

**mcs audit** Pty Ltd  
authorised audi+ company

THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED  
A.C.N. 008 488 097

FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2015

**The Returned &  
Services League of  
Australia Ltd**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
31 DECEMBER 2015**

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## DIRECTORS' REPORT

Your Directors present this report on the company for the financial year ended 31 December 2015.

### DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

NAME	EXPERIENCE	MEETINGS HELD	ATTENDED
K A Doolan AO	Member National Executive - 5 years, 6 months	6	6
G Edwards AM	Member National Executive - 2 year,	6	5
S Cameron	Member National Executive - 6 months	6	3
T Hanna	Member National Executive - 2 years, 6 months	6	5
D J McLachlan AO	Member National Executive - 12 years, 7 months	6	6
R Dick	Member National Executive - 1 year, 7 months	6	6
R White	Member National Executive - 9 months	6	4
P Eveille	Member National Executive - 1 year, 8 days	6	5
T Meehan	Member National Executive - 4 years	6	3

The RSL is a company established in Canberra to conduct the operations of the National Headquarters of the League.

### PRINCIPAL ACTIVITIES

The Principal activities of the National Headquarters during the course of the year were:

- (i) the continued care and welfare of ex-service personnel;
- (ii) representing the views and opinions of its members to governments, to the public generally and to organisations with interests similar to those of the RSL;
- (iii) the provision of representation before statutory Boards and Tribunals;
- (iv) the liaison with overseas ex-service organisation; and
- (v) overseeing the conditions of service of serving personnel in the Australian Defence Force.

During the year there was no significant change in the nature of those activities.

### OPERATING RESULT

The net amount of surplus of the National Headquarters for the year ended 31 December 2015 was \$5,520,116.

### DIVIDENDS PAID

In accordance with the Constitution, the National Headquarters is a company limited by guarantee and accordingly no shares or debentures have been issued and no dividends have been recommended or paid.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the National Headquarters, other than those referred to in the accounts or notes thereto.

## DIRECTOR'S REPORT

### SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than referred to in the accounts or notes thereto, that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the National Headquarters, the results of those operations, or the state of affairs of the National Headquarters in financial years subsequent to this financial year.

### FUTURE DEVELOPMENTS

No significant future developments which may affect the operations or results of the National Headquarters are envisaged.

### INDEMNIFICATION OF AUDITORS AND OFFICERS

During the financial year, the RSL paid a premium in respect of a contract insuring the directors of the company against a liability incurred as such a director to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

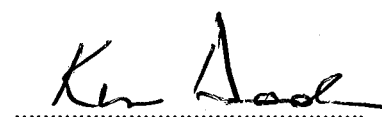
The RSL has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

### AUDITOR'S INDEPENDENCE DECLARATION

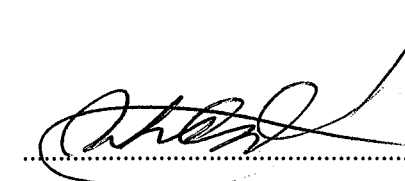
A copy of the auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 31 December 2015 has been received and is set out on page 5.

Signed in accordance with a resolution of the Board of Directors

On behalf of the Directors



Director



Director

Dated this 11<sup>th</sup> day of MARCH 2016


RESPONSIBLE PERSONS' DECLARATION


- PER SECTION 60.15 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION REGULATION 2013

The responsible persons declare that in the responsible persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director:   
Name

Director:   
Name

Dated this 11<sup>th</sup> day of March 2016



CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

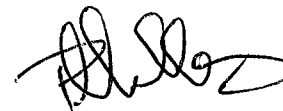
Principal Phillip W Miller CA  
 Address Unit 1/37 Geils Court, Deakin ACT 2600  
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 ASIC Authorised Audit Company No. 408893

**AUDITOR'S INDEPENDENCE DECLARATION  
 UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES  
 AND NOT FOR PROFITS COMMISSION ACT 2012  
 TO THE DIRECTORS OF  
 THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED  
 ABN 63 008 488 097**

