

RSL State Wide Building Patriotic Fund

ABN 58 414 029 878

Annual Report - 31 December 2022

**RSL State Wide Building Patriotic Fund
Committee Members' report
31 December 2022**

Your Committee Members submit the financial statements of Returned & Services League of Australia State Wide Building Patriotic Fund (the "Fund") for the financial year ended 31 December 2022.

Committee Members

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

Dr Robert Webster OAM

State President
Director RSL National
Trustee Shrine of Remembrance
ex-officio all RSL committees
STEX Metropolitan representative Region 2
STEX Country Representative Region 6 & 7

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. Member of the State Executive since 1989, State President since 2017.

Desmond Callaghan OAM BJ JP

Senior Vice President
Property Committee Chair
STEX Country Representative Region 8B & 9

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 the State Executive since 2016.

Terence (Terry) Makings AM

Vice President
Finance Committee, Risk Audit and Governance
Committee Member
Veteran Affairs Committee Chair
STEX Metropolitan Representative Region 1

Terry was in the Royal Australian Navy for more than 20 years, following four years as a Navy Cadet at TS Barwon, Geelong. He joined the RAN as a General Entry Recruit and left the Navy as a Commander Engineer. Terry also served as a Reservist in the Melbourne Port Division as Senior Technical Officer. After the Navy, he worked as a senior executive in Local Government for more than 20 years before becoming a consultant. Terry is currently State Branch Vice President, a Governor of the Shrine of Remembrance, President Melbourne Sub-section Naval Association, President Naval Commemoration Committee of Victoria and President Scrap Iron Flotilla.

Timothy Holden FCA GAICD RITP

State Honorary Treasurer
Finance Committee Chair
STEX Metropolitan Representative Region 5

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.

Sue Cattermole

Chief Executive Officer (commenced July 2022)

Sue is CEO of the RSL in Victoria. Prior to taking on the role in July 2022, Sue served in senior executive roles in the not-for-profit sector. She was the Group CEO of St Vincent de Paul Society Victoria for six years, CEO SkillsPlus Group for five years and part of the Senior Executive of Wesley Mission Victoria for five years. She has served on several government advisory, industry, and community organisation boards. Sue is a graduate of the Company Directors Course and holds a diploma in Applied Corporate Governance from the Governance Institute of Australia.

John Beslee

State Executive Member (commenced August 2022)
Corporate and Business Services Committee
Deputy Chair
STEX Metropolitan Representative Region 4

John Beslee became a member of the RSL State Executive in 2022. This new venture for him follows a lengthy period at Seaford RSL where he spent over 16 years variously as Committeeman, Secretary, Treasurer and President. Whilst President, he also took on the role of Appeals Officer where he introduced the use of portable EFTPOS machines to the Appeals system throughout Victoria. He was honoured in 2015 by being inducted into the RSL Hall of Fame and in 2022 was made a Life Member of the RSL. John's service career began when he joined the RAN in 1967, then on discharge he worked in the building industry.

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Lindsay Guerin

State Executive Member (commenced August 2022)

Veteran Affairs Committee Member

STEX Country Representative Region 10 & 11

WGCDR (Ret'd) Lindsay Guerin is Secretary of Inverloch RSL Sub-Branch. Lindsay served 33 years in the RAAF as a Personnel Capability Officer. Twelve years in Headquarters Joint Operations Command has given Lindsay an intimate knowledge of operational planning and conduct. Deployments to Iraq and Afghanistan provided additional operational experience. Previous service includes workforce structures, Reserve force management and administration across Force Element Group, Wing and unit levels. Prior to his RAAF service, he had marketing experience with an Associate Membership of the Australian Marketing Institute and an associate degree in law. He is a member of the Veteran Affairs Committee and Chair of the working group for the Royal Commission into Defence and Veteran Suicide.

Andrew Hanns

State Executive Member

Corporate and Business Services Committee Chair

STEX Country Representative 8A & 8C

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. Member of the State Executive since 2020.

Angelos Kenos

State Executive Member

Property Committee and Veteran Affairs Committee Member

STEX Metropolitan Representative Region 3

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. Member of the State Executive since 2020.

David Martin OAM

State Executive Member

STEX Country Representative Region 9

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. Member of the State Executive since 2018.

Simon Thorn

State Executive Member

Risk, Audit and Governance Committee Chair

STEX Metropolitan Representative Region 1

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. Member of the State Executive since 2020.

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Brian Cairns

Interim CEO (resigned June 2022)

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.

Glen Phillip Ferrarotto

Metro representative (resigned June 2022)

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.

David Ridley ACA

CFO (resigned February 2023)

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.

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 grants and loans in support of Victorian RSL Sub-Branch Building Patriotic Funds.

Meetings of Committee Members

	Full Committee Eligible to attend	Attended
Robert S. Webster	11	9
Desmond Callaghan	11	11
Terry Makings	11	10
Timothy Holden	11	11
Sue Cattermole (commenced July 2022)	6	5
John Beslee (commenced August 2022)	6	6
Lindsay Guerin (commenced August 2022)	6	6
Andrew Hanns	11	10
Angelo Kenos	11	11
David Martin	11	9
Simon Thorn	11	10
Brian Cairns (resigned June 2022)	7	7
Glen Phillip Ferrarotto (resigned June 2022)	5	5
David Ridley (resigned February 2023)	11	10

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.

**RSL State Wide Building Patriotic Fund
Committee Members' report
31 December 2022**

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.

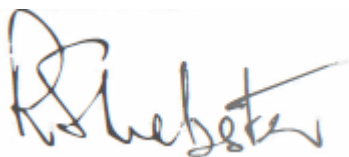
Operating results

RSL State Wide Building Patriotic Fund is a philanthropic fund which provides grants and loans in support of Victorian RSL Sub-Branches Building Patriotic Funds.

At the end of financial year 2022 the Fund made a loss for the year of \$707,201 (31 December 2021: surplus income of \$703,868). The main contributor to the decline in profitability is during the 2021 financial year, the Fund received a single donation from the closure of the Beaumaris RSL Sub-Branch of \$1,000,000. During the 2022 financial year, RSL State Wide Building Patriotic Fund made payments to support Sub-Branch Building Funds.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2022 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.



Robert Webster
State President

4 May 2023


Grant Thornton Audit Pty Ltd

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Melbourne VIC 3008
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Melbourne VIC 3001
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Auditor's Independence Declaration

To the Committee Members of RSL State Wide 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 State Wide Building Patriotic Fund for the year ended 31 December 2022, 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


D S Scammell
Partner - Audit & Assurance

Melbourne, 4 May 2023

RSL State Wide Building Patriotic Fund

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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 2022**

	Note	2022 \$	2021 \$
Revenue			
Donations		-	1,026,971
Other income	3	126,184	19,542
Net fair value movement of financial assets		-	405,055
Expenses			
Grant		(54,000)	(23,022)
Administration levy		(540,746)	(526,015)
Insurance		(12,743)	(9,046)
Depreciation and amortisation expense		(39,258)	(39,761)
Professional fees		(9,755)	(8,871)
Net fair value movement of financial assets		(176,012)	-
Donations		-	(139,812)
Other expenses		(871)	(1,173)
Surplus/(loss) for the year		(707,201)	703,868
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(707,201)</u>	<u>703,868</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 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,592,873	1,990,947
Trade and other receivables	5	73,262	70,630
Total current assets		<u>1,666,135</u>	<u>2,061,577</u>
Non-current assets			
Trade and other receivables	5	2,414,084	2,520,107
Property, plant and equipment	7	2,790,226	2,824,904
Financial assets	6	3,253,997	3,430,009
Total non-current assets		<u>8,458,307</u>	<u>8,775,020</u>
Total assets		<u>10,124,442</u>	<u>10,836,597</u>
Liabilities			
Current liabilities			
Trade and other payables	8	47,224	52,178
Total current liabilities		<u>47,224</u>	<u>52,178</u>
Total liabilities		<u>47,224</u>	<u>52,178</u>
Net assets		<u>10,077,218</u>	<u>10,784,419</u>
Equity			
Reserves		196,000	196,000
Retained profits		9,881,218	10,588,419
Total equity		<u>10,077,218</u>	<u>10,784,419</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 2022**

	Property Revaluation Reserve \$	Retained profits \$	Total equity \$
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	-	703,868	703,868
Balance at 31 December 2021	<u>196,000</u>	<u>10,588,419</u>	<u>10,784,419</u>

	Property Revaluation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2022	196,000	10,588,419	10,784,419
Loss for the year	-	(707,201)	(707,201)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(707,201)	(707,201)
Balance at 31 December 2022	<u>196,000</u>	<u>9,881,218</u>	<u>10,077,218</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 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from operations		163,444	1,621,163
Payments to suppliers and employees		<u>(569,069)</u>	<u>(787,869)</u>
Interest received		<u>(405,625)</u>	<u>833,294</u>
		12,131	4,187
Net cash from/(used in) operating activities	9	<u>(393,494)</u>	<u>837,481</u>
Cash flows from investing activities			
Payments for property, plant and equipment	7	(4,580)	(21,301)
Receipts from/(payments for) investments		<u>-</u>	<u>(405,055)</u>
Net cash used in investing activities		<u>(4,580)</u>	<u>(426,356)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(398,074)	411,125
Cash and cash equivalents at the beginning of the financial year		<u>1,990,947</u>	<u>1,579,822</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>1,592,873</u></u>	<u><u>1,990,947</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 2022**

Note 1. General information

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified 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.

