

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

ABN 73 941 765 364

Annual Report - 31 December 2020

**Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2020**

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 2020.

Committee Members

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

Colonel Michelle Campbell

State Executive Member (resigned 28 November 2020)
Shrine of Remembrance, Board of Trustees
Non-Executive Director Air Combat Advisory Board
Judge, Returned & Services League annual ANZAC Awards
Judge, Prime Minister's Veterans' Employment Awards
Colonel Commandant of the Royal Australian Army
Ordnance Corps for Victoria and Tasmania

Graduated from the Monash University Regiment with Sword of Honor in 1992, and commissioned into the Royal Australian Army Ordnance Corps. In 2014, Colonel Campbell deployed to Afghanistan as the Chief of the NATO Redeployment Fusion Cell. Colonel Campbell was awarded the Article 5 NATO Meritorious Service Medal for "distinguished service exhibiting outstanding leadership and exceptional contribution".
In civilian life, Colonel Campbell is a director of her own firm Argyll & Collins, specialising in Management consulting.

Desmond Callaghan OAM BJ JP

Country representative

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

Mackenzie Craig

State Executive member (resigned 30 July 2020)
Governance Committee
Chair of the Victorian Branch Membership Renewal Project team

Enlisted in the Army in 1979 as an apprentice electronics technician. During his tenure in the Army, Mackenzie was deployed to the Middle East as a military observer with the United Nations. Returning to Australia Mackenzie was posted to Sydney and was promoted to Major. He resigned in 1999 after 20 years of service.
Joined Nathalia/Picola RSL Sub Branch in 1998, and was elected President in 2003. Awarded Life Membership in 2015.
Mackenzie volunteers on community/agricultural organisations and committees.

Dalwyn Crocker

Metro representative (resigned 28 November 2020)
Finance & Audit Committee

National service 1969 to 1971.
Joined RSL as a service member 1982.
Dalwyn has been a prominent member of the Greensborough RSL since 2001 where he has been appointed on a number of executive Sub Branch committees.
Appointed State Executive member 2016.

**Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2020**

John Cullen OAM

State Honorary Treasurer (resigned 28 November 2020)
Chairmen of Trustees, Victoria House Building Trust
Finance & Audit Committee
Chairman Property Committee
Remuneration Committee
National Institute of Accountants - FIFA
Australian Institute of Company Directors - MAICD
Fellow of Financial Accountants

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.

Glen Ferrarotto

Metro representative (resigned 8 June 2020, reappointed 28 November 2020)

Army Reservist from 1997 and posted to 4/19 PWLH Regiment.

Enlisted Regular Army from 1998 to 2008. Two overseas deployments with Special Ops.

Joined Montmorency Eltham committee in 2016, and elected Senior Vice President in 2017.

In 2012 founded Ironside Recruitment, agency for Veterans and Ex-Service Personnel. Personally honoured as Australia's Most Outstanding Contributor to Veteran Employment by the Hon Malcolm Turnbull, Prime Minister of Australia.

Andrew Hanns

State Executive member (appointed 28 November 2020)

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.

Angelos Kenos

State Executive member (appointed 28 November 2020)

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.

David Martin OAM

Country representative

Enlisted in Army 1964, served in Vietnam from April 1968 to April 1969 and continued serving full time till 1985. During this time David was promoted to Captain and posted as the Officer Commanding of an Army Workshop in Townsville. Joined RSL in 1969 and appointed Life Membership in 2004, and then awarded the RSL Meritorious Service Medal in 2016.

Member of Rutherglen RSL Sub Branch.

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

Paul McMahon

Executive Member (resigned 30 July 2020)

Enlisted in Army from 1986 to 2016.

Completed a number of overseas operations including deployments to Fiji, Timor and Afghanistan. Joined Geelong RSL Sub Branch in 2015.

Founding committee member for the 'Connect' pilot program.

**Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2020**

David Ridley BCOM ACA

Chief Financial Officer
Bachelor of Commerce
Member of Chartered Accountants Australia and New Zealand
Finance and Audit Committee
Property Committee
Governance Committee
Corporate & Business Services Committee

David has considerable financial experience in both Chartered Accounting and Commercial industries. David joined the RSL in 2012, and is an affiliate member. In 2019, he was appointed Chief Financial Officer.