As lead auditor for the audit of The Returned & Services League of Australia Limited for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

MCS Audit Pty Ltd



Phillip W Miller CA  
Director

Dated in Canberra on: 18 March 2016

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	01/01/15- 31/12/15 \$	01/07/14- 31/12/14 \$
<b>Revenue</b>			
Revenue from ordinary activities	3a	1,766,434	406,719
Profit on sale of buildings		9,678,818	-
<b>Total Revenue</b>		<u>11,445,252</u>	<u>406,719</u>
<b>Expenditure</b>			
Administration expenses		163,019	93,637
Employee benefits expense		755,782	385,479
Occupancy expenses		152,351	18,497
Depreciation	3b	40,096	21,644
Meeting and conference expenses		65,902	871
Insurance costs		19,364	8,995
Accounting and auditing fees		18,407	11,341
New buildings planning expenses		4,200,000	-
Other expenses from ordinary activities		510,215	357,451
<b>Total Expenses</b>		<u>5,925,136</u>	<u>897,915</u>
<b>(Loss)/Profit from ordinary activities before income tax</b>		<u>5,520,116</u>	<u>(491,196)</u>
<b>Income tax expense relating to ordinary activities</b>		<u>-</u>	<u>-</u>
<b>Net Surplus for Year</b>		<u>5,520,116</u>	<u>(491,196)</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	01/01/15- 31/12/15 \$	01/07/14- 31/12/14 \$
<b>Current Assets</b>			
Cash assets	4	989,671	823,170
Receivables	5	120,319	137,440
Other	6	101,673	19,441
Inventory		67	110,444
Investments	7	7,000,128	568,219
<b>Total Current Assets</b>		<u>8,211,858</u>	<u>1,658,714</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	137,673	1,179,557
<b>Total Non-Current Assets</b>		<u>137,673</u>	<u>1,179,557</u>
<b>Total Assets</b>		<u>8,349,531</u>	<u>2,838,271</u>
<b>Current Liabilities</b>			
Payables	9	268,633	209,301
Provisions	10	24,255	81,325
<b>Total Current Liabilities</b>		<u>292,888</u>	<u>290,626</u>
<b>Non-Current Liabilities</b>			
Provisions	11	14,571	8,795
<b>Total Non-Current Liabilities</b>		<u>14,571</u>	<u>8,795</u>
<b>Total Liabilities</b>		<u>307,459</u>	<u>299,421</u>
<b>Net Assets</b>		<u>8,042,072</u>	<u>2,538,850</u>
<b>Equity</b>			
Retained earnings	13	8,042,072	2,538,850
<b>Total Equity</b>		<u>8,042,072</u>	<u>2,538,850</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

Balance at 30th June, 2014	3,030,421
Surplus for Period from 01 July 2014 to 31 December 2014	(491,196)
Prior Year Adjustments	(375)
Balance at 31 December, 2014	<u>2,538,850</u>
Balance at 1 January, 2015	2,538,850
Surplus (Loss) for Year 2015	5,520,116
Prior Year Adjustments	(16,894)
Balance at 31st December 2015	<u>8,042,072</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	01/01/15- 31/12/15 \$	01/07/14- 31/12/14 \$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		8,317,531	602,676
Payments to employees and suppliers		(2,853,484)	(853,748)
Interest received		132,575	20,450
<b>Net cash provided by/(used in) operating activities</b>	<b>18a</b>	<u>5,596,622</u>	<u>(230,622)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for property, vehicle & equipment		(39,588)	(37,724)
Profit/Loss on Disposal of assets		(5,458,624)	11,331
Proceeds from sale of vehicle, plant & equipment		6,500,000	16,363
<b>Net cash used in investing activities</b>		<u>1,001,788</u>	<u>(10,031)</u>
<b>Net Increase/(Decrease) In Cash Held</b>		6,598,410	(240,653)
<b>Cash At The Beginning Of The Financial Year</b>		1,391,389	1,632,042
<b>Cash At The End Of The Financial Year</b>	<b>18b</b>	<u>7,989,799</u>	<u>1,391,389</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report of The Returned & Services League of Australia Limited has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Australian Charities Not-for-profits Commissions Act 2012. The financial report has been prepared on an accruals basis and is based on historical costs.

