

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

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# THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED

A.C.N. 008 488 097

## DIRECTORS' REPORT

Your Directors present this report on the company for the financial year ended 31 December 2016.

### DIRECTORS

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

NAME	EXPERIENCE	MEETINGS HELD	MEETINGS ATTENDED
K A Doolan AO	National President - 6 years, 6 months	11	1
G Edwards AM	National Director - 2 years, 6 months	11	1
S Cameron CSC	National Director - 1 year, 6 months	11	9
T Hanna AM	National Director - 3 years, 6 months	11	11
D J McLachlan AO	National Director - 13 years, 7 months	11	10
R Dick	Member Director - 3 years, 7 months	11	11
R White AM RFD	National Director - 1 year, 1 month	11	5
P Eveille	National Director - 2 years, 7 months	11	10
P Aspinall	Member Director - 6 months	11	6
John Haines AM	Member Director - 3 months	11	7

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 deficit of the National Headquarters for the year ended 31 December 2016 was \$245,526. (2015: surplus \$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.

### 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.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**DIRECTORS' REPORT (CONT)**

**FUTURE DEVELOPMENTS**

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

**INDEMNIFICATION OF AUDITORS AND OFFICERS**

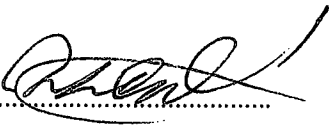
During the financial year, the RSL paid a premium in respect of a contract insuring the directors of the company against a liability incurred as such a director to the extent permitted by the *Corporations Act* 2001. The contract of insurance prohibits disclosure of the nature of the liability and the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

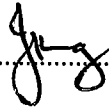
**AUDITOR'S INDEPENDENCE DECLARATION**

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 2016 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 22<sup>nd</sup> day of MARCH 2017

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**ABN: 63 008 488 097**

**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 ROBERT DICK

**Director:**

SONATHAN RONALD CHARLES KING  
Name JK

**Dated this 22<sup>ND</sup> day of MARCH 2017**



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND

Principal Phillip W Miller CA  
Address Unit 1/37 Geils Court, Deakin ACT 2600  
PO Box 105, Deakin West ACT 2600  
Suite 1.3, 33 Hibberson Street  
Gungahlin ACT 2912  
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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 2016, 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**

A handwritten signature in black ink, appearing to read 'Phillip W Miller'.

**Phillip W Miller CA  
Director**

**Dated in Canberra on:** 23 March 2017

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	NOTE	2016 \$	2015 \$
<b>Revenue</b>			
Revenue from ordinary activities	3a	1,700,015	1,766,434
Profit on sale of buildings		-	9,678,818
<b>Total Revenue</b>		<u>1,700,015</u>	<u>11,445,252</u>
<b>Expenditure</b>			
Administration expenses		112,497	163,019
NSW Branch Forensic Investigation		128,197	-
Employee benefits expense		785,793	755,782
Occupancy expenses		126,410	152,351
Depreciation	3b	29,259	40,096
Meeting and conference expenses		112,501	65,902
Insurance costs		21,232	19,364
Legal costs		107,110	-
Accounting and auditing fees		15,346	18,407
New buildings planning expenses		-	4,200,000
Other expenses from ordinary activities		507,196	510,215
<b>Total Expenses</b>		<u>1,945,541</u>	<u>5,925,136</u>
<b>(Loss)/Profit from ordinary activities before income tax</b>		<u>(245,526)</u>	<u>5,520,116</u>
<b>Income tax expense relating to ordinary activities</b>		<u>-</u>	<u>-</u>
<b>Net Deficit for Year</b>		<u>(245,526)</u>	<u>5,520,116</u>