RSL State Wide Building Patriotic Fund is not-for-profit, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and principal place of business

ANZAC House
4 Collins Street
MELBOURNE VIC 3000

A description of the nature of the fund's operations and its principal activities are included in the committee members' report, which is not part of the financial statements.

Note 2. Statement of significant accounting policies

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 the 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 fund has adopted all of the new or amended Accounting Standards and Interpretation 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 fund.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The fund has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the fund's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The fund has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

RSL State Wide Building Patriotic Fund
Notes to the financial statements
31 December 2022

Note 2. Statement of significant accounting policies (continued)

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.

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)

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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.

Note 2. Statement of significant accounting policies (continued)

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.

(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.

RSL State Wide Building Patriotic Fund
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Note 2. Statement of significant accounting policies (continued)

(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.

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:

	2022	2021
	\$	\$
Net gain on disposal of property, plant and equipment	85,493	-
Interest Income	12,131	4,187
Other Income	28,560	15,355
	<u>126,184</u>	<u>19,542</u>
Other income	<u>126,184</u>	<u>19,542</u>

RSL State Wide Building Patriotic Fund
Notes to the financial statements
31 December 2022

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:

	2022	2021
	\$	\$
<i>Current assets</i>		
Cash at bank	73,990	479,798
Term deposits	1,518,883	1,511,149
	<u>1,592,873</u>	<u>1,990,947</u>

Note 5. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	<u>73,262</u>	<u>70,630</u>
<i>Non-current assets</i>		
Loan Receivable	<u>2,414,084</u>	<u>2,520,107</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;

	2022	2021
	\$	\$
Sub-branch		
Bentleigh RSL BPF	1,423,370	1,534,480
Boronia RSL BPF	130,039	155,893
Kew RSL Inc.	860,675	829,734
	<u>2,414,084</u>	<u>2,520,107</u>

Note 6. Financial assets

The carrying amounts of financial assets are as follows:

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Investment in managed funds	<u>3,253,997</u>	<u>3,430,009</u>

**RSL State Wide Building Patriotic Fund
Notes to the financial statements
31 December 2022**

Note 7. Property, plant and equipment

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Land - at cost	1,027,000	1,027,000
Building improvements - at cost	2,004,173	1,999,593
Less: Accumulated depreciation	<u>(240,947)</u>	<u>(201,689)</u>
	<u>1,763,226</u>	<u>1,797,904</u>
	<u><u>2,790,226</u></u>	<u><u>2,824,904</u></u>

Reconciliations

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

	Land	Building Improvement	Total
	\$	\$	\$
Balance at 1 January 2022	1,027,000	1,797,904	2,824,904
Additions	-	4,580	4,580
Depreciation expense	-	<u>(39,258)</u>	<u>(39,258)</u>
Balance at 31 December 2022	<u><u>1,027,000</u></u>	<u><u>1,763,226</u></u>	<u><u>2,790,226</u></u>

Note 8. Trade and other payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Other payables	<u>47,224</u>	<u>52,178</u>

Note 9. Cash flow information

	2022	2021
	\$	\$
Reconciliation of net cash provided by operating activities to net profit		
Net (Loss)/profit for the year	(707,201)	703,868
Depreciation	39,258	39,761
Net loss on fair value of financial assets	176,012	-
Decrease in trade and other receivables	103,391	173,782
(Decrease) in trade and other payables	<u>(4,954)</u>	<u>(79,930)</u>
Net cash provided by operating activities	<u><u>(393,494)</u></u>	<u><u>837,481</u></u>

RSL State Wide Building Patriotic Fund
Notes to the financial statements
31 December 2022

Note 10. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the fund:

	2022	2021
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	6,460	5,870
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Financial statement preparation	790	720
	<u>7,250</u>	<u>6,590</u>

Note 11. Contingent liabilities

There are no contingent liabilities that have been incurred by the Fund in relation to the period ended 31 December 2022 and 31 December 2021.

Note 12. Related party transactions

Parent entity

RSL State Wide Building Patriotic Fund is the parent entity.

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 2022, those grants amounted to \$54,000 (2021: \$23,022).

During the financial year ended 31 December 2022, the Fund paid an 'Administration Levy' of \$540,746 (2021: \$526,015) 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:

	2022	2021
	\$	\$
Amounts receivable/(payable)		
Returned & Services League of Australia (Victorian Branch) Inc.	13,595	(840)

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 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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.

**RSL State Wide Building Patriotic Fund
Committee members' declaration
31 December 2022**

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 2022 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

4 May 2023

Grant Thornton Audit Pty Ltd

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Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

In our opinion, the financial report of RSL Statewide Building Patriotic Fund has been prepared in accordance with the Veterans Act 2005 and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans (Patriotic Funds) Regulations 2008 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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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 annual report for the year ended 31 December 2022, 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 – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans Act 2005, and the ACNC Act, and for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.


In preparing the financial report, 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 have 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Grant Thornton Audit Pty Ltd
Chartered Accountants


D M Scammell
Partner – Audit & Assurance
Melbourne, 4 May 2023

RSL Victoria House Building Fund

ABN 53 294 327 597

Annual Report - 31 December 2022

**RSL Victoria House Building Fund
Trustees' report
31 December 2022**

The Trustees present their report, together with the financial statements, on the company for the year ended 31 December 2022.

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 Victoria.

John Cullen OAM

State Honorary Treasurer
Finance & Audit Committee
Property Committee
Remuneration Committee

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.
Former State Honorary Treasurer for RSL Victoria from 2002 to 2020.

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 AO(MIL)

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.

Dr Robert Webster OAM

State President
Director RSL National
Trustee Shrine of Remembrance
Chair of Victorian Branch Awards Committee
Chair of ACC
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.

**RSL Victoria House Building Fund
Trustees' report
31 December 2022**

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 \$383,136 (31 December 2021: \$431,684).

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2022 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



John Cullen
Trustee

4 May 2023

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Committee Members 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 2022, 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



D S Scammell
Partner - Audit & Assurance

Melbourne, 4 May 2023

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 2022

	Note	2022 \$	2021 \$
Revenue			
Rental revenue		385,109	325,418
Donations		-	139,812
		<u>385,109</u>	<u>465,230</u>
Other Income	3	10,095	1,922
Expenses			
Insurances		(79,020)	(64,916)
Depreciation and amortisation expense		(316,476)	(366,282)
Loss on disposal of assets		-	(185,988)
Professional fees		(12,000)	(6,209)
Property outgoings		(158,362)	(90,442)
Other expenses		(42,315)	(43,775)
Finance costs		(109)	(1,363)
Administration levy		(170,058)	(139,861)
		<u>(383,136)</u>	<u>(431,684)</u>
Loss for the year			
Other comprehensive income			
<i>Items that will not be reclassified subsequently to surplus or loss</i>			
Gain on the revaluation of land and buildings		<u>3,937,107</u>	-
Other comprehensive income for the year		<u>3,937,107</u>	-
Total comprehensive income/(loss) for the year		<u><u>3,553,971</u></u>	<u><u>(431,684)</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 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,678,728	1,786,742
Trade and other receivables	5	25,032	18,858
Other assets	6	69,871	38,372
Total current assets		<u>1,773,631</u>	<u>1,843,972</u>
Non-current assets			
Property, plant and equipment	7	<u>23,801,169</u>	<u>20,180,539</u>
Total non-current assets		<u>23,801,169</u>	<u>20,180,539</u>
Total assets		<u>25,574,800</u>	<u>22,024,511</u>
Liabilities			
Current liabilities			
Trade and other payables	8	<u>31,800</u>	<u>35,482</u>
Total current liabilities		<u>31,800</u>	<u>35,482</u>
Total liabilities		<u>31,800</u>	<u>35,482</u>
Net assets		<u>25,543,000</u>	<u>21,989,029</u>
Equity			
Reserves		17,704,231	13,767,124
Retained profits		<u>7,838,769</u>	<u>8,221,905</u>
Total equity		<u>25,543,000</u>	<u>21,989,029</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 2022

	Property Revaluation Reserve \$	Retained profits \$	Total equity \$
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	-	(431,684)	(431,684)
Balance at 31 December 2021	<u>13,767,124</u>	<u>8,221,905</u>	<u>21,989,029</u>
	Property Revaluation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2022	13,767,124	8,221,905	21,989,029
Loss for the year	-	(383,136)	(383,136)
Other comprehensive income for the year	3,937,107	-	3,937,107
Total comprehensive income/(loss) for the year	3,937,107	(383,136)	3,553,971
Balance at 31 December 2022	<u>17,704,231</u>	<u>7,838,769</u>	<u>25,543,000</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 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from operations		379,258	512,643
Payments to suppliers		(496,931)	(543,709)
		(117,673)	(31,066)
Interest received		9,768	1,717
Finance Costs		(109)	(1,363)
Net cash used in operating activities		(108,014)	(30,712)
Cash flows from investing activities			
Receipts/(payments) for property, plant and equipment	7	-	47,621
Net cash from investing activities		-	47,621
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(108,014)	16,909
Cash and cash equivalents at the beginning of the financial year		1,786,742	1,769,833
Cash and cash equivalents at the end of the financial year	4	<u>1,678,728</u>	<u>1,786,742</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 2022

Note 1. General information and basis of preparation

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

RSL Victoria House Building Fund is not-for-profit, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and principal place of business

ANZAC House
4 Collins Street
MELBOURNE VIC 3000

A description of the nature of the fund's operations and its principal activities are included in the Trustees' report, which is not part of the financial statements.

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.

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The fund has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the fund's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The fund has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

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.