Simon Thorn

State Executive member (appointed 28 November 2020)

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

S. Jamie Twidale CSM

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

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

Lee Webb JP

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

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

Dr Robert Webster OAM

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

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

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

Principal activities

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

**Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2020**

Vision and Mission statements

Vision Statement

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

Mission Statement

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

Strategy for achieving Vision and Mission statements

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

Meetings of Committee Members

The number of meetings of the company's Board of Committee Members ('the Board') held during the year ended 31 December 2020, and the number of meetings attended by each Committee Member were:

	Full Committee Attended	Held
Michelle Campbell	11	12
Desmond Callaghan	13	13
Mackenzie Craig	9	9
Dalwyn Crocker	13	12
John F Cullen	11	12
Glen Ferrarotto	7	7
Andrew Hanns	1	1
Angelos Kenos	1	1
David Martin	10	13
Paul McMahon	4	8
David Ridley	13	13
Simon Thorn	1	1
Jamie Twidale	12	13
Lee Webb JP	13	13
Dr Robert Webster	10	13

A total of 13 meetings were held during the financial year. The number of meetings of Committee Members attended by each committee member is as above.

Auditor's independence declaration

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

Significant changes in the state of affairs

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

Operating results

The loss for the Association amounted to \$1,629,250 (31 December 2019: \$2,037,259).

**Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' report
31 December 2020**

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2020 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

31 May 2021

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 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Darren Scammell
Partner – Audit & Assurance

Melbourne, 31 May 2021

Returned & Services League of Australia (Victorian Branch) Inc.
Contents
31 December 2020

Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Committee Members' declaration	23

**Returned & Services League of Australia (Victorian Branch) Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020**

	Note	2020 \$	2019 \$
Revenue	3	2,675,591	7,033,171
Other income	4	999,577	463,534
Expenses			
Provision for impairment of loan receivables	9	(2,845)	(1,980,589)
Employee benefits expense	5	(4,050,795)	(4,002,183)
Administrative expenses	6	(884,159)	(1,944,261)
Service expenses	7	(57,699)	(1,163,403)
Purchases and other direct costs		(17,688)	(37,572)
Depreciation and amortisation expense	13	(86,423)	(83,549)
Occupancy expense		(178,499)	(273,041)
Finance expenses		(12,471)	(13,138)
Other expenses		(13,839)	(36,228)
Loss for the year		(1,629,250)	(2,037,259)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Profit/(loss) in O'Brien Trust reserve		97	799
Fair value loss on listed equity securities		-	5,160
Other comprehensive income for the year		97	5,959
Total comprehensive income/(loss) for the year		<u>(1,629,153)</u>	<u>(2,031,300)</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 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	8	2,451,457	3,074,811
Trade and other receivables	9	1,282,514	1,159,678
Inventories	11	27,071	14,324
Financial Assets	12	4,717,624	6,754,400
Other assets	10	164,765	146,785
Total current assets		<u>8,643,431</u>	<u>11,149,998</u>
Non-current assets			
Financial Assets	12	-	63,591
Property, plant and equipment	13	574,852	660,020
Total non-current assets		<u>574,852</u>	<u>723,611</u>
Total assets		<u>9,218,283</u>	<u>11,873,609</u>
Liabilities			
Current liabilities			
Trade and other payables	14	3,346,527	3,796,383
Contract liabilities	21	582,368	672,422
Employee provisions	15	559,369	502,738
Total current liabilities		<u>4,488,264</u>	<u>4,971,543</u>
Non-current liabilities			
Trade and other payables	14	3,613,762	4,163,276
Employee provisions	15	43,874	37,254
Total non-current liabilities		<u>3,657,636</u>	<u>4,200,530</u>
Total liabilities		<u>8,145,900</u>	<u>9,172,073</u>
Net assets		<u>1,072,383</u>	<u>2,701,536</u>
Equity			
Reserves		442,692	442,595
Retained profits		<u>629,691</u>	<u>2,258,941</u>
Total equity		<u>1,072,383</u>	<u>2,701,536</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 2020