The financial report covers The Returned & Services League of Australia Limited as an individual entity. The Returned & Services League of Australia Limited is a not-for-profit company limited by guarantee and a registered charity under the Australian Charities Not-for-profits Commissions Act 2012.

Any new Accounting Standards that have been issued but are not yet effective at balance date have not been applied in the preparation of this financial report. The possible impacts of the initial application of these Accounting Standards have not been assessed.

The following is a summary of significant accounting policies adopted by the Board in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The Returned & Services League of Australia Limited is a public benevolent institution under section 50-5 of the Income Tax Assessment Act 1997 and is exempt from income tax.

(b) Inventories

Inventories are measured at the lower of the cost and net realisable value.

(c) Plant and Equipment

Plant and equipment items are recognised when their initial cost is greater than \$1,000 and are measured at cost, less (where applicable) accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from their assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually. Where applicable, the initial cost of plant and equipment assets includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to property leases taken up by the Company where there exists an obligation to restore the property to its original condition on cessation of the lease. The estimated restoration costs are included in the value of the company's office fittings and furniture, with a corresponding provision for 'make good' recognised.

*Depreciation*

The depreciable amount of all plant and equipment assets is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

The estimated useful lives used for each class of plant and equipment assets are:

Class of Plant and Equipment Asset	Useful Lives
Buildings	45 Years
Plant and Equipment	5-13 Years

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of comprehensive income as an impairment loss.

In the case of loans and receivables, a 'loss event' may indicate that a debtor(s) is experiencing financial difficulty and will default on payment. After having undertaken all economically viable possible measures of recovery, and it is established that the carrying amount cannot be recovered by any means, the amount will be written off. The amount will be charged to either separate allowance account used to reduce the carrying amount of financial assets impaired by credit losses, or if no impairment account was previously recognised, directly against the carrying amount of the financial asset.

(e) Employee Benefits

Provision is made in respect of liabilities for employee benefits arising from services rendered by employees. These benefits include wages and salaries, annual leave and long service leave entitlements.

Employee benefits expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits expected to be settled later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

Annual leave entitlements are considered a short-term benefit as The Returned & Services League of Australia Limited does not have an unconditional right to defer the settlement of these amounts in the event the employee wishes to use their leave entitlement. This is in accordance with AASB 119 *Employee Benefits*.

The liability for short-term employee benefits is classified as current payables. The liability for long-term employee benefits is classified as non-current provisions.

Contributions are made to employee superannuation funds in compliance with government legislation and are recognised as expenses when incurred.

(f) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks or financial institutions.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue Grants

*Capitations*

RSL has an ongoing agreement with the State Chapters in regard to Capitation Revenue. Revenue is recognised on notification from the States as to the number of new memberships, or membership renewals, for a financial period.

*Government Grants*

Government grants are recognised as income on a systematic and rational basis over the periods necessary to match them with the related costs.

*Commissions and Donations*

Commissions and donations revenues are recognised when they are received.

*Sale of Goods and Disposal of Assets*

Revenue from the sale of goods and disposal of other assets is recognised when the entity has passed control of the goods or other assets to the buyer.

*Interest revenue*

Interest is recognised on an accrual basis.

(h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amounts of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(i) Critical Accounting Estimates and Judgements

The estimates and judgements incorporated into the financial report are 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 Company.

(j) Financial Instruments

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Instruments (Continued)

*Loans and Receivables*

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortised cost using the effective interest rate method.

*Held to maturity investments*

Where investments have fixed maturities, and it is the Company's intention to hold these investments to maturity, the investments are measured at amortised cost using the effective interest rate method.

*Available-for-sale financial assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

*Financial liabilities*

Non-derivative financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisation.

