

**RETURNED & SERVICES LEAGUE OF AUSTRALIA
(QUEENSLAND BRANCH)
ABN 79 902 601 713**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Contents to Annual Financial Report

	PAGE
Consolidated statement of profit or loss and other comprehensive income	3
Consolidated statement of financial position	4
Consolidated statement of changes in equity	5
Consolidated statement of cashflows	6
Notes to the consolidated financial statements	7 - 29
Directors' declaration	30
Independent auditor's report	31 - 33

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

	Notes	Consolidated 2017 \$	2016 \$
REVENUE			
Welfare Related Income		460,219	415,059
Members' Subscriptions		1,437	8,798
Investment & Property Income		5,020,252	4,573,516
Sales		114,540,872	101,315,249
Other Income		410,640	494,871
TOTAL REVENUE		120,433,420	106,807,493
EXPENSES			
Cost of Sales		60,408,267	50,278,173
Charities & Compliance Expenses		299,561	534,973
Coordinator & Commission Expenses		1,721,466	1,081,016
Depreciation and Amortisation Expense		2,538,651	1,951,819
Impairment Investment Property		-	926,972
Donations & Welfare Expenses	3(a)	13,211,477	13,930,851
Employee Benefits Expenses		11,414,980	8,605,997
Meeting & Travel Expenses		1,209,761	1,380,347
National & District Capitulations		171,644	176,705
Property Expenses		1,129,954	1,444,232
Other Expenses	3(b)	4,282,814	5,152,214
TOTAL EXPENSES		96,388,575	85,463,299
NET SURPLUS		24,044,845	21,344,194
OTHER COMPREHENSIVE INCOME			
Net Changes in Fair Value of Available-for-Sale Financial Assets		1,225,836	81,737
TOTAL COMPREHENSIVE INCOME		25,270,681	21,425,931

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes

Consolidated statement of financial position
As at 31 December 2017

		Consolidated	
	Notes	2017	2016
		\$	\$
CURRENT ASSETS			
Cash & Cash Equivalents	4	53,315,537	38,813,322
Other Financial Assets	5	25,951,070	25,273,568
Trade & Other Receivables	6	2,395,529	4,374,686
Inventories	7	18,050,746	12,244,637
Other Assets	8	5,684,217	3,989,608
TOTAL CURRENT ASSETS		105,397,099	84,695,821
NON-CURRENT ASSETS			
Trade & Other Receivables	6	3,516,103	3,642,288
Inventories	7	14,259,440	14,382,473
Available-for-Sale Financial Assets	9	20,360,266	18,354,970
Property, Plant and Equipment	10	37,457,937	38,393,067
Intangible Assets	11	10,657,648	2,518,107
Investment Properties	12	9,297,805	11,156,029
Other Assets	8	1,167,674	1,594,049
TOTAL NON-CURRENT ASSETS		96,716,873	90,040,983
TOTAL ASSETS		202,113,972	174,736,804
CURRENT LIABILITIES			
Trade & Other Payables	13	11,108,481	9,091,996
Provisions	14	1,236,297	1,082,557
TOTAL CURRENT LIABILITIES		12,344,778	10,174,553
NON-CURRENT LIABILITIES			
Provisions	14	175,924	239,662
TOTAL NON-CURRENT LIABILITIES		175,924	239,662
TOTAL LIABILITIES		12,520,702	10,414,215
NET ASSETS		189,593,270	164,322,589
EQUITY			
Reserves	15	3,074,975	1,849,139
Accumulated Funds		186,518,295	162,473,450
TOTAL EQUITY		189,593,270	164,322,589

The consolidated statement of financial position is to be read in conjunction with the accompanying notes