	O'Brien trust reserve \$	Revaluation reserve \$	FVOCI equity reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2019	63,864	377,932	(5,160)	4,296,200	4,732,836
Loss for the year	-	-	-	(2,037,259)	(2,037,259)
Other comprehensive income for the year	799	-	5,160	-	5,959
Total comprehensive income/(loss) for the year	799	-	5,160	(2,037,259)	(2,031,300)
Balance at 31 December 2019	<u>64,663</u>	<u>377,932</u>	<u>-</u>	<u>2,258,941</u>	<u>2,701,536</u>
	O'Brien trust reserve \$	Revaluation reserve \$	FVOCI equity reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2020	64,663	377,932	-	2,258,941	2,701,536
Loss for the year	-	-	-	(1,629,250)	(1,629,250)
Other comprehensive income for the year	97	-	-	-	97
Total comprehensive income/(loss) for the year	97	-	-	(1,629,250)	(1,629,153)
Balance at 31 December 2020	<u>64,760</u>	<u>377,932</u>	<u>-</u>	<u>629,691</u>	<u>1,072,383</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 2020

	Note	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from operations		2,330,811	8,195,818
Receipts from the government		795,150	-
Payments to suppliers		(5,876,288)	(7,102,045)
Interest Income		55,231	205,407
Interest Paid		(12,471)	(22)
Net cash from/(used in) operating activities	16	<u>(2,707,567)</u>	<u>1,299,158</u>
Cash flows from investing activities			
Payments for property, plant and equipment	13	(1,255)	(185,599)
Net receipts from sale/(purchase) of investments at amortised cost		<u>2,100,367</u>	<u>(16,427)</u>
Net cash from/(used in) investing activities		<u>2,099,112</u>	<u>(202,026)</u>
Cash flows from financing activities			
Net proceeds from/(repayment of) borrowings		<u>(14,899)</u>	<u>141,915</u>
Net cash from/(used in) financing activities		<u>(14,899)</u>	<u>141,915</u>
Net increase/(decrease) in cash and cash equivalents		(623,354)	1,239,047
Cash and cash equivalents at the beginning of the financial year		<u>3,074,811</u>	<u>1,835,764</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>2,451,457</u></u>	<u><u>3,074,811</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 2020

Note 1. General information and basis of preparation

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

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

Note 2. Statement of significant accounting policies

Summary of accounting policies

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

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

Revenue

Charges to sub-branches

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

Corporate Sponsorship income without sufficiently specific and enforceable performance obligations

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

Corporate Sponsorship income with sufficiently specific and enforceable performance obligations

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

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

Donation income

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

Interest income

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

Government assistance

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

Operating expenses

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

Income tax

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

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 2. Statement of significant accounting policies (continued)

Cash and cash equivalents

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

Goods and services tax (GST)

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

Property, plant and equipment

Land and Buildings

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

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

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

Plant and other equipment

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

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

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

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

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

Financial instruments

(i) Recognition, initial measurement and derecognition

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

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

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

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.

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

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.

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.

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 2. Statement of significant accounting policies (continued)

Impairment of loans and receivables

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 RSL 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 technical obsolescence that may change the utility of certain software and IT equipment.

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.

Note 3. Revenue

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

	2020	2019
	\$	\$
Administration levy	669,405	634,463
Support fees	1,251,416	4,844,688
Donations	1,583	13,715
Corporate sponsorship	120,000	126,120
Hall of fame	-	146,563
Membership affiliation charge	70,300	69,200
TGS sponsorship	142,077	500,000
Rewards and marketing fees	90,810	392,602
Future IT development grant	330,000	305,820
Revenue	<u>2,675,591</u>	<u>7,033,171</u>

Note 4. Other income

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

	2020	2019
	\$	\$
Government assistance	795,150	-
Interest income	43,177	147,397
Other	161,250	316,137
Other income	<u>999,577</u>	<u>463,534</u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 5. Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2020	2019
	\$	\$
Employee benefit expense	3,804,569	3,602,750
Motor vehicle expenses	67,620	157,226
Training expenses	40,020	35,446
Fringe benefit tax	125,518	109,631
State executive expenses	3,325	22,110
Other expenses	9,743	75,020
	<u>4,050,795</u>	<u>4,002,183</u>

Note 6. Administrative expenses

	2020	2019
	\$	\$
Computer expenses	75,391	44,721
Energy expenses	55,446	52,970
Insurance expense	47,044	46,829
Legal fees	43,152	128,494
Marketing and advertising expense	165,986	650,803
Travel and accommodation expense	35,554	140,936
Professional fees	169,136	312,243
Postage and printing	211,622	403,359
Telephone expense	31,095	40,588
Membership plastic cards	-	14,390
Other expenses	49,733	108,928
	<u>884,159</u>	<u>1,944,261</u>