(k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership of the fixed asset, that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Comparative Figures

Board decided to change financial year end from 30<sup>th</sup> June to 31<sup>st</sup> December since 2014; therefore the current period shows twelve months, and comparative shows six months.

NOTE 2: TRUST FUNDS HELD

The financial transactions of the Company are recorded in eleven separate funds, each being represented by separate net assets and are shown in Note 17 in this financial statement.

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

01/01/15-31/12/15      01/07/14-31/12/14  
\$                                      \$

**NOTE 3: REVENUE**

Profit from ordinary activities before income tax includes the following items of revenue and expenses:

**(a) Operating Activities**

Capitation Fees	777,455	257,459
Commission Received	1,551	58,024
Donations (Net of Share to States)	411,811	35,973
Royalties	3,691	32,000
Interest	132,575	20,450
Modern Baking	243,697	-
Victory in the Pacific	181,818	-
Other Revenue from Ordinary Activities	13,836	2,813
	<u>1,766,434</u>	<u>406,719</u>

**(b) Expenses**

Depreciation of Non Current Assets:

<i>Buildings</i>	7,678	5,308
Equipment, Furniture and Fixture	6,697	3,494
Motor Vehicles	13,308	6,879
Computer Hardware and Software	12,214	5,860
Library, Plaques & RSL March	199	103
	<u>40,096</u>	<u>21,644</u>

Net Transfers to/(from) Provisions:

Employee Entitlement		
Annual Leave	(44,578)	12,145
Long Service Leave	(6,716)	3,211
	<u>(51,294)</u>	<u>15,356</u>

Operating Lease Rental Expenses

	<u>94,697</u>	<u>1,336</u>
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Government Grant – Contributions Towards:

- National Board	-	-
- National Congress	-	-
- National President's Expenses	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

01/01/15-31/12/15      01/07/14-31/12/14  
\$                                      \$

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash at Bank – General Funds	828,396	711,258
Term Deposits	161,276	111,912
	<u>989,671</u>	<u>823,170</u>

**NOTE 5: RECEIVABLES**

Trade Debtors	24,987	92,387
GST Receivable/Sundry Debtors	95,332	45,053
	<u>120,319</u>	<u>137,440</u>

**NOTE 6: OTHER CURRENT ASSETS**

Rental Bond	31,250	-
Interests Receivables	70,423	19,441
	<u>101,673</u>	<u>19,441</u>

**NOTE 7: INVESTMENTS**

Term Deposit	<u>7,000,128</u>	<u>568,219</u>
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**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Land & Buildings at cost	Equipment, Furniture & Fixtures at cost	Motor Vehicles at cost	Computer Hardware & Software at cost	Library, Plaques & RSL March at cost	TOTAL
<b>Gross Carrying Amount</b>						
Balance as at 31/12/2014	1,210,396	255,047	75,775	99,848	11,877	1,652,943
Prior Year Adjustments	-	-	(151)	-	-	(151)
Additions	-	840	33,933	4,815	-	39,588
Disposals	(1,210,396)	-	(37,900)	-	-	(1,248,296)
Balance as at 31/12/2015	-	255,887	71,657	104,663	11,877	444,084
<b>Accumulated Depreciation</b>						
Balance as at 31/12/2014	(181,536)	(190,544)	(14,883)	(77,196)	(9,228)	(473,387)
Prior Year Adjustments	-	-	(66)	-	-	(66)
Depreciation Expense	(7,678)	(6,697)	(13,308)	(12,214)	(199)	(40,096)
Acc. Dep. Write Back	189,214	-	17,924	-	-	207,138
Balance as at 31/12/2015	-	(197,241)	(10,333)	(89,410)	(9,427)	(306,411)
Balance as at 31/12/2015	-	58,646	61,324	15,253	2,450	137,673



NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)**

During the year, The Returned & Services League of Australia Limited agreed to sell land and buildings located at Constitution Avenue, Campbell ACT for a contracted sum of \$10,700,000. As part of the sale agreement, the purchaser agreed to pay a Lease Variation Charge totalling \$4,200,000, direct to the ACT Planning Authority, which therefore resulted in sale proceeds of \$6,500,000 being received at settlement. As at the date of this report, the surplus funds are held by the Company in a term deposit with the Commonwealth Bank of Australia.