Consolidated statement of changes in equity
For the year ended 31 December 2017

	Available-for-sale financial asset revaluation reserve	Consolidated Accumulated Funds	Total
	\$	\$	\$
Balance as reported 31 December 2015	1,767,402	141,129,256	142,896,658
Total comprehensive income for the year			
Surplus for the year	-	21,344,194	21,344,194
Other comprehensive income			
Fair value adjustment for available-for-sale financial assets	81,737	-	81,737
	81,737	21,344,194	21,425,931
Balance as reported 31 December 2016	1,849,139	162,473,450	164,322,589
Total comprehensive income for the year			
Surplus for the year	-	24,044,845	24,044,845
Other comprehensive income			
Fair value adjustment for available-for-sale financial assets	1,225,836	-	1,225,836
	1,225,836	24,044,845	25,270,681
Balance as reported 31 December 2017	3,074,975	186,518,295	189,593,270

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes

Consolidated statement of cashflows
For the year ended 31 December 2017

	Notes	Consolidated 2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		24,044,845	21,344,194
Adjustments for:			
Depreciation		2,538,651	1,951,819
Gain on sale of assets		(232,153)	-
Impairment of investment property		-	926,972
Provision for loan		1,180,010	2,826,112
Provision for stock obsolescence		230,650	196,632
Non cash items		(451,986)	(779,909)
Decrease/(Increase) in:			
Trade & other receivables		(70,157)	26,432
Inventories		(5,913,726)	512,502
Trade & other payables		2,106,493	2,079,590
Other assets		(1,268,234)	(4,298,316)
NET CASH FLOWS FROM OPERATING ACTIVITIES		22,164,393	24,786,028
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(1,443,946)	(16,150,593)
Purchase of intangible assets		(8,433,232)	(1,520,527)
Proceeds from property, plant & equipment		2,224,487	1,216,814
Net movement of investments		(1,004,976)	(812,969)
Repayment of loans		995,489	1,714,433
NET CASH USED IN INVESTING ACTIVITIES		(7,662,178)	(15,552,843)
Net increase in cash held		14,502,215	9,233,186
Cash at the beginning of the period		38,813,322	29,580,136
CASH AT THE END OF THE PERIOD	4	53,315,537	38,813,322

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes

**Notes to the consolidated financial statements
For the year ended 31 December 2017**

	PAGE
1. Corporate information	8
2. Summary of accounting policies	8
a. Basis of preparation	8
b. Basis of consolidation	8
c. Significant accounting judgements, estimates and assumptions	9
d. Revenue recognition	9
e. Expenditure	10
f. Cash and cash equivalents	10
g. Trade and other receivables	10
h. Inventories	10
i. Property, plant and equipment	10
j. Intangible assets	11
k. Investment properties	12
l. Financial instruments	12
m. Other assets	13
n. Impairment	13
o. Trade creditors and other payables	13
p. Employee benefits	14
q. Taxation	14
r. New standards and interpretations not yet adopted	14
s. Fair values	16
3. Expenses	17
4. Cash and cash equivalents	18
5. Other financial assets	18
6. Trade and other receivables	18
7. Inventories	20
8. Other assets	20
9. Available-for-sale financial assets	20
10. Property, plant and equipment	21
11. Intangible assets	22
12. Investment properties	22
13. Trade and other payables	23
14. Provisions	23
15. Reserves	23
16. Financial instruments	23
17. Commitments and contingencies	25
18. Remuneration of auditors	26
19. Operating leases	26
20. Related parties and related-party transactions	26
21. Parent entity information	28
22. Events subsequent to reporting date	28
23. Income and expenditure – fundraising appeals	29
24. Additional information	29

Notes to the consolidated financial statements For the year ended 31 December 2017

1. Corporate information

The financial statements of the Returned & Services League of Australia (Queensland Branch) for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 19 April 2018.

Returned & Services League of Australia (Queensland Branch) operates under Letters Patent issued pursuant to the *Religious, Educational and Charitable Institutions Act 1861 (Qld)* and is domiciled in Queensland.

2. Summary of accounting policies

(a) Basis of preparation

Returned & Services League of Australia (Queensland Branch) has determined that the organisation is a reporting entity, therefore, the financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The financial statements have been prepared to satisfy the requirements of the *Collections Act 1966 (Qld)*, the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012)* and the *Charitable Fundraising Act 1991 (NSW)*.