Note 7. Service expenses

	2020	2019
	\$	\$
Grants	2,607	354,869
Debt Forgiven - RSL of Aust. Victorian General Appeals Fund	-	370,174
Functions and conferences	13,440	337,410
Corporate sponsorship work	-	41,600
Honorariums	32,000	40,000
Donations	9,652	19,350
	<u>57,699</u>	<u>1,163,403</u>

Note 8. Cash and cash equivalents

	2020	2019
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>2,451,457</u>	<u>3,074,811</u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 9. Trade and other receivables

	2020	2019
	\$	\$
<i>Current assets</i>		
Trade receivables	1,199,027	1,079,352
Loan Receivables	-	32,625
Less: Provision for impairment of loan receivables	-	(32,625)
	-	-
Other receivables	83,487	80,326
	<u>1,282,514</u>	<u>1,159,678</u>
<i>Non-current assets</i>		
Loan Receivables	2,598,334	2,562,864
Less: Provision for Impairment of Loan Receivables	(2,598,334)	(2,562,864)
	-	-
	<u><u>1,282,514</u></u>	<u><u>1,159,678</u></u>

The below table outlines details of the loans to sub-branches which are outstanding as at 31 December 2020. It should be noted that for each of the sub-branch loan receivables, a provision has been raised where the loan has been deemed doubtful. In providing for these loans, a total expense of \$2,845 (2019: \$1,980,589) was incurred in the profit and loss statement.

Sub-branch	2020	2019	Provisioned	Net Receivable
Beaumaris RSL Inc.	900,229	895,811	(900,229)	-
Hampton RSL Inc.	29,776	32,625	(29,776)	-
Kew RSL Inc.	52,575	52,575	(52,575)	-
Oakleigh RSL Inc.	69,100	69,100	(69,100)	-
Sale RSL Inc.	777,937	778,912	(777,937)	-
Upwey/Belgrave RSL Inc.	171,125	171,522	(171,125)	-
Wangaratta RSL Inc.	28,083	28,083	(28,083)	-
Wangaratta RSL Inc. BPF	29,961	29,961	(29,961)	-
West Heidelberg RSL Inc.	539,548	536,900	(539,548)	-
Total	<u><u>2,598,334</u></u>	<u><u>2,595,489</u></u>	<u><u>(2,598,334)</u></u>	<u><u>-</u></u>

Note 10. Other assets

	2020	2019
	\$	\$
<i>Current assets</i>		
Prepayments	164,765	146,785

Note 11. Inventories

	2020	2019
	\$	\$
<i>Current assets</i>		
Inventory	27,071	14,324

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 12. Financial Assets

The carrying amounts of the financial assets are as follows:

	2020 \$	2019 \$
<i>Current assets</i>		
Term deposits	4,717,624	6,754,400
<i>Non-current assets</i>		
RSL Debentures	-	63,591
	<u>4,717,624</u>	<u>6,817,991</u>

Note 13. Property, plant and equipment

	2020 \$	2019 \$
<i>Non-current assets</i>		
Land - at fair value	338,000	338,000
Buildings - at fair value	30,000	30,000
Less: Accumulated depreciation	(2,724)	(2,166)
	<u>27,276</u>	<u>27,834</u>
Plant and equipment - at cost	1,579	1,579
Less: Accumulated depreciation	(569)	(316)
	<u>1,010</u>	<u>1,263</u>
Fixtures and fittings - at cost	1,859	1,567
Less: Accumulated depreciation	(327)	(157)
	<u>1,532</u>	<u>1,410</u>
Motor vehicles - at cost	234,029	274,911
Less: Accumulated depreciation	(87,664)	(34,962)
	<u>146,365</u>	<u>239,949</u>
Computer equipment - at cost	90,837	58,703
Less: Accumulated depreciation	(30,168)	(7,139)
	<u>60,669</u>	<u>51,564</u>
	<u>574,852</u>	<u>660,020</u>