	01/01/15- 31/12/15 \$	01/07/14- 31/12/14 \$
<b>NOTE 9: CURRENT PAYABLES</b>		
Trade Creditors	32,338	1,813
Other Payables	236,295	207,488
	<u>268,633</u>	<u>209,301</u>

**NOTE 10: CURRENT PROVISIONS**

Annual Leave (note 12)	16,409	60,988
Long Service Leave (note 12)	7,846	20,337
	<u>24,255</u>	<u>81,325</u>

**NOTE 11: NON-CURRENT PROVISIONS**

Long Service Leave (note 12)	14,571	8,795
	<u>14,571</u>	<u>8,795</u>

**NOTE 12: EMPLOYEE BENEFITS**

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provisions for Employee Entitlements		
Current (note 10)	24,255	81,325
Non-Current (note 11)	14,571	8,795
	<u>38,826</u>	<u>90,120</u>

Number of Employees (on a Full-time Equivalent Basis) at the end of the Financial Year

5 4

**NOTE 13: CHANGE IN EQUITY**

**Retained Earnings**

Balance at the Beginning of the Financial Year	2,538,850	3,030,421
Net Profit (Loss) Attributable to Members	5,520,116	(491,196)
Prior Year Adjustments	(16,894)	(375)
Balance at the end of the Financial Year	<u>8,042,072</u>	<u>2,538,850</u>

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 14: REMUNERATION OF AUDITOR**

Remuneration of Auditor for:		
Auditing the Financial Report	5,400	9,900
Other Accounting Services	680	1,441
	<u>6,080</u>	<u>11,341</u>

**NOTE 15: SEGMENT INFORMATION**

The RSL operates in one industry as a national representative body of the members of The Returned & Services League in one geographical area in Australia.

**NOTE 16: FINANCIAL INSTRUMENTS**

**a. Interest Rate Risk**

The following table details the RSL's exposure to interest rate risk as at the reporting date.

01/01/15 - 31/12/15	Average Interest %	Variable Interest Rate Maturity \$	Fixed Interest Rate Maturity		Non-Interest Bearing \$	Total \$
			Less than 1 year \$	1 to 5 Years \$		
<b>Financial Assets</b>						
Cash	1-3.85%	828,292	161,276	-	103	989,671
Investments	3.85%	-	7,000,128	-	-	7,000,128
Receivables	0.00%	-	-	-	24,987	24,987
		<u>828,292</u>	<u>7,161,404</u>	<u>-</u>	<u>25,090</u>	<u>8,014,786</u>
<b>Financial Liabilities</b>						
Creditors & accruals	0.00%	-	-	-	268,633	268,633
Employee entitlements	0.00%	-	-	-	38,826	38,826
		<u>-</u>	<u>-</u>	<u>-</u>	<u>307,459</u>	<u>307,459</u>

01/07/14 - 31/12/14	Average Interest %	Variable Interest Rate Maturity \$	Fixed Interest Rate Maturity		Non-Interest Bearing \$	Total \$
			Less than 1 year \$	1 to 5 Years \$		
<b>Financial Assets</b>						
Cash	1-3.85%	699,894	111,912	-	11,364	823,170
Investments	3.85%	-	568,219	-	-	568,219
Receivables	0.00%	-	-	-	92,387	92,387
		<u>699,894</u>	<u>680,131</u>	<u>-</u>	<u>103,751</u>	<u>1,483,776</u>
<b>Financial Liabilities</b>						
Creditors & accruals	0.00%	-	-	-	209,301	209,301
Employee entitlements	0.00%	-	-	-	90,120	90,120
		<u>-</u>	<u>-</u>	<u>-</u>	<u>299,421</u>	<u>299,421</u>

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

b. Credit Risk (Continued)

Credit Risk refers to the risk that a customer or business partner will default on its contractual obligations resulting in financial loss to the Company. The RSL has adopted the policy of only dealing with credit worthy companies and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The RSL measures credit risk on a fair value basis.

