>44,289</u>

**Note 7. Non-current assets - Property, plant and equipment**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Land and buildings - at cost	21,258,219	21,160,412
Less: Accumulated depreciation	<u>(1,344,645)</u>	<u>(1,063,413)</u>
	19,913,574	20,096,999
Plant, equipment and fixtures	754,102	2,448,082
Less: Accumulated depreciation	<u>(487,137)</u>	<u>(1,950,639)</u>
	266,965	497,443
	<u>20,180,539</u>	<u>20,594,442</u>

*Reconciliations*  
Movements

	Land and Buildings \$	Plant, equipment and fixtures \$	Total \$
Balance at 1 January 2021	20,096,874	497,568	20,594,442
Additions/(Disposals)	97,933	(145,554)	(47,621)
Depreciation expense	<u>(281,233)</u>	<u>(85,049)</u>	<u>(366,282)</u>
Balance at 31 December 2021	<u>19,913,574</u>	<u>266,965</u>	<u>20,180,539</u>

**RSL Victoria House Building Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 8. Current liabilities - Trade and other payables**

Trade and other payables recognised consist of the following:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables	11,725	18,083
Other payables	23,757	35,834
	<u>35,482</u>	<u>53,917</u>

**Note 9. Cash flow information**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of net cash provided by operating activities to net profit</b>		
Net surplus/(loss) for the year	(431,684)	(411,980)
Depreciation	366,282	392,360
Decrease/(increase) in trade and other receivables	53,125	(22,022)
Decrease in trade and other payables	(18,435)	(14,956)
	<u>(30,712)</u>	<u>(56,598)</u>
Net cash provided by operating activities	<u>(30,712)</u>	<u>(56,598)</u>

**Note 10. Related party transactions**

The Fund's related parties include its key management personnel and related entities. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

*Transactions with related parties*

During the financial year ended 31 December 2021, the Fund paid an 'Administration Levy' of \$138,861 (2020: \$96,729) to Returned & Services League of Australia (Victorian Branch) Inc., representing a recharge for professional services delivered by staff of Returned & Services League (Victorian Branch) Inc.

The Fund has ownership over land and buildings located at 4 Collins Street, Melbourne, Known as ANZAC House, The fund may elect to charge rent to each of the related party entities for use of the premises. During the year the following was paid in rent by related parties:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Returned & Services League of Australia (Victoria Branch) Inc.	160,000	160,000

Rent of \$325,418 (2020: \$216,007) has been disclosed in the statement of profit and loss and other comprehensive income, the additional rent relates to non-related parties whom reside within the building.

*Other related entity transactions*

Other related entity transactions which occur generally relate to either the repayment of expenses on behalf of related parties or the transfer of cash, these are maintained through the accounts payable and receivable ledgers and are generally paid back within normal creditor/debtor terms (i.e. 90 days). At year end the following balances were in relation to transactions outstanding:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Amounts receivable/(payable):		
Returned & Services League of Australia (Victorian Branch) Inc.	(1,476)	52,687

**RSL Victoria House Building Fund**  
**Notes to the financial statements**  
**31 December 2021**

**Note 10. Related party transactions (continued)**

*Transactions with key management personnel*

Key management of the Fund are the Executive members of the Fund's committees. Key management personnel are not remunerated through the Fund, but through Returned & Services League (Victorian Branch) Inc.

**Note 11. Contingent liabilities**

There are no contingent liabilities that have been incurred by the Fund in relation to 31 December 2021.

**Note 12. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the fund's operations, the results of those operations, or the fund's state of affairs in future financial years.

**Note 13. Fund details**

The registered office and principal place of business of the Fund is:

ANZAC House  
4 Collins Street  
MELBOURNE VIC 3000

**RSL Victoria House Building Fund**

**Trustees' declaration**

**31 December 2021**

In the opinion of the Trustees, the financial statements and notes of Returned & Services League of Australia Victoria House Building Patriotic Fund are in accordance with the Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- Presenting fairly its financial position as at 31 December 2021 and of its performance and cash flows for the year ended on that date; and
- Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), the Veterans (Patriotic Funds) Regulations 2008 and the Australian Charities and Not-for-profits Commission Regulation 2013.

At the date of this statement, there are reasonable grounds to believe that Returned & Services League of Australia Victoria House Building Patriotic Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Trustees and is signed for and on behalf of the Trustees by:



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John Cullen  
Trustee

18 May 2022

## Independent Auditor's Report

### To the Trustees of Returned & Services League of Australia Victoria House Building Patriotic Fund

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Returned & Services League of Australia Victoria House Building Patriotic Fund (the Fund), which comprises the statement of financial position as at 31 December 2021, and 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 comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Trustees.

In our opinion, the accompanying financial report of Returned & Services League of Australia Victoria House Building Patriotic Fund has been prepared in accordance with Veterans Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- a presents fairly, in all material respects, the Fund's financial position as at 31 December 2021 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards – Reduced Disclosure Requirements and the Veterans (Patriotic Funds) Regulations 2008 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 audit opinion.

##### Other Information- Trustee's Report

The Trustee is responsible for the other information. The other information comprises the information included in the Fund's financial report for the year ended 31 December 2021, 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 the Trustee for the Financial Report**

The Trustee of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Veterans Act 2005, the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the Beneficiaries. This responsibility includes such internal controls as the Trustee determines is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustee is responsible for assessing the Fund'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 Trustee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund'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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D M Scammell  
Partner – Audit & Assurance

Melbourne, 18 May 2022