The accompanying notes form part of these financial statements.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>NOTE</b>	<b>2016</b>	<b>2015</b>
		\$	\$
<b>Current Assets</b>			
Cash assets	4	862,238	989,671
Receivables	5	96,868	156,334
Other	6	64,920	65,658
Inventory	7	41	67
Investments	8	500,000	7,000,128
<b>Total Current Assets</b>		<u>1,524,067</u>	<u>8,211,858</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	116,702	137,673
<b>Total Non-Current Assets</b>		<u>116,702</u>	<u>137,673</u>
<b>Total Assets</b>		<u>1,640,769</u>	<u>8,349,531</u>
<b>Current Liabilities</b>			
Payables	10	267,093	268,633
Provisions	11	18,536	24,255
<b>Total Current Liabilities</b>		<u>285,629</u>	<u>292,888</u>
<b>Non-Current Liabilities</b>			
Provisions	12	15,089	14,571
<b>Total Non-Current Liabilities</b>		<u>15,089</u>	<u>14,571</u>
<b>Total Liabilities</b>		<u>300,718</u>	<u>307,459</u>
<b>Net Assets</b>		<u>1,340,051</u>	<u>8,042,072</u>
<b>Equity</b>			
Retained earnings	14	1,340,051	8,042,072
<b>Total Equity</b>		<u>1,340,051</u>	<u>8,042,072</u>

The accompanying notes form part of these financial statements.



**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

Balance at 1 January, 2015	2,538,850
Surplus (Loss) for Year 2015	5,520,116
Prior Year Adjustments	(16,894)
<b>Balance at 31 December, 2015</b>	<u><u>8,042,072</u></u>
Balance at 1 January, 2016	8,042,072
Surplus (Loss) for Year 2016	(245,526)
Transferred to ISKIA Development Fund	(6,480,877)
Historical Balancing Account	24,382
<b>Balance at 31st December 2016</b>	<u><u>1,340,051</u></u>

The accompanying notes form part of these financial statements.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>NOTE</b>	<b>2016</b>	<b>2015</b>
		\$	\$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		1,651,965	8,317,531
Payments to employees and suppliers		(1,858,430)	(2,853,484)
Interest received		68,069	132,575
<b>Net cash provided by/(used in) operating activities</b>	19a	<u>(138,396)</u>	<u>5,596,622</u>
<b>Cash Flows from Investing Activities</b>			
Payments for property, vehicle & equipment		(34,545)	(39,588)
Profit/Loss on disposal of assets		7,053	(5,458,624)
Proceeds from sale of vehicle, plant & equipment		19,204	6,500,000
Transferred to ISKIA Development Fund		<u>(6,480,877)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(6,425,727)</u>	<u>1,001,788</u>
<b>Net Increase/(Decrease) In Cash Held</b>		(6,627,561)	6,598,410
<b>Cash At The Beginning Of The Financial Year</b>		7,989,799	1,391,389
<b>Cash At The End Of The Financial Year</b>	19b	<u><u>1,362,238</u></u>	<u><u>7,989,799</u></u>

The accompanying notes form part of these financial statements.

# THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED

A.C.N. 008 488 097

## NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

### 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:

<b>Class of Plant and Equipment Asset</b>	<b>Useful Lives</b>
Buildings	45 Years
Plant and equipment	5-13 Years

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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.

**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.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3: REVENUE</b>		
Profit from ordinary activities before income tax includes the following items of revenue and expenses:		
<b>(a) Operating Activities</b>		
Capitation Fees	790,698	777,455
Commission Received	108,154	1,551
Donations (Net of Share to States)	77,296	411,811
Royalties	96,948	3,691
Interest	68,069	132,575
Modern Baking	186,110	243,697
Victory in the Pacific	-	181,818
Pooling Costs	298,497	-
Other Revenue from Ordinary Activities	74,243	13,836
	<u>1,700,015</u>	<u>1,766,434</u>
<b>(b) Expenses</b>		
Depreciation of Non-Current Assets:		
Buildings	-	7,678
Equipment, Furniture and Fixture	6,050	6,697
Motor Vehicles	12,679	13,308
Computer Hardware and Software	10,346	12,214
Library, Plaques & RSL March	184	199
	<u>29,259</u>	<u>40,096</u>
Net Transfers to/(from) Provisions:		
Employee Entitlement		
Annual Leave	-	(44,578)
Long Service Leave	-	(6,716)
	<u>-</u>	<u>(51,294)</u>
Operating Lease Rental Expenses	<u>106,667</u>	<u>94,697</u>

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at Bank – General Funds	818,706	828,396
Term Deposits	43,532	161,276
	<u>862,238</u>	<u>989,671</u>

**NOTE 5: RECEIVABLES**

Trade Debtors	46,799	24,987
Sundry Debtors	50,069	131,347
	<u>96,868</u>	<u>156,334</u>