The RSL does not have any significant credit risk exposure to any single company.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the RSL's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

NOTE 17: TRUST FUNDS

	01/01/15- 31/12/15 \$	01/07/14- 31/12/14 \$
(a) JUBILEE COMMEMORATIVE FUND OF THE RSL Cash at bank and on deposit	417,073	383,901
(b) RSL NATIONAL WELFARE AND DISASTER FUND Cash at bank and on deposit	263,906	284,083
(c) THE MOUNTBATTEN FUND Cash at bank and on deposit	104,121	108,757
(d) WAR VETERANS HOMES & WELFARE Cash at bank and on deposit	844,667	939,075
(e) COMMEMORATIVE PLAQUES Cash at bank (Bastiaan Plaques)	29,626	29,329
(f) RSL & 6TH DIV HELLENIC MEMORIAL FUND Cash at bank and on deposit	118,771	121,647
(g) THE MONA TAIT & MAY HAYMAN MEMORIAL FUND Cash at bank and on deposit	5,239	5,746
(h) NATIONAL COUNCIL OF AUSTRALIAN FORCES OVERSEAS FUND Cash at bank & on Deposit	423,962	397,743
(i) RSL FOUNDATION FUND Cash at bank & on Deposit	364,246	333,233

NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 18: NOTES TO THE STATEMENT OF CASH FLOWS (GENERAL FUND)

	01/01/15- 31/12/15	01/07/14- 31/12/14
<b>a. Reconciliation of (Loss)/Profit From Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) From Ordinary Activities</b>	5,520,116	(491,196)
Prior Year Adjustments	(16,894)	(375)
Depreciation, amortisation	40,096	21,644
Employee provisions	(51,294)	15,356
<b>(Increase)/Decrease in assets</b>		
Current receivables	17,121	371,935
Inventories	110,377	6,557
Other current assets	(82,232)	(12,913)
Other current liabilities	59,332	(141,630)
<b>Net Cash Flows From Operating Activities</b>	<u>5,596,622</u>	<u>(230,622)</u>

b. Reconciliation of Cash

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

Cash - working account	989,671	823,170
Term deposits	7,000,128	568,219
	<u>7,989,799</u>	<u>1,391,389</u>

c. Cash Flow Statement Accounting Policy

Cash represents highly liquid investments which are readily convertible to cash on hand at the investor's option and which the RSL uses in its cash management function on a day-to-day basis.

d. Non-Cash Financing and Investing Activities

During the financial year, the RSL traded in plant, vehicles or equipment with an aggregate fair value of \$16,363. This disposal is reflected in the statement of cash flows.

NOTE 19: DIRECTORS' REMUNERATION

The directors of the National Headquarters do not receive any remuneration for services performed as directors.

Registered Office & Principal Place of Business

7-9 Geelong Street  
Fyshwick ACT 2609

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Suite 1.3, 33 Hibberson Street  
Gungahlin ACT 2912  
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ASIC Authorised Audit Company No. 408893

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED  
ABN 63 008 488 097**

***Report on the financial report***

I have audited the accompanying financial report of The Returned & Services League of Australia Limited, which comprises the statement of financial position as at 31 December 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

***Responsible entities' responsibility for the financial report***

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

***Auditor's responsibility***

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

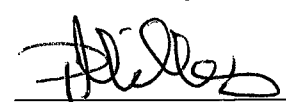
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the responsible entities' preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the responsible entities, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my opinion the financial report of The Returned & Services League of Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the registered entity's financial position as at 31 December 2015 and of its financial performance and cash flows for the year 2015 ended on that date; and
- b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Name of Firm: MCS Audit Pty Ltd  
Name of Director:   
Phillip W Miller CA  
Address: Unit 1/37 Geils Court, Deakin ACT 2600  
Dated: 18 March 2016