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 \$	Total \$
Balance at 1 January 2020	365,834	51,564	1,410	239,949	1,263	660,020
Additions/(Disposals)	-	30,100	292	(29,137)	-	1,255
Depreciation expense	(558)	(20,995)	(170)	(64,447)	(253)	(86,423)
Balance at 31 December 2020	<u>365,276</u>	<u>60,669</u>	<u>1,532</u>	<u>146,365</u>	<u>1,010</u>	<u>574,852</u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 13. Property, plant and equipment (continued)

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

Note 14. Trade and other payables

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Life Member Funds Payable	5,193	5,193
Sporting Bodies Payable	107,548	131,857
Accounts Payable	359,305	643,287
RSL Loyalty Points	1,687,749	1,890,623
Other payables	1,186,732	1,125,423
	<u>3,346,527</u>	<u>3,796,383</u>
<i>Non-current liabilities</i>		
Future funds	<u>3,613,762</u>	<u>4,163,276</u>
	<u><u>6,960,289</u></u>	<u><u>7,959,659</u></u>

Note 15. Employee provisions

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Annual leave	327,278	236,727
Long service leave	232,091	266,011
	<u>559,369</u>	<u>502,738</u>
<i>Non-current liabilities</i>		
Long service leave	<u>43,874</u>	<u>37,254</u>
	<u><u>603,243</u></u>	<u><u>539,992</u></u>

Note 16. Cash flow information

	2020	2019
	\$	\$
Reconciliation of net cash provided by operating activities to net profit		
Net profit/(loss) for the year	(1,629,250)	(2,037,259)
Depreciation	86,423	83,549
(Increase)/decrease in trade and other receivables	37,655	308,247
(Increase)/decrease in inventories	(12,747)	17,905
Increase/(decrease) in trade and other payables	(1,255,744)	877,480
Increase/(decrease) in provisions	63,251	68,647
Provision for impairment of assets	2,845	1,980,589
	<u>(2,707,567)</u>	<u>1,299,158</u>
Net cash provided by operating activities	<u><u>(2,707,567)</u></u>	<u><u>1,299,158</u></u>

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 17. Transactions with related entities

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

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

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

	2020	2019
	\$	\$
Administration Levy:		
RSL Victorian Branch Welfare Trust Fund	70,557	67,734
RSL of Aust. Victorian Branch General Appeals Patriotic Fund	362,895	370,174
Returned & Services League Of Australia Victoria House Building Patriotic Fund	96,729	102,614
RSL Statewide Building Patriotic Fund	131,266	101,939

The association was charged \$160,000 for rent of the premises by RSL Victoria House (2019: \$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:

	2020	2019
	\$	\$
Other transactions:		
RSL of Aust. Victorian Branch General Appeals Patriotic Fund	(92,349)	-
RSL of Australia Victoria House Building	(60,261)	(950)
RSL Statewide Building Patriotic Fund	(14,115)	-
RSL Victorian Branch Welfare Trust Fund	(8,120)	-
Vasey RSL Care Ltd	-	(3,630)

Vasey RSL Care is considered a related party through the common directorship of John F Cullen and Barry Lowe.

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:

	2020	2019
	\$	\$
Honorariums paid to State Executive	32,000	40,000
Non-Monetary Benefit to State Executive	21,850	24,590
Key Management Personnel remuneration	932,767	1,037,621
Non-Monetary Benefit to Key Management Personnel	56,083	79,950
Key management personnel remuneration	<u>1,042,700</u>	<u>1,182,161</u>

Note 19. Contingent liabilities

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

Returned & Services League of Australia (Victorian Branch) Inc.
Notes to the financial statements
31 December 2020

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 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. Contract liabilities

	2020	2019
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>582,368</u>	<u>672,422</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.

Note 22. Association details

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

ANZAC House
4 Collins Street
MELBOURNE VIC 3000

**Returned & Services League of Australia (Victorian Branch) Inc.
Committee Members' declaration
31 December 2020**

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 2020 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

31 May 2021

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 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Committee Members.

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

- a presents fairly, in all material respects, the Fund's financial position as at 31 December 2020 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information- Committee Members' Report

The Committee Members are responsible for the other information. The other information comprises the information included in the Association's financial report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Committee Members for the Financial Report

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

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

The Committee Members are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



D M Scammell
Partner – Audit & Assurance

Melbourne, 31 May 2021