Note 2. Statement of significant accounting policies (continued)

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.

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

Note 2. Statement of significant accounting policies (continued)

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.

(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

RSL Victoria House Building Fund
Notes to the financial statements
31 December 2022

Note 2. Statement of significant accounting policies (continued)

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.

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.

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

	2022	2021
	\$	\$
Other income	327	205
Interest income	9,768	1,717
Other Income	<u>10,095</u>	<u>1,922</u>

RSL Victoria House Building Fund
Notes to the financial statements
31 December 2022

Note 4. Current assets - Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	96,992	233,295
Term deposits	1,581,736	1,553,447
	<u>1,678,728</u>	<u>1,786,742</u>

Note 5. Current assets - Trade and other receivables

	2022	2021
	\$	\$
Other receivables	25,032	17,908
Trade debtors	-	950
	<u>25,032</u>	<u>18,858</u>

Note 6. Current assets - Other assets

	2022	2021
	\$	\$
Prepayments	<u>69,871</u>	<u>38,372</u>

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

	2022	2021
	\$	\$
Land and buildings - at independent valuation	23,597,663	21,258,219
Less: Accumulated depreciation	-	(1,344,645)
	<u>23,597,663</u>	<u>19,913,574</u>
Plant, equipment and fixtures	754,102	754,102
Less: Accumulated depreciation	(550,596)	(487,137)
	<u>203,506</u>	<u>266,965</u>
	<u>23,801,169</u>	<u>20,180,539</u>

Reconciliations

Movements

	Land and Buildings \$	Plant, equipment and fixtures \$	Total \$
Balance at 1 January 2022	19,913,574	266,965	20,180,539
Revaluation increments	3,937,107	-	3,937,107
Depreciation expense	(253,018)	(63,459)	(316,477)
Balance at 31 December 2022	<u>23,597,663</u>	<u>203,506</u>	<u>23,801,169</u>

RSL Victoria House Building Fund
Notes to the financial statements
31 December 2022

Note 8. Current liabilities - Trade and other payables

Trade and other payables recognised consist of the following:

	2022	2021
	\$	\$
Trade payables	19,691	11,725
Other payables	12,109	23,757
	<u>31,800</u>	<u>35,482</u>

Note 9. Cash flow information

	2022	2021
	\$	\$
Reconciliation of net cash provided by operating activities to net profit		
Net surplus/(loss) for the year	(379,138)	(431,684)
Depreciation	316,477	366,282
(Increase)/decrease in trade and other receivables	(37,673)	53,125
Decrease in trade and other payables	(7,680)	(18,435)
Net cash provided by operating activities	<u>(108,014)</u>	<u>(30,712)</u>

Note 10. Related party transactions

Parent entity

RSL Victoria House Building Fund is the parent entity.

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 2022, the Fund paid an 'Administration Levy' of \$170,058 (2021: \$138,861) 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:

	2022	2021
	\$	\$
Returned & Services League of Australia (Victoria Branch) Inc.	197,499	160,000

Rent of \$385,109 (2021: \$325,418) 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.

RSL Victoria House Building Fund
Notes to the financial statements
31 December 2022

Note 10. Related party transactions (continued)

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:

	2022	2021
	\$	\$
Amounts receivable/(payable):		
Returned & Services League of Australia (Victorian Branch) Inc.	1,471	(1,476)

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 2022.

Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	2022	2021
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	6,460	5,870
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Financial statement preparation	790	720
	<u>7,250</u>	<u>6,590</u>

**RSL Victoria House Building Fund
Trustees' declaration
31 December 2022**

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 2022 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:



John Cullen
Trustee

4 May 2023

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Trustees.

In our opinion, the financial report of Returned & Services League of Australia Victoria House Building Patriotic Fund has been prepared in accordance with Veterans Act 2005 and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans (Patriotic Funds) Regulations 2008 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information – Trustees’ Report

The Trustees are responsible for the other information. The other information comprises the information included in the Fund’s annual report for the year ended 31 December 2022, 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 Trustees for the financial report

The Trustees of the Fund are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans Act 2005 and the ACNC Act, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees 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 Trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Trustees 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D M Scammell
Partner – Audit & Assurance

Melbourne, 4 May 2023

Returned & Services League Victorian Branch Welfare Trust Fund

ABN 39 275 302 584

Annual Report - 31 December 2022

**Returned & Services League Victorian Branch Welfare Trust Fund
Committee Members' report
31 December 2022**

Your Committee Members submit the financial statements of Returned & Services League of Australia Victorian Branch Patriotic Fund (the "Fund") for the financial year ended 31 December 2022.

Committee Members

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

Dr Robert Webster OAM State President Director RSL National Trustee Shrine of Remembrance ex-officio all RSL committees STEX Metropolitan representative Region 2 STEX Country Representative Region 6 & 7	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. Member of the State Executive since 1989, State President since 2017.
Desmond Callaghan OAM BJ JP Senior Vice President Property Committee Chair STEX Country Representative Region 8B & 9	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 the State Executive since 2016.
Terence (Terry) Makings AM Vice President Finance Committee, Risk Audit and Governance Committee Member Veteran Affairs Committee Chair STEX Metropolitan Representative Region 1	Terry was in the Royal Australian Navy for more than 20 years, following four years as a Navy Cadet at TS Barwon, Geelong. He joined the RAN as a General Entry Recruit and left the Navy as a Commander Engineer. Terry also served as a Reservist in the Melbourne Port Division as Senior Technical Officer. After the Navy, he worked as a senior executive in Local Government for more than 20 years before becoming a consultant. Terry is currently State Branch Vice President, a Governor of the Shrine of Remembrance, President Melbourne Sub-section Naval Association, President Naval Commemoration Committee of Victoria and President Scrap Iron Flotilla.
Timothy Holden FCA GAICD RITP State Honorary Treasurer Finance Committee Chair STEX Metropolitan Representative Region 5	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.
Sue Cattermole Chief Executive Officer (commenced July 2022)	Sue is CEO of the RSL in Victoria. Prior to taking on the role in July 2022, Sue served in senior executive roles in the not-for-profit sector. She was the Group CEO of St Vincent de Paul Society Victoria for six years, CEO SkillsPlus Group for five years and part of the Senior Executive of Wesley Mission Victoria for five years. She has served on several government advisory, industry, and community organisation boards. Sue is a graduate of the Company Directors Course and holds a diploma in Applied Corporate Governance from the Governance Institute of Australia.
John Beslee State Executive Member (commenced August 2022) Corporate and Business Services Committee Deputy Chair STEX Metropolitan Representative Region 4	John Beslee became a member of the RSL State Executive in 2022. This new venture for him follows a lengthy period at Seaford RSL where he spent over 16 years variously as Committeeman, Secretary, Treasurer and President. Whilst President, he also took on the role of Appeals Officer where he introduced the use of portable EFTPOS machines to the Appeals system throughout Victoria. He was honoured in 2015 by being inducted into the RSL Hall of Fame and in 2022 was made a Life Member of the RSL. John's service career began when he joined the RAN in 1967, then on discharge he worked in the building industry.

**Returned & Services League Victorian Branch Welfare Trust Fund
Committee Members' report
31 December 2022**

Lindsay Guerin

State Executive Member (commenced August 2022)
Veteran Affairs Committee Member
STEX Country Representative Region 10 & 11

WGCDR (Ret'd) Lindsay Guerin is Secretary of Inverloch RSL Sub-Branch. Lindsay served 33 years in the RAAF as a Personnel Capability Officer. Twelve years in Headquarters Joint Operations Command has given Lindsay an intimate knowledge of operational planning and conduct. Deployments to Iraq and Afghanistan provided additional operational experience. Previous service includes workforce structures, Reserve force management and administration across Force Element Group, Wing and unit levels. Prior to his RAAF service, he had marketing experience with an Associate Membership of the Australian Marketing Institute and an associate degree in law. He is a member of the Veteran Affairs Committee and Chair of the working group for the Royal Commission into Defence and Veteran Suicide.

Andrew Hanns

State Executive Member
Corporate and Business Services Committee
Chair
STEX Country Representative 8A & 8C

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. Member of the State Executive since 2020.

Angelos Kenos

State Executive Member
Property Committee and Veteran Affairs
Committee Member
STEX Metropolitan Representative Region 3

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. Member of the State Executive since 2020.

David Martin OAM

State Executive Member
STEX Country Representative Region 9

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. Member of the State Executive since 2018.

Simon Thorn

State Executive Member
Risk, Audit and Governance Committee Chair
STEX Metropolitan Representative Region 1

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. Member of the State Executive since 2020.

**Returned & Services League Victorian Branch Welfare Trust Fund
Committee Members' report
31 December 2022**

Brian Cairns

Interim CEO (resigned June 2022)

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.

Glen Phillip Ferrarotto

Metro representative (resigned June 2022)

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.

David Ridley ACA

CFO (resigned February 2023)

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.

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 welfare and charitable assistance to those current and ex-serving members of the Australian and Allied Defence Forces and their Dependants.

Meetings of Committee Members

	Full Committee Attended	Eligible to attend
Robert S. Webster	9	11
Desmond Callaghan	11	11
Terry Makings	10	11
Timothy Holden	11	11
Sue Cattermole (commenced July 2022)	5	6
John Beslee (commenced August 2022)	6	6
Lindsay Guerin (commenced August 2022)	6	6
Andrew Hanns	10	11
Angelo Kenos	11	11
David Martin	9	11
Simon Thorn	10	11
Brian Cairns (resigned June 2022)	7	7
Glen Phillip Ferrarotto (resigned June 2022)	5	5
David Ridley (resigned February 2023)	10	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.