**NOTE 6: OTHER CURRENT ASSETS**

Rental Bond	31,250	31,250
Prepayments	33,670	34,408
	<u>64,920</u>	<u>65,658</u>

**NOTE 7: INVENTORIES**

Stock on hand	<u>41</u>	<u>67</u>
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**NOTE 8: INVESTMENTS**

Term Deposit	<u>500,000</u>	<u>7,000,128</u>
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**NOTE 9: PROPERTY, PLANT AND EQUIPMENT**

	<b>Equipment, Furniture &amp; Fixtures at cost</b>	<b>Motor Vehicles at cost</b>	<b>Computer Hardware &amp; Software at cost</b>	<b>Library, Plaques &amp; RSL March at cost</b>	<b>TOTAL</b>
<b>Gross Carrying Amount</b>					
Balance as at 31/12/2015	255,887	71,657	104,663	11,877	444,084
Additions	-	34,545	-	-	34,545
Disposals	-	(37,724)	-	-	(37,724)
Balance as at 31/12/2016	<u>255,887</u>	<u>68,478</u>	<u>104,663</u>	<u>11,877</u>	<u>440,905</u>
<b>Accumulated Depreciation</b>					
Balance as at 31/12/2015	(197,241)	(10,333)	(89,410)	(9,427)	(306,411)
Depreciation Expense	(6,050)	(12,679)	(10,346)	(184)	(29,259)
Acc. Dep. Write Back	-	11,467	-	-	11,467
Balance as at 31/12/2016	<u>(203,291)</u>	<u>(11,545)</u>	<u>(99,756)</u>	<u>(9,611)</u>	<u>(324,203)</u>
Balance as at 31/12/2016	<u>52,596</u>	<u>56,933</u>	<u>4,907</u>	<u>2,266</u>	<u>116,702</u>



**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 10: CURRENT PAYABLES</b>		
Trade Creditors	148,574	32,338
Other Payables	118,519	236,295
	<u>267,093</u>	<u>268,633</u>
<b>NOTE 11: CURRENT PROVISIONS</b>		
Annual Leave (note 13)	16,079	16,409
Long Service Leave (note 13)	2,457	7,846
	<u>18,536</u>	<u>24,255</u>
<b>NOTE 12: NON-CURRENT PROVISIONS</b>		
Long Service Leave (note 13)	15,089	14,571
<b>NOTE 13: EMPLOYEE BENEFITS</b>		
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:		
Provisions for Employee Entitlements		
Current (note 11)	18,536	24,255
Non-Current (note 12)	15,089	14,571
	<u>33,625</u>	<u>38,826</u>
Number of Employees (on a Full-time Equivalent Basis) at the end of the Financial Year	<u>6</u>	<u>5</u>
<b>NOTE 14: CHANGE IN EQUITY</b>		
<b>Retained Earnings</b>		
Balance at the Beginning of the Financial Year	8,042,072	2,538,850
Net Profit (Loss) Attributable to Members	(245,526)	5,520,116
Transferred to ISKIA Development Fund	(6,480,877)	(16,894)
Prior year adjustment	24,382	-
Balance at the end of the Financial Year	<u>1,340,051</u>	<u>8,042,072</u>

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 15: REMUNERATION OF AUDITOR</b>		
Remuneration of Auditor for:		
Auditing the Financial Report	9,000	5,400
Other Accounting Services	1,075	680
	<u>10,075</u>	<u>6,080</u>

**NOTE 16: 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 17: FINANCIAL INSTRUMENTS**

**a. Interest Rate Risk**

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

<b>01/01/16 - 31/12/16</b>		<b>Variable Interest Rate Maturity</b>		<b>Fixed Interest Rate Maturity</b>		<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Average Interest</b>	<b>Variable Interest Rate Maturity</b>	<b>Less than 1 year</b>	<b>1 to 5 Years</b>				
<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
<b>Financial Assets</b>							
Cash	1-3.85%	818,706	43,532	-	-	-	862,238
Investments	2.95%	-	500,000	-	-	-	500,000
Receivables		-	-	-	-	46,799	46,799
		818,706	543,532	-	-	46,799	1,409,037
<b>Financial Liabilities</b>							
Creditors & accruals		-	-	-	-	267,094	267,094
Employee entitlements		-	-	-	-	33,625	33,625
		-	-	-	-	300,719	300,719