Historical cost convention

The financial statements have been prepared on the basis of historical cost except for the following:

- Available-for-Sale Financial Assets are measured at fair value.

The methods used to measure the fair values of these assets are discussed in Note 9.

The concept of accruals accounting has been adopted in preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Returned & Services League of Australia (Queensland Branch) and its subsidiaries, at 31 December 2017 ("the group"). Subsidiaries are entities (including structured entities) over which the Returned & Services League of Australia (Queensland Branch) has control. The group has control over an entity when the Returned & Services League of Australia (Queensland Branch) are exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

Notes to the consolidated financial statements For the year ended 31 December 2017

2. Summary of accounting policies (continued)

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

The Returned & Services League of Australia (Queensland Branch) has a single subsidiary, Mates4Mates Limited, of which the Returned & Services League of Australia (Queensland Branch) is the single member of the organisation.

(c) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. 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.

(d) Revenue recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the organisation gains control, economic benefits are probable, and the amount of the donation can be measured reliably.

Sales

Revenue from sales primarily comprises funds raised from sales of lottery tickets. Revenue is recognised once the lottery has closed and the lottery is drawn. Revenue for lotteries which have not been closed and drawn are treated as revenue received in advance and recognised as liability.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest method. Dividends from listed entities are recognised when the right to receive a dividend has been established.

Rental Income

Rental income on investment properties is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

Notes to the consolidated financial statements

For the year ended 31 December 2017

2. Summary of accounting policies (continued)

Asset sales

The gain or loss on disposal of all non-current assets and Available-for-Sale Financial Assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenses are recognised net of the amount of goods and services tax (GST) receivable from the Australian Taxation Office.

(f) Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement are 30 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the organisation will not be able to collect the debts. Bad debts are written off when identified.

(h) Inventories

Inventories comprise goods for resale in the ordinary course of business and future art union properties.

Goods for resale

Inventories of goods purchased for resale are valued at cost less provision for obsolete inventory. The cost of bringing each item to its present location and condition is determined on a first-in, first-out basis. Recoverable amount is based on lower of cost and replaceable cost if the entity was deprived of the asset.

Art union properties

Art Union properties which have not been included in a draw at 31 December 2017 are included in the Consolidated Statement of Financial Position as inventories and recorded at cost.

(i) Property, plant and equipment

Basis of measurement of carrying amount

Property, plant and equipment is stated at cost value less the associated accumulated depreciation and impairment.

Notes to the consolidated financial statements For the year ended 31 December 2017

2. Summary of accounting policies (continued)

Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the organisation commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic life of the assets as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	10%-40%
Leasehold Improvements	5%
Motor Vehicles	12.5% - 20%

Disposal of assets

An item of property, plant and equipment is disposed when the item is no longer used in the operations of the organisation or when the item has no sale value. Any gain or loss arising from disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss and other comprehensive income in the year the asset is disposed.

(j) Intangible assets

Basis of measurement of carrying amount

Intangible assets include computer software that are developed in house and capitalised on the basis of the cost incurred to acquire and bring to use the specific software. Intangible assets are stated at cost less the associated accumulated depreciation and impairment.

Depreciation

Intangible items are depreciated over their useful lives to the organisation commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic life of the assets as follows:

Class of Fixed Asset	Depreciation Rate
Intangible Assets	10%-40%

Disposal of assets

An intangible item is disposed when the item is no longer used in the operations of the organisation or when the item has no sale value. Any gain or loss arising from disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is disposed.

Notes to the consolidated financial statements For the year ended 31 December 2017

2. Summary of accounting policies (continued)

(k) Investment properties

Basis of measurement of carrying amount

Investment properties held for rental are measured and recorded at cost including transaction costs, less accumulated depreciation and impairment charges.

Depreciation

Investment properties (other than land) are depreciated over their useful lives to the organisation commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic life of the assets as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%

Disposal of assets

An investment property is disposed when the property is no longer used in the operations of the organisation or when the item has no sale value. Any gain or loss arising from disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is disposed.