**Returned & Services Victorian Branch Welfare Trust Fund
Committee Members' report
31 December 2022**

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

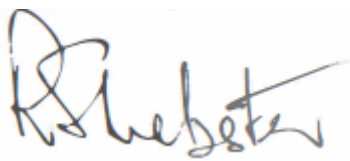
RSL Victorian Branch Welfare Trust Fund is a philanthropic fund which provides welfare and charitable assistance to those current and ex-serving members of the Australian and Allied Defence Forces and their dependants.

At the end of financial year 2022 the Association made a loss for the year of \$2,769,824 (31 December 2021: surplus income of \$3,344,544). There were two significant events which have contributed to the movements year on year:

- In the 2021 financial year, the Association received a single donation from the closure of the Beaumaris RSL Sub-Branch of \$4,420,000
- In the 2022 financial year, the Associate drew down on the term deposit of the funds donated from the Beaumaris RSL Sub-Branch to pay a grant to the RSL Victoria General Appeals Patriotic Fund to support delivery of veteran welfare.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2022 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.



Robert Webster
State President

4 May 2023

Grant Thornton Audit Pty Ltd

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727 Collins Street
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Melbourne VIC 3001
T +61 3 8320 2222

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 2022, 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



D S Scammell
Partner - Audit & Assurance

Melbourne, 4 May 2023

Returned & Services League Victorian Branch Welfare Trust Fund

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31 December 2022

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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 2022

	Note	2022 \$	2021 \$
Revenue			
Donations		-	4,420,000
Other income	3	29,653	5,400
Expenses			
Depreciation		(9,129)	(9,315)
Donation		(509,727)	(2,791)
Grant		(2,242,501)	(1,036,286)
Professional fees		(8,000)	(6,209)
Administration Levy		(27,897)	(24,902)
Other		(2,223)	(1,353)
Surplus/(loss) for the year		(2,769,824)	3,344,544
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u>(2,769,824)</u>	<u>3,344,544</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 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	4,998,957	7,819,098
Trade and other receivables	5	4,831	5,125
Total current assets		<u>5,003,788</u>	<u>7,824,223</u>
Non-current assets			
Property, plant and equipment	6	447,324	456,453
Total non-current assets		<u>447,324</u>	<u>456,453</u>
Total assets		<u>5,451,112</u>	<u>8,280,676</u>
Liabilities			
Current liabilities			
Trade and other payables	7	218,114	277,854
Total current liabilities		<u>218,114</u>	<u>277,854</u>
Total liabilities		<u>218,114</u>	<u>277,854</u>
Net assets		<u>5,232,998</u>	<u>8,002,822</u>
Equity			
Reserves		516,632	516,632
Retained profits		4,716,366	7,486,190
Total equity		<u>5,232,998</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 changes in equity
For the year ended 31 December 2022

	Property revaluation reserve \$	Retained profits \$	Total equity \$
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>

	Property revaluation reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2022	516,632	7,486,190	8,002,822
Loss for the year	-	(2,769,824)	(2,769,824)
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year	-	(2,769,824)	(2,769,824)
Balance at 31 December 2022	<u>516,632</u>	<u>4,716,366</u>	<u>5,232,998</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 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from operations		294	4,428,744
Payments to suppliers and employees		(2,850,088)	(1,117,684)
		(2,849,794)	3,311,060
Interest earned		29,653	5,400
Net cash from/(used in) operating activities	8	(2,820,141)	3,316,460
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(2,820,141)	3,316,460
Cash and cash equivalents at the beginning of the financial year		7,819,098	4,502,638
Cash and cash equivalents at the end of the financial year	4	<u>4,998,957</u>	<u>7,819,098</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 2022

Note 1. General information

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified 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").

Returned & Services League Victorian Branch Welfare Trust Fund is Fund, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and principal place of business

ANZAC House
4 Collins Street
MELBOURNE VIC 3000

A description of the nature of the fund's operations and its principal activities are included in the committee members' report, which is not part of the financial statements.

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.

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.

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The fund has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the fund's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The fund has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

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.

Interest income

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

Returned & Services League Victorian Branch Welfare Trust Fund
Notes to the financial statements
31 December 2022

Note 2. Significant accounting policies (continued)

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.

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 of 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 Victorian Branch Welfare Trust Fund
Notes to the financial statements
31 December 2022

Note 2. Significant accounting policies (continued)

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.

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.

Returned & Services League Victorian Branch Welfare Trust Fund
Notes to the financial statements
31 December 2022

Note 2. Significant accounting policies (continued)

(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.

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

	2022	2021
	\$	\$
Interest income	<u>29,653</u>	<u>5,400</u>

Returned & Services League Victorian Branch Welfare Trust Fund
Notes to the financial statements
31 December 2022

Note 4. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	230,226	305,908
Term deposits	4,768,731	7,513,190
	<u>4,998,957</u>	<u>7,819,098</u>

Note 5. Current assets - trade and other receivables

	2022	2021
	\$	\$
Other receivables	4,831	5,125
	<u>4,831</u>	<u>5,125</u>

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

	2022	2021
	\$	\$
Buildings at fair value	485,000	485,000
Less: Accumulated depreciation	(37,676)	(28,547)
	<u>447,324</u>	<u>456,453</u>

Reconciliations

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

	Buildings
	\$
Balance at 1 January 2022	456,453
Depreciation expense	(9,129)
Balance at 31 December 2022	<u>447,324</u>

Note 7. Current liabilities - trade and other payables

	2022	2021
	\$	\$
Trust Funds Payable	210,864	270,864
Other payable	7,250	6,990
	<u>218,114</u>	<u>277,854</u>

Returned & Services League Victorian Branch Welfare Trust Fund
Notes to the financial statements
31 December 2022

Note 8. Cash flow information

	2022 \$	2021 \$
Reconciliation of net cash provided by operating activities to net profit		
Net (loss)/surplus for the year	(2,769,824)	3,344,544
Depreciation	9,129	9,315
Increase in trade and other receivables	294	8,745
Decrease in trade and other payables	<u>(59,740)</u>	<u>(46,144)</u>
Net cash from operating activities	<u>(2,820,141)</u>	<u>3,316,460</u>

Note 9. Transactions with related entities

Parent entity

Returned & Services League Victorian Branch Welfare Trust Fund is the parent entity.

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

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 2022, the Fund paid an 'Administration Levy' of \$27,897 (2021: \$24,902) 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 \$2,250,000 (2021: \$1,000,000) was paid to Returned & Services League of Australia, Victorian General Appeals Patriotic Fund to support Sub-Branches 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:

	2022 \$	2021 \$
Amounts receivable/(payable)		
Returned & Services League of Australia, Victorian General Appeals Patriotic Fund	660	(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 2022 and 2021.

Returned & Services League Victorian Branch Welfare Trust Fund
Notes to the financial statements
31 December 2022

Note 11. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the fund:

	2022	2021
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	<u>6,460</u>	<u>5,870</u>
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Financial statement preparation	<u>790</u>	<u>720</u>
	<u><u>7,250</u></u>	<u><u>6,590</u></u>

**Returned & Services League Victorian Branch Welfare Trust Fund
Committee members' declaration
31 December 2022**

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 2022 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

4 May 2023

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 RSL Victorian Branch Welfare Trust Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

In our opinion, the financial report of RSL Victorian Branch Welfare Trust Fund has been prepared in accordance with the Veterans Act 2005 and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans (Patriotic Funds) Regulations 2008 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 annual report for the year ended 31 December 2022, 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 – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans Act 2005 and the ACNC Act, and for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 have 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D M Scammell
Partner – Audit & Assurance

Melbourne, 4 May 2023

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

ABN 73 941 765 364

Annual Report - 31 December 2022

Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2022

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 2022.

Committee Members

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

Dr Robert Webster OAM

State President
Director RSL National
Trustee Shrine of Remembrance
ex-officio all RSL committees
STEX Metropolitan representative Region 2
STEX Country Representative Region 6 & 7

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. Member of the State Executive since 1989, State President since 2017.

Desmond Callaghan OAM BJ JP

Senior Vice President
Property Committee Chair
STEX Country Representative Region 8B & 9

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 the State Executive since 2016.

Terence (Terry) Makings AM

Vice President
Finance Committee, Risk Audit and Governance
Committee Member
Veteran Affairs Committee Chair
STEX Metropolitan Representative Region 1

Terry was in the Royal Australian Navy for more than 20 years, following four years as a Navy Cadet at TS Barwon, Geelong. He joined the RAN as a General Entry Recruit and left the Navy as a Commander Engineer. Terry also served as a Reservist in the Melbourne Port Division as Senior Technical Officer. After the Navy, he worked as a senior executive in Local Government for more than 20 years before becoming a consultant. Terry is currently State Branch Vice President, a Governor of the Shrine of Remembrance, President Melbourne Sub-section Naval Association, President Naval Commemoration Committee of Victoria and President Scrap Iron Flotilla.

Timothy Holden FCA GAICD RITP

State Honorary Treasurer
Finance Committee Chair
STEX Metropolitan Representative Region 5

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.

Sue Cattermole

Chief Executive Officer (commenced July 2022)

Sue is CEO of the RSL in Victoria. Prior to taking on the role in July 2022, Sue served in senior executive roles in the not-for-profit sector. She was the Group CEO of St Vincent de Paul Society Victoria for six years, CEO SkillsPlus Group for five years and part of the Senior Executive of Wesley Mission Victoria for five years. She has served on several government advisory, industry, and community organisation boards. Sue is a graduate of the Company Directors Course and holds a diploma in Applied Corporate Governance from the Governance Institute of Australia.