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

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**NOTE 17: FINANCIAL INSTRUMENTS (Continued)**

**b. Credit Risk**

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 18: TRUST FUNDS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
(a) JUBILEE COMMEMORATIVE FUND OF THE RSL		
Cash at bank and on deposit	<u>436,624</u>	<u>417,073</u>
(b) RSL NATIONAL WELFARE AND DISASTER FUND		
Cash at bank and on deposit	<u>-</u>	<u>263,906</u>
(c) THE MOUNTBATTEN FUND		
Cash at bank and on deposit	<u>102,064</u>	<u>104,121</u>
(d) WAR VETERANS HOMES & WELFARE		
Cash at bank and on deposit	<u>855,255</u>	<u>844,667</u>
(e) COMMEMORATIVE PLAQUES		
Cash at bank (Bastian Plaques)	<u>29,986</u>	<u>29,626</u>
(f) RSL & 6TH DIV HELLENIC MEMORIAL FUND		
Cash at bank and on deposit	<u>114,434</u>	<u>118,771</u>
(g) THE MONA TAIT & MAY HAYMAN MEMORIAL FUND		
Cash at bank and on deposit	<u>5,293</u>	<u>5,239</u>
(h) NATIONAL COUNCIL OF AUSTRALIAN FORCES OVERSEAS FUND		
Cash at bank & on Deposit	<u>382,440</u>	<u>423,962</u>
(i) RSL FOUNDATION FUND		
Cash at bank & on Deposit	<u>640,360</u>	<u>364,246</u>

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**A.C.N. 008 488 097**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**NOTE 19: NOTES TO THE STATEMENT OF CASH FLOWS (GENERAL FUND)**

<b>a. Reconciliation of (Loss)/Profit From Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities</b>	<b>2016 \$</b>	<b>2015 \$</b>
<b>Profit/(Loss) From Ordinary Activities</b>	(245,526)	5,520,116
Prior Year Adjustments	-	(16,894)
Depreciation, amortisation	29,259	40,096
Employee provisions	(5,201)	(51,294)
Historical Balancing Adjustments	24,382	-
<b>(Increase)/Decrease in assets</b>		
Current receivables	59,466	17,121
Inventories	26	110,377
Other current assets	738	(82,232)
Other current liabilities	(1,540)	59,332
<b>Net Cash Flows From Operating Activities</b>	<u>(138,396)</u>	<u>5,596,622</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	862,238	989,671
Term deposits	500,000	7,000,128
	<u>1,362,238</u>	<u>7,989,799</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.

**NOTE 20: DIRECTORS' REMUNERATION**

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

**NOTE 21: REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

7-9 Geelong Street  
Fyshwick ACT 2609

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our [my] opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Name of firm: MCS Audit Pty Ltd

Name of director:   
 Phillip W Miller CA

Address: Unit 1/37 Geils Court, Deakin ACT 2600

Dated: 23 March 2017

Principal Phillip W Miller CA  
Address Unit 1/37 Geils Court, Deakin ACT 2600  
PO Box 105, Deakin West ACT 2600  
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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 AUDIT OF THE FINANCIAL REPORT**

**Opinion**

I have audited the financial report of The Returned & Services League of Australia Limited, which comprises the statement of financial position as at 31 December 2016, 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 responsible entities' declaration.

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 2016 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* (ACNC Act) and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

## **Information Other than the Financial Report and Auditor's Report Thereon**

Those charged with governance are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 31 December 2016, but does not include the financial report and my auditor's report thereon.

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

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

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

## **Responsibilities of Responsible Entities and the Board for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

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

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED  
ISKIA DEVELOPMENT FUND**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**



**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**  
**ISKIA DEVELOPMENT FUND**

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**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**ISKIA DEVELOPMENT FUND**

**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 ROBERT DICK

**Director:**

  
Name JONATHAN RONALD CHARLES KING

Dated this 22<sup>ND</sup> day of MARCH 2017



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND

Principal Phillip W Miller CA  
Address Unit 1/37 Geils Court, Deakin ACT 2600  
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Web [www.mcsaudit.com.au](http://www.mcsaudit.com.au)  
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  
ISKIA DEVELOPMENT FUND**

As lead auditor for the audit of The Returned & Services League of Australia Limited ISKIA Development Fund for the year ended 31 December 2016, 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**

A handwritten signature in black ink, appearing to read 'Phillip W Miller'.