(l) Financial Instruments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the organisation commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below:

Available-for-sale financial assets

Available-for-Sale Financial Assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investment within 12 months of the end of the reporting period).

All available-for-sale financial assets are initially stated at cost, being the fair value of consideration given.

Purchases and sales of investments are recognised on trade date which is the date on which the organisation commits to purchase or sell the asset with unrealised gains or losses recognised in the consolidated statement of profit or loss and other comprehensive income.

The fair value of the available-for-sale financial assets is reviewed annually, and any movements are to be accounted for in the consolidated statement of profit or loss and other comprehensive income and the revaluation reserve.

Notes to the consolidated financial statements For the year ended 31 December 2017

2. Summary of accounting policies (continued)

Interest and dividends generated from the available-for-sale financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The organisation's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(m) Other assets

Other assets comprise prepaid expenditure for future art union draws based on the value of the use of the prepayment in relation to each art union and prepayments of other operating expenditure. Other assets are stated at cost.

(n) Impairment

The carrying values of assets are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of non financial assets is the higher of fair value less costs to sell and value in use.

Impairment exists when the carrying value of an asset exceeds the assets estimated recoverable amount. The asset is then written down to the assets recoverable amount.

(o) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the organisation prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the payables is deemed to reflect fair value. The amounts also include any monies received for Art Unions which are undrawn at the end of the financial year.

Notes to the consolidated financial statements For the year ended 31 December 2017

2. Summary of accounting policies (continued)

(p) Employee benefits

Employee benefits comprise wages and salaries, annual leave, non-accumulating sick leave and long service leave, training expenses and contributions to superannuation plans.

Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Liabilities are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to anticipated future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The organisation pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the income statement when they are due.

(q) Taxation

Income tax

No provision for income tax has been raised as the Returned & Services League of Australia (Queensland Branch) operates solely as a charitable non-profit organisation established to promote the interests and welfare of former and serving members of the Australian Defence Force and their dependants, to carry out commemorative and patriotic activities. Accordingly, the Returned & Services League of Australia (Queensland Branch) is registered as a Taxation Concession Charity (TCC) by the Australian Charities and Not-for-profits Commission (ACNC) and as such is not liable for income tax as the organisation maintains such registration.

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 Australian Taxation Office, in which case the amount is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are recognised inclusive of GST. Cash flows are included in the statement of cash flows on a gross basis.

(r) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been issued, but are not mandatory for financial years ended 31 December 2017. They have not been adopted in preparing the financial statements for the year ended 31 December 2017. The organisation is assessing the impact of the new standards:

Notes to the consolidated financial statements For the year ended 31 December 2017

2. Summary of accounting policies (continued)

AASB 15 – Revenue from Contracts with Customers

This new revenue standard will apply for the first time to the 31 December 2019 year end and supersedes all existing revenue-related Accounting Standards and Interpretations. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue. An initial assessment of the impact of AASB15 has indicated that it is unlikely to have a material impact on the financial position of the RSL.

AASB 1058 – Income of Not-for-Profit Entities

This new standard will apply for the first time to the 31 December 2019 year. AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFP to further its objectives, and
- The receipt of volunteer services.

AASB 1058 supersedes all current income recognition requirements for private sector not-for-profit entities (NFPs), and most of the requirements for public sector NFPs currently contained in AASB 1004 Contributions.

The organisation has not yet made an assessment of the impact of this standard and amendments.

AASB 16 – Leases

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

This standard applies to reporting periods beginning on or after 1 January 2019.

The organisation has not yet made an assessment of the impact of this standard and amendments.

AASB 9 – Financial Instruments

AASB 9 amends the requirements for classification and measurement of financial assets and will apply for the first time to the 31 December 2018 year end. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income.

The organisation has not yet made an assessment of the impact of this standard and amendments.

Notes to the consolidated financial statements For the year ended 31 December 2017

2. Summary of accounting policies (