John Beslee

State Executive Member (commenced August 2022)
Corporate and Business Services Committee
Deputy Chair
STEX Metropolitan Representative Region 4

John Beslee became a member of the RSL State Executive in 2022. This new venture for him follows a lengthy period at Seaford RSL where he spent over 16 years variously as Committeeman, Secretary, Treasurer and President. Whilst President, he also took on the role of Appeals Officer where he introduced the use of portable EFTPOS machines to the Appeals system throughout Victoria. He was honoured in 2015 by being inducted into the RSL Hall of Fame and in 2022 was made a Life Member of the RSL. John's service career began when he joined the RAN in 1967, then on discharge he worked in the building industry.

Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2022

Lindsay Guerin

State Executive Member (commenced August 2022)
Veteran Affairs Committee Member
STEX Country Representative Region 10 & 11

WGCDR (Ret'd) Lindsay Guerin is Secretary of Inverloch RSL Sub-Branch. Lindsay served 33 years in the RAAF as a Personnel Capability Officer. Twelve years in Headquarters Joint Operations Command has given Lindsay an intimate knowledge of operational planning and conduct. Deployments to Iraq and Afghanistan provided additional operational experience. Previous service includes workforce structures, Reserve force management and administration across Force Element Group, Wing and unit levels. Prior to his RAAF service, he had marketing experience with an Associate Membership of the Australian Marketing Institute and an associate degree in law. He is a member of the Veteran Affairs Committee and Chair of the working group for the Royal Commission into Defence and Veteran Suicide.

Andrew Hanns

State Executive Member
Corporate and Business Services Committee Chair
STEX Country Representative 8A & 8C

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. Member of the State Executive since 2020.

Angelos Kenos

State Executive Member
Property Committee and Veteran Affairs Committee Member
STEX Metropolitan Representative Region 3

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. Member of the State Executive since 2020.

David Martin OAM

State Executive Member
STEX Country Representative Region 9

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. Member of the State Executive since 2018.

Simon Thorn

State Executive Member
Risk, Audit and Governance Committee Chair
STEX Metropolitan Representative Region 1

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. Member of the State Executive since 2020.

Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2022

Brian Cairns

Interim CEO (resigned June 2022)

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 comprise of the CEO's Office, Veterans Services, Operations and Finance Departments.

Glen Phillip Ferrarotto

Metro representative (resigned June 2022)

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.

David Ridley ACA

CFO (resigned February 2023)

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.

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

Every veteran in Victoria is respected and supported, together with their families.

Mission Statement

To provide the best possible support and services to all generations of veterans in Victoria.

Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2022

Meetings of Committee Members

	Full Committee Eligible to attend	Attended
Robert S. Webster	11	9
Desmond Callaghan	11	11
Terry Makings	11	10
Timothy Holden	11	11
Sue Cattermole (commenced July 2022)	6	5
John Beslee (commenced August 2022)	6	6
Lindsay Guerin (commenced August 2022)	6	6
Andrew Hanns	11	10
Angelo Kenos	11	11
David Martin	11	9
Simon Thorn	11	10
Brian Cairns (resigned June 2022)	7	7
Glen Phillip Ferrarotto (resigned June 2022)	5	5
David Ridley (resigned February 2023)	11	10

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.

Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2022

Operating results

The Returned & Services League of Australia (Victorian Branch) Inc. derives income through support fees and membership affiliation programs and is responsible for enabling and supporting Sub-Branches to deliver on the mission and advocating on behalf of veterans and their dependents. We recognise our obligation to ensure that the funds given to us by Sub-Branches are used efficiently and effectively to create value across the RSL in Victoria.

There was a surplus for the Association generated to the value of \$2,898,717 for the year ending 31 December 2022. This represents an increase of 7% on the 2021 financial year (31 December 2021: \$2,710,398).

The surplus was the result of receiving grants in association with building the new veteran hub in Wodonga which amounted to \$1,654,143 in 2022 (31 December 2021: \$3,297,481). On completion of works the asset was recognised in the Balance Sheet and will be depreciated over the useful life of the building (50 years). After eliminating the Wodonga grant, the surplus for 31 December 2022 was \$1,244,574 (31 December 2021 a loss of \$587,083).

Other key items to note in the Financial Statements:

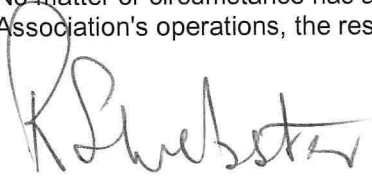
- The ongoing effects of COVID-19 significantly impacted the 2021 results. With a decrease in revenue (where Sub-Branches were closed we did not receive Operating Support Fees), management continued to review and minimise expenditure in every category (it should be noted that the Jobkeeper subsidies finished in March 2021).
- Excluding the Wodonga grant, revenues in 2022 increased, this was predominantly due to the impacts of COVID on our Support Fees. In addition, revenue was generated from our Fee for Service Program; IGT Advantage Club and Product Services which had previously been outsourced to MAX Performance Solutions. The revenues associated with these operations were offset entirely by the increase in costs for establishing and running those programs.
- The increase in revenues was partly offset by:
 - An increase in employee benefits expense (of 40%) which largely related to the IGT Advantage Club and Product Services offerings (abovementioned) and filling positions which had been vacant post covid.
 - An increase in administrative expenses, this was attributable to the licensing fees to run the IGT Advantage Club and Product Services offerings.

The cash position was largely in line with the 2021 year (2022 cash deposits \$8,612,809; 2021 \$8,622,255) representing sufficient funds to cover operating requirements for the year to come.

During the financial year RSL Victoria worked in partnership with the Department of Veteran Affairs and the Beaumaris RSL Sub-Branch to establish a new veteran hub in Wodonga which is a long-term investment in the community to provide ongoing and future assistance to veterans and families. The investment is shown at cost in the Fixed Asset Register under Property, Plant and Equipment.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2022 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.



Robert Webster
State President

4 May 2023

Grant Thornton Audit Pty Ltd

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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 2022, 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



D S Scammell
Partner - Audit & Assurance

Melbourne, 4 May 2023

www.grantthornton.com.au
ACN-130 913 594

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

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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 2022**

	Note	2022 \$	2021 \$
Revenue	3	10,971,782	8,323,715
Other income	4	1,045,266	270,057
Expenses			
Provision for impairment of loan receivables	9	55,840	129,046
Employee benefits expense	5	(5,520,413)	(3,930,431)
Administrative expenses	6	(2,841,717)	(1,549,330)
Service expenses	7	(318,855)	(253,874)
Purchases and other direct costs		(13,930)	(12,108)
Depreciation and amortisation expense	12	(74,914)	(64,985)
Occupancy expense		(222,300)	(179,909)
Finance expenses		(7,227)	(8,621)
Other expenses		(174,815)	(13,162)
Surplus for the year		2,898,717	2,710,398
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Profit/(loss) in O'Brien Trust reserve		466	65
Other comprehensive income for the year		466	65
Total comprehensive income for the year		<u>2,899,183</u>	<u>2,710,463</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 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	8	8,612,809	8,622,255
Trade and other receivables	9	1,846,919	2,021,062
Inventories	11	29,823	33,307
Other assets	10	101,855	165,868
Total current assets		<u>10,591,406</u>	<u>10,842,492</u>
Non-current assets			
Property, plant and equipment	12	<u>5,973,508</u>	<u>3,769,230</u>
Total non-current assets		<u>5,973,508</u>	<u>3,769,230</u>
Total assets		<u>16,564,914</u>	<u>14,611,722</u>
Liabilities			
Current liabilities			
Trade and other payables	13	8,385,340	8,495,239
Contract liabilities	15	698,722	1,631,946
Employee provisions	14	738,916	652,791
Total current liabilities		<u>9,822,978</u>	<u>10,779,976</u>
Non-current liabilities			
Employee provisions	14	<u>59,907</u>	<u>48,900</u>
Total non-current liabilities		<u>59,907</u>	<u>48,900</u>
Total liabilities		<u>9,882,885</u>	<u>10,828,876</u>
Net assets		<u>6,682,029</u>	<u>3,782,846</u>
Equity			
Reserves		443,223	442,757
Retained profits		<u>6,238,806</u>	<u>3,340,089</u>
Total equity		<u>6,682,029</u>	<u>3,782,846</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 2022

	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>
	O'Brien trust reserve \$	Revaluation reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2022	64,825	377,932	3,340,089	3,782,846
Surplus for the year	-	-	2,898,717	2,898,717
Other comprehensive income for the year	466	-	-	466
Total comprehensive income for the year	466	-	2,898,717	2,899,183
Balance at 31 December 2022	<u>65,291</u>	<u>377,932</u>	<u>6,238,806</u>	<u>6,682,029</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 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from operations		8,401,736	5,064,454
Receipts from the government		1,654,143	3,860,768
Payments to suppliers		(7,709,481)	(5,243,737)
Interest Income		801	7,985
Interest Paid		<u>(7,227)</u>	<u>(8,621)</u>
Net cash from operating activities	16	<u>2,339,972</u>	<u>3,680,849</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	<u>(2,405,258)</u>	<u>(3,259,363)</u>
Net cash used in investing activities		<u>(2,405,258)</u>	<u>(3,259,363)</u>
Cash flows from financing activities			
Net proceeds from/(repayment of) borrowings		<u>55,840</u>	<u>1,031,688</u>
Net cash from financing activities		<u>55,840</u>	<u>1,031,688</u>
Net increase/(decrease) in cash and cash equivalents		(9,446)	1,453,174
Cash and cash equivalents at the beginning of the financial year		<u>8,622,255</u>	<u>7,169,081</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>8,612,809</u></u>	<u><u>8,622,255</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 2022

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 - Simplified Disclosure Requirements, the Associations Incorporation Reform Act 2012 in Victoria and the Australian Charities and Not-for profits Commission Act 2012.