**Phillip W Miller CA  
Director**

**Dated in Canberra on:** 23 March 2017,

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED  
ISKIA DEVELOPMENT FUND**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	NOTE	2016 \$
<b>Revenue</b>		
Interest Received		85,924
Dividends Received		16,587
Trust Income		40,956
Other Income		77,559
<b>Total Revenue</b>		221,026
<b>Expenditure</b>		
Legal Fees		5,936
Brokerage Fees		440
Admin & General Expenses		13,335
Audit Fees		750
<b>Total Expenses</b>		20,461
<b>(Loss)/Profit from ordinary activities before income tax</b>		200,565
<b>Income tax expense relating to ordinary activities</b>		-
<b>Net Surplus for Year</b>		200,565

The accompanying notes form part of these financial statements.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**  
**ISKIA DEVELOPMENT FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
Equity at 1 January, 2016	-	-
Surplus (Loss) for Year 2016	200,565	200,565
Transfer from RSL	<u>6,480,877</u>	<u>6,480,877</u>
Balance at 31st December 2016	<u><u>6,681,442</u></u>	<u><u>6,681,442</u></u>

The accompanying notes form part of these financial statements.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**  
**ISKIA DEVELOPMENT FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	NOTE	2016 \$
<b>Current Assets</b>		
Cash Assets	2	99,373
Receivables	3	28,525
Other Current Assets	4	271,916
Investments	5	6,282,378
<b>Total Current Assets</b>		<u>6,682,192</u>
<b>Total Assets</b>		<u>6,682,192</u>
<b>Current Liabilities</b>		
Trade & Other Payables	6	750
<b>Total Current Liabilities</b>		<u>750</u>
<b>Net Assets</b>		<u>6,681,442</u>
<b>Equity</b>		
Retained earnings		6,681,442
<b>Total Equity</b>		<u>6,681,442</u>

The accompanying notes form part of these financial statements.

# THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED

## ISKIA DEVELOPMENT FUND

### NOTES TO THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2016

##### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This special purpose financial report of The Returned & Services League of Australia Limited ISKIA Development Fund 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.

This financial report only covers The Returned & Services League of Australia Limited ISKIA Development Fund 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:

<b>Class of Plant and Equipment Asset</b>	<b>Useful Lives</b>
Buildings	45 Years
Plant and equipment	5-13 Years

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**ISKIA DEVELOPMENT FUND**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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) 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.

(f) Revenue Grants

*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.

(g) 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.



**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**

**ISKIA DEVELOPMENT FUND**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(h) 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.

(i) 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.

(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.

**THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED**  
**ISKIA DEVELOPMENT FUND**  
**NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**2016**

**\$**

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash at Bank – General Funds

99,373

99,373

**NOTE 3: RECEIVABLES**

RSL NHQ loan receivable

28,525

28,525

**NOTE 4: OTHER CURRENT ASSETS**

Deposit Paid for Units

271,916

271,916

**NOTE 5: INVESTMENTS**

Term Deposit

3,400,000

ANZ Private Wealth

2,882,379

6,282,379

**NOTE 6: TRADE & OTHER PAYABLES**

Accrued Expenses

750

750

**NOTE 7: REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

7-9 Geelong Street

Fyshwick ACT 2609

Principal Phillip W Miller CA  
Address Unit 1/37 Geils Court, Deakin ACT 2600  
PO Box 105, Deakin West ACT 2600  
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Gungahlin ACT 2912  
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Web [www.mcsaudit.com.au](http://www.mcsaudit.com.au)  
ASIC Authorised Audit Company No. 408893

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LIMITED  
ISKIA DEVELOPMENT FUND**

***Report on the financial report***

I have audited the accompanying financial report, being a special purpose financial report of The Returned & Services League of Australia Limited ISKIA Development Fund, which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 have 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 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 ISKIA Development Fund 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 2016 and of its financial performance and cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

**Basis of accounting**

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

Name of firm: MCS Audit Pty Ltd

Name of director:   
Phillip W Miller CA

Address: Unit 1/37 Geils Court, Deakin ACT 2600

Dated: 23 March 2017