Returned & Services League of Australia (Victorian Branch) Inc. is Association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and principal place of business

ANZAC House
4 Collins Street
MELBOURNE VIC 3000

A description of the nature of the Association's operations and its principal activities are included in the Committee Members' report, which is not part of the financial statements.

Note 2. Statement of significant accounting policies

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.

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.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The entity has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the entity's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Association has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

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.

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

Land 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 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, Buildings 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 2022

Note 3. Revenue

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

	2022	2021
	\$	\$
Administration levy	1,610,201	1,490,036
Support fees	4,927,757	2,692,152
Advantage club	1,415,464	-
Gaming services	285,307	-
Donations	3,369	20,444
Corporate sponsorship	75,000	75,000
Membership affiliation charge	64,800	65,200
TGS sponsorship	358,130	342,516
Rewards and marketing fees	577,611	340,886
Grants received	1,654,143	3,297,481
	<u>10,971,782</u>	<u>8,323,715</u>

Note 4. Other income

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

	2022	2021
	\$	\$
Government assistance - jobkeeper	-	154,000
Interest income	801	7,985
Other	1,044,465	108,072
	<u>1,045,266</u>	<u>270,057</u>

Note 5. Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2022	2021
	\$	\$
Employee benefit expense	5,160,548	3,745,292
Motor vehicle expenses	142,264	81,631
Training expenses	32,101	34,221
Fringe benefit tax	79,879	60,383
State executive expenses	23,147	320
Other expenses	82,474	8,584
	<u>5,520,413</u>	<u>3,930,431</u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2022

Note 6. Administrative expenses

	2022	2021
	\$	\$
Computer expenses	168,681	72,082
Energy expenses	39,578	29,397
Insurance expense	47,665	49,675
Legal fees	27,822	154,550
Marketing and advertising expense	432,692	530,966
IGT fees	944,900	-
Travel and accommodation expense	144,498	33,509
Professional fees	409,924	154,951
Postage and printing	202,142	168,029
Telephone expense	40,914	40,586
National capitations	313,399	261,016
Other expenses	69,502	54,569
	<u>2,841,717</u>	<u>1,549,330</u>

Note 7. Service expenses

	2022	2021
	\$	\$
Grants	134,097	195,921
Functions and conferences	149,687	29,541
Honorariums	26,108	26,400
Donations	8,963	2,012
	<u>318,855</u>	<u>253,874</u>

Note 8. Cash and cash equivalents

	2022	2021
	\$	\$
<i>Current assets</i>		
Cash on hand	46	256
Cash at bank	4,345,387	3,372,121
Term deposits	4,267,376	5,249,878
	<u>8,612,809</u>	<u>8,622,255</u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2022

Note 9. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	1,384,293	1,630,884
Other receivables	462,626	390,178
	<u>1,846,919</u>	<u>2,021,062</u>
<i>Non-current assets</i>		
Loan Receivables	1,510,805	1,566,645
Less: Provision for Impairment of Loan Receivables	<u>(1,510,805)</u>	<u>(1,566,645)</u>
	-	-
	<u>1,846,919</u>	<u>2,021,062</u>

The below table outlines details of the loans to sub-branches which are outstanding as at 31 December 2022. It should be noted that for each of the sub-branch loan receivables, given the aging of the loan, a provision has been raised against the value of these loans. For the year ended 31 December 2022, total repayments of previously deemed irrecoverable loans is \$55,840, resulting in a net gain on the profit or loss statement of \$55,840.

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

Sub-branch	2022	2021	Provisioned	Net Receivable
Kew RSL Inc.	52,575	52,575	(52,575)	-
Oakleigh RSL Inc.	69,100	69,100	(69,100)	-
Sale RSL Inc.	739,537	760,337	(739,537)	-
Upwey/Belgrave RSL Inc.	150,045	160,085	(150,045)	-
West Heidelberg RSL Inc.	499,548	524,548	(499,548)	-
Total	<u>1,510,805</u>	<u>1,566,645</u>	<u>(1,510,805)</u>	<u>-</u>

Note 10. Other assets

	2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	<u>101,855</u>	<u>165,868</u>

Note 11. Inventories

	2022	2021
	\$	\$
<i>Current assets</i>		
Inventory	<u>29,823</u>	<u>33,307</u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2022

Note 12. Property, plant and equipment

	2022 \$	2021 \$
<i>Non-current assets</i>		
Land - at fair value	338,000	338,000
Buildings - at cost	4,828,631	30,000
Less: Accumulated depreciation	(7,304)	(3,269)
	<u>4,821,327</u>	<u>26,731</u>
Plant and equipment - at cost	261,287	3,302
Less: Accumulated depreciation	(1,602)	(713)
	<u>259,685</u>	<u>2,589</u>
Fixtures and fittings - at cost	27,726	1,859
Less: Accumulated depreciation	(3,808)	(327)
	<u>23,918</u>	<u>1,532</u>
Motor vehicles - at cost	298,809	230,382
Less: Accumulated depreciation	(148,534)	(119,398)
	<u>150,275</u>	<u>110,984</u>
Computer equipment - at cost	559,888	128,337
Less: Accumulated depreciation	(179,585)	(51,664)
	<u>380,303</u>	<u>76,673</u>
Works in progress	-	3,212,721
	<u>5,973,508</u>	<u>3,769,230</u>

During the year, the entity received further government funding for the purpose of building a Veteran Wellbeing Centre in Wodonga. The Works in Progress balance at the beginning of the financial year represents the portion of the build which was complete at 31 December 2021. The project was completed during the financial year and has been transferred to buildings.

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 2022	338,000	26,731	76,673	1,532	110,984	2,589	3,212,721	3,769,230
Additions/(Dispos als)	-	-	465,559	27,400	67,394	258,995	1,585,910	2,405,258
Transfers in/(out)	-	4,798,631	-	-	-	-	(4,798,631)	-
Depreciation expense	-	(4,035)	(161,929)	(5,014)	(28,103)	(1,899)	-	(200,980)
Balance at 31 December 2022	<u>338,000</u>	<u>4,821,327</u>	<u>380,303</u>	<u>23,918</u>	<u>150,275</u>	<u>259,685</u>	<u>-</u>	<u>5,973,508</u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2022

Note 13. Trade and other payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Life Member Funds Payable	5,193	5,193
Sporting Bodies Payable	121,168	109,415
Accounts Payable	1,336,926	496,866
RSL Loyalty Points	2,148,397	2,120,998
Future funds	3,075,987	3,796,167
Other payables	1,697,669	1,966,600
	<u>8,385,340</u>	<u>8,495,239</u>

Note 14. Employee provisions

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	438,982	357,351
Long service leave	299,934	295,440
	<u>738,916</u>	<u>652,791</u>
<i>Non-current liabilities</i>		
Long service leave	59,907	48,900
	<u>798,823</u>	<u>701,691</u>

Note 15. Contract liabilities

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	698,722	1,631,946
	<u>698,722</u>	<u>1,631,946</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 included amounts deferred for the construction of the Wodonga Veterans Wellbeing Centre Hub, which was completed in the current financial year.

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2022

Note 16. Cash flow information

	2022	2021
	\$	\$
Reconciliation of net cash provided by operating activities to net profit		
Net profit/(loss) for the year	2,899,183	2,710,463
Depreciation	200,980	64,985
Decrease/(increase) in trade and other receivables	238,622	(739,586)
Decrease/(increase) in inventories	3,484	(6,236)
(Decrease)/increase in trade and other payables	(1,043,589)	2,584,463
Increase in provisions	97,132	98,448
(Decrease)/increase in provision for impairment of assets	(55,840)	(1,031,688)
	<u>2,339,972</u>	<u>3,680,849</u>
Net cash provided by operating activities	<u>2,339,972</u>	<u>3,680,849</u>

Note 17. Transactions with related entities

Parent entity

Returned & Services League of Australia (Victorian Branch) Inc. is the parent entity.

The association'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:

	2022	2021
	\$	\$
Administration Levy:		
RSL Victorian Branch Welfare Trust Fund	27,897	24,902
RSL of Aust. Victorian Branch General Appeals Patriotic Fund	871,500	799,257
Returned & Services League Of Australia Victoria House Building Patriotic Fund	170,058	139,861
RSL Statewide Building Patriotic Fund	540,746	526,015

The association was charged \$197,499 for rent of the premises by RSL Victoria House (2021: \$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:

	2022	2021
	\$	\$
Other transactions:		
RSL of Aust. Victorian Branch General Appeals Patriotic Fund	(75,601)	612,505
RSL of Australia Victoria House Building	(1,471)	1,476
RSL Statewide Building Patriotic Fund	(13,595)	840
RSL Victorian Branch Welfare Trust Fund	(660)	840

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2022

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:

	2022	2021
	\$	\$
Honorariums paid to State Executive	32,000	26,400
Non-Monetary Benefit to State Executive	6,342	12,740
Key Management Personnel remuneration	1,061,314	937,395
Non-Monetary Benefit to Key Management Personnel	<u>21,872</u>	<u>50,567</u>
Key Management Personnel remuneration	<u><u>1,121,528</u></u>	<u><u>1,027,102</u></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 2022 and 31 December 2021.

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	2022	2021
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	<u>25,840</u>	<u>24,610</u>
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Financial statement preparation	2,370	2,250
Acquittals	<u>7,000</u>	<u>-</u>
	<u>9,370</u>	<u>2,250</u>
	<u><u>35,210</u></u>	<u><u>26,860</u></u>

**Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' declaration
31 December 2022**

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 2022 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:



Robert Webster
State President

4 May 2023

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 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

In our opinion, the financial report of Returned & Services League (Victorian Branch) Inc. has been prepared in accordance with the Association Incorporation Reform Act 2012 and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Association's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 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 annual report for the year ended 31 December 2022, 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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Grant Thornton Audit Pty Ltd
Chartered Accountants


D M Scammell
Partner – Audit & Assurance
Melbourne, 4 May 2023

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

ABN 85 107 546 293

Annual Report - 31 December 2022

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Committee Members' report
31 December 2022**

Your Committee Members submit the financial statements of Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund (the "Fund") for the financial year ended 31 December 2022.

Committee Members

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

Dr Robert Webster OAM

State President
Director RSL National
Trustee Shrine of Remembrance
ex-officio all RSL committees
STEX Metropolitan representative Region 2
STEX Country Representative Region 6 & 7

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. Member of the State Executive since 1989, State President since 2017.

Desmond Callaghan OAM BJ JP

Senior Vice President
Property Committee Chair
STEX Country Representative Region 8B & 9

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 the State Executive since 2016.

Terence (Terry) Makings AM

Vice President
Finance Committee, Risk Audit and Governance
Committee Member
Veteran Affairs Committee Chair
STEX Metropolitan Representative Region 1

Terry was in the Royal Australian Navy for more than 20 years, following four years as a Navy Cadet at TS Barwon, Geelong. He joined the RAN as a General Entry Recruit and left the Navy as a Commander Engineer. Terry also served as a Reservist in the Melbourne Port Division as Senior Technical Officer. After the Navy, he worked as a senior executive in Local Government for more than 20 years before becoming a consultant. Terry is currently State Branch Vice President, a Governor of the Shrine of Remembrance, President Melbourne Sub-section Naval Association, President Naval Commemoration Committee of Victoria and President Scrap Iron Flotilla.

Timothy Holden FCA GAICD RITP

State Honorary Treasurer
Finance Committee Chair
STEX Metropolitan Representative Region 5

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.

Sue Cattermole

Chief Executive Officer (commenced July 2022)

Sue is CEO of the RSL in Victoria. Prior to taking on the role in July 2022, Sue served in senior executive roles in the not-for-profit sector. She was the Group CEO of St Vincent de Paul Society Victoria for six years, CEO SkillsPlus Group for five years and part of the Senior Executive of Wesley Mission Victoria for five years. She has served on several government advisory, industry, and community organisation boards. Sue is a graduate of the Company Directors Course and holds a diploma in Applied Corporate Governance from the Governance Institute of Australia.

John Beslee

State Executive Member (commenced August 2022)
Corporate and Business Services Committee
Deputy Chair
STEX Metropolitan Representative Region 4

John Beslee became a member of the RSL State Executive in 2022 and is currently deputy chair of the CBSC committee and STEX Metropolitan representative to Region 4. This new venture for him follows a lengthy period at Seaford RSL where he spent over 16 years variously as Committeeman, Secretary, Treasurer and President. Whilst President, he also took on the role of Appeals Officer where he introduced the use of portable EFTPOS machines to the Appeals system throughout Victoria. He was honoured in 2015 by being inducted into the RSL Hall of Fame and in 2022 was made a Life Member of the RSL. John's service career began when he joined the RAN in 1967, then on discharge he worked in the building industry.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Committee Members' report
31 December 2022**

Lindsay Guerin

State Executive Member (commenced August 2022)
Veteran Affairs Committee Member
STEX Country Representative Region 10 & 11

WGCDR (Ret'd) Lindsay Guerin is Secretary of Inverloch RSL Sub-Branch. Lindsay served 33 years in the RAAF as a Personnel Capability Officer. Twelve years in Headquarters Joint Operations Command has given Lindsay an intimate knowledge of operational planning and conduct. Deployments to Iraq and Afghanistan provided additional operational experience. Previous service includes workforce structures, Reserve force management and administration across Force Element Group, Wing and unit levels. Prior to his RAAF service, he had marketing experience with an Associate Membership of the Australian Marketing Institute and an associate degree in law. He is a member of the Veteran Affairs Committee and Chair of the working group for the Royal Commission into Defence and Veteran Suicide.

Andrew Hanns

State Executive Member
Corporate and Business Services Committee
Chair
STEX Country Representative 8A & 8C

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. Member of the State Executive since 2020.

Angelos Kenos

State Executive Member
Property Committee and Veteran Affairs
Committee Member
STEX Metropolitan Representative Region 3

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. Member of the State Executive since 2020.

David Martin OAM

State Executive Member
STEX Country Representative Region 9

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. Member of the State Executive since 2018.

Simon Thorn

State Executive Member
Risk, Audit and Governance Committee Chair
STEX Metropolitan Representative Region 1

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. Member of the State Executive since 2020.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Committee Members' report
31 December 2022**

Brian Cairns

Interim CEO (resigned June 2022)

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.

Glen Phillip Ferrarotto

Metro representative (resigned June 2022)

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.

David Ridley ACA

CFO (resigned February 2023)

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.

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 dependents. The activities are funded via the conduct of two major public appeals being the ANZAC Appeal and the Poppy Appeal.

Vision and Mission statements

Vision Statement

Every veteran in Victoria is respected and supported, together with their families.

Mission Statement

To provide the best possible support and services to all generations of veterans in Victoria.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Committee Members' report
31 December 2022**

Meetings of Committee Members

	Full Committee Attended	Eligible to attend
Robert S. Webster	9	11
Desmond Callaghan	11	11
Terry Makings	10	11
Timothy Holden	11	11
Sue Cattermole (commenced July 2022)	5	6
John Beslee (commenced August 2022)	6	6
Lindsay Guerin (commenced August 2022)	6	6
Andrew Hanns	10	11
Angelo Kenos	11	11
David Martin	9	11
Simon Thorn	10	11
Brian Cairns (resigned June 2022)	7	7
Glen Phillip Ferrarotto (resigned June 2022)	5	5
David Ridley (resigned February 2023)	10	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

RSL Victoria General Appeals Patriotic Fund is a philanthropic fund which delivers veteran welfare support programs. The Association fundraise throughout the year, with our key appeals being held in association with the ANZAC day and Remembrance Day commemorations.

There was a surplus income generated for the 2022 financial year of \$28,989 (31 December 2021: \$341,321). We experienced an increase of 12% in revenue, which was largely derived from the two major appeals and grants throughout the year (a corresponding increase in our purchases and other direct costs was associated with this increased revenue), offset in part by a reduction in bequests which are ad hoc in nature.

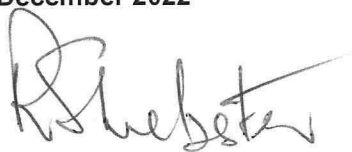
The surplus income has reduced year on year which is attributable to returning the business to a pre-COVID operating model. In practical terms this has resulted in an increased investment in our staff (increase in employee benefits expense of 12%) filling vacant positions. There has been an increase in service expenses of 11% to fund Sub-Branch welfare programmes.

During financial year 2022 we worked in partnership with the Beaumaris RSL Sub-Branch to operationalise the Wodonga Veteran Hub. The Association will fund the costs related to the operating and staffing of the centre going forward.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2022 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.

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Committee Members' report
31 December 2022**

A handwritten signature in black ink, appearing to read 'R Webster', written over a horizontal line.

Robert Webster
State President

4 May 2023

Grant Thornton Audit Pty Ltd

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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 2022, 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



D S Scammell
Partner - Audit & Assurance

Melbourne, 4 May 2023

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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 2022

	Note	2022 \$	2021 \$
Revenue	3	11,449,426	10,110,276
Other income	4	80,779	183,866
Expenses			
Employee benefits expense	5	(4,703,213)	(3,984,461)
Administrative expenses	6	(1,956,926)	(1,894,754)
Service expenses	7	(3,547,879)	(3,202,083)
Purchases and other direct costs	8	(989,907)	(624,595)
Depreciation and amortisation expense		(93,785)	(46,736)
Occupancy expenses		(157,601)	(139,106)
Finance expenses		(28,877)	(16,137)
Other expenses		(23,028)	(44,949)
Surplus for the year		28,989	341,321
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>28,989</u>	<u>341,321</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 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	9	7,559,511	8,069,138
Trade and other receivables	10	1,850,009	1,433,483
Inventories	12	1,726,039	1,619,711
Other assets	11	107,309	70,810
Total current assets		<u>11,242,868</u>	<u>11,193,142</u>
Non-current assets			
Property, plant and equipment	13	746,927	564,600
Total non-current assets		<u>746,927</u>	<u>564,600</u>
Total assets		<u>11,989,795</u>	<u>11,757,742</u>
Liabilities			
Current liabilities			
Trade and other payables	14	1,677,773	1,811,416
Contract liabilities	15	275,900	-
Employee provisions	16	558,176	512,382
Total current liabilities		<u>2,511,849</u>	<u>2,323,798</u>
Non-current liabilities			
Employee provisions	16	19,804	4,791
Total non-current liabilities		<u>19,804</u>	<u>4,791</u>
Total liabilities		<u>2,531,653</u>	<u>2,328,589</u>
Net assets		<u>9,458,142</u>	<u>9,429,153</u>
Equity			
Reserves		410,000	410,000
Retained profits		9,048,142	9,019,153
Total equity		<u>9,458,142</u>	<u>9,429,153</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 2022

	Revaluation Reserve \$	Retained profits \$	Total equity \$
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>
	Revaluation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2022	410,000	9,019,153	9,429,153
Surplus for the year	-	28,989	28,989
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	28,989	28,989
Balance at 31 December 2022	<u>410,000</u>	<u>9,048,142</u>	<u>9,458,142</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 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from operations		10,902,477	7,069,449
Receipts from the government		166,800	2,300,759
Payments to suppliers and employees		<u>(11,318,317)</u>	<u>(8,408,806)</u>
		(249,040)	961,402
Interest received		44,402	10,382
Interest paid		<u>(28,877)</u>	<u>(16,137)</u>
Net cash from/(used in) operating activities	17	<u>(233,515)</u>	<u>955,647</u>
Cash flows from investing activities			
Payments for property, plant and equipment	13	<u>(276,112)</u>	<u>(177,691)</u>
Net cash used in investing activities		<u>(276,112)</u>	<u>(177,691)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(509,627)	777,956
Cash and cash equivalents at the beginning of the financial year		<u>8,069,138</u>	<u>7,291,182</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>7,559,511</u></u>	<u><u>8,069,138</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 2022

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").

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund is Fund, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and principal place of business

ANZAC House
4 Collins Street
MELBOURNE VIC 3000

A description of the nature of the entity's operations and its principal activities are included in the committee members' report, which is not part of the financial statements.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified 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:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The fund has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the fund's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Summary of accounting policies

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 2. Statement of significant accounting policies (continued)

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.

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.

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 2. Statement of significant accounting policies (continued)

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.

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.

Contract liabilities

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

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.

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 2. Statement of significant accounting policies (continued)

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.

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.

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 2. Statement of significant accounting policies (continued)

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.

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.

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.

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 3. Revenue

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

	2022	2021
	\$	\$
ANZAC Day Appeal	3,931,885	3,897,094
Poppy Day Appeal	3,073,128	2,667,820
Grants and Donations	3,830,810	2,164,318
Winter Appeal	1,775	233,373
Transfer of remitted funds to sub branches, Net	389,657	473,981
Bequests	84,040	673,690
Sponsorships	138,131	-
Revenue	<u>11,449,426</u>	<u>10,110,276</u>

Note 4. Other income

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

	2022	2021
	\$	\$
Government assistance - jobkeeper	-	166,800
Other	36,377	6,684
Interest Income	44,402	10,382
Other income	<u>80,779</u>	<u>183,866</u>

Note 5. Employee benefits expense

	2022	2021
	\$	\$
Employee benefits expense	4,544,750	3,914,916
Fringe benefits tax	22,245	20,077
Motor vehicle expenses	37,510	35,108
Other expenses	98,708	14,360
	<u>4,703,213</u>	<u>3,984,461</u>

Note 6. Administrative expenses

	2022	2021
	\$	\$
Insurances	60,647	35,301
Professional fees	196,935	303,910
Public relations	33,747	51,531
Travel and accommodation	43,694	32,803
Marketing	593,048	232,450
Administration levy	871,500	799,257
Other expenses	157,355	237,716
National capitations	-	201,786
	<u>1,956,926</u>	<u>1,894,754</u>

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 7. Service expenses

	2022	2021
	\$	\$
Transfer of remitted funds to sub-branches	3,004,168	2,534,182
Welfare and relief	285,293	573,433
Functions and conferences	106,406	14,358
Hire of equipment	151,842	79,158
Other expenses	170	952
	<u>3,547,879</u>	<u>3,202,083</u>

Note 8. Purchases and other direct costs

	2022	2021
	\$	\$
ANZAC appeal expenses	488,494	349,591
Poppy appeal expenses	430,028	254,301
Other expenses	71,385	20,703
	<u>989,907</u>	<u>624,595</u>

Note 9. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2022	2021
	\$	\$
<i>Current assets</i>		
Cash on hand	152	200
Cash at bank	698,036	1,489,795
Term deposits	6,861,323	6,579,143
	<u>7,559,511</u>	<u>8,069,138</u>

Note 10. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	1,772,409	1,396,691
Other receivables	77,600	36,792
	<u>1,850,009</u>	<u>1,433,483</u>

Note 11. Other assets

	2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	107,309	70,810
	<u>107,309</u>	<u>70,810</u>

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 12. Inventories

Inventories consist of the following:

	2022 \$	2021 \$
<i>Current assets</i>		
Finished goods - Other	1,726,039	1,551,662
Finished goods - Woolworths	-	68,049
	<u>1,726,039</u>	<u>1,619,711</u>

Note 13. Property, plant and equipment

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

	2022 \$	2021 \$
<i>Non-current assets</i>		
Land - at fair value	110,000	110,000
Land and buildings - at fair value	300,000	300,000
Less: Accumulated depreciation	(90,776)	(86,429)
	<u>209,224</u>	<u>213,571</u>
Plant and equipment - at cost	8,555	6,005
Less: Accumulated depreciation	(1,956)	(467)
	<u>6,599</u>	<u>5,538</u>
Fixtures and fittings - at cost	28,065	27,238
Less: Accumulated depreciation	(4,551)	(1,995)
	<u>23,514</u>	<u>25,243</u>
Motor vehicles - at cost	145,203	192,869
Less: Accumulated depreciation	(117,460)	(118,869)
	<u>27,743</u>	<u>74,000</u>
Computer hardware and software - at cost	442,166	144,448
Less: Accumulated depreciation	(72,319)	(8,200)
	<u>369,847</u>	<u>136,248</u>
	<u><u>746,927</u></u>	<u><u>564,600</u></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 2022	74,000	323,571	25,243	136,248	5,538	564,600
Additions/(Disposals)	(24,982)	-	827	297,717	2,550	276,112
Depreciation expense	(21,275)	(4,347)	(2,556)	(64,118)	(1,489)	(93,785)
Balance at 31 December 2022	<u>27,743</u>	<u>319,224</u>	<u>23,514</u>	<u>369,847</u>	<u>6,599</u>	<u>746,927</u>

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 14. Trade and other payables

Trade and other payables recognised consist of the following:

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,278,936	1,590,537
Other payables	398,837	220,879
	<u>1,677,773</u>	<u>1,811,416</u>

Note 15. Contract liabilities

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	275,900	-
	<u>275,900</u>	<u>-</u>

Note 16. Employee provisions

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	399,093	313,301
Long service leave	159,083	199,081
	<u>558,176</u>	<u>512,382</u>
<i>Non-current liabilities</i>		
Long service leave	19,804	4,791
	<u>19,804</u>	<u>4,791</u>

Note 17. Cash flow information

	2022	2021
	\$	\$
Reconciliation of net cash provided by operating activities to net profit		
Net profit/(loss) for the year	28,989	341,321
Depreciation	93,785	46,736
Increase in trade and other receivables and other assets	(453,025)	(752,060)
Increase in trade and other payables and provisions	203,064	962,920
(Increase)/decrease in inventories	(106,328)	356,730
	<u>(233,515)</u>	<u>955,647</u>
Net cash provided by operating activities	<u>(233,515)</u>	<u>955,647</u>

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 18. 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.

	2022	2021
	\$	\$
Key management personnel remuneration	256,421	214,877
Non-monetary benefit to key management personnel	16,518	22,378
	<u>272,939</u>	<u>237,255</u>

Note 19. Transactions with related entities

Parent entity

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

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.

Transactions with related entities

During the financial year ended 31 December 2022, the Fund paid an 'Administration Levy' of \$871,500 (2021: \$799,257) 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 \$nil (2021: \$13,804), 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 \$2,250,000 (2021: \$1,000,000) was recognised from RSL Victorian Branch Welfare Trust Fund to support Sub-Branched 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:

	2022	2021
	\$	\$
Accounts receivable/(payable)		
Returned & Services League of Australia (Victorian Branch) Inc.	75,601	(612,505)

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 20. Contingent liabilities

There are no contingent liabilities that have been incurred by the Fund in relation to the periods ended 31 December 2022 and 31 December 2021.

Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Notes to the financial statements
31 December 2022

Note 21. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	2022	2021
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	19,380	17,800
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Financial statement preparation	2,370	2,250
	<u>21,750</u>	<u>20,050</u>

**Returned & Services League of Australia Victorian Branch General Appeals Patriotic Fund
Committee members' declaration
31 December 2022**

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 2022 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

4 May 2023

Independent Auditor's Report

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 RSL of Aust. Victorian Branch General Appeals Patriotic Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the 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 Aus. Victorian Branch General Appeals Patriotic Fund is in accordance with the Veteran's Act 2005 and the Australian Charities and Not-for-profits Commission Act 2012, including:

- a giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans (Patriotic Funds) Regulations 2008 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for qualified 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 Fund's 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 amount recorded in the financial records. We therefore are unable to express an opinion on 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 2022. We therefore are unable to express an opinion whether the stock balances are accurate as at the year-end.

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 annual report for the year ended 31 December 2022, 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 – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the Veterans Act 2005 and the ACNC Act, and for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 have 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D M Scammell
Partner – Audit & Assurance

Melbourne, 4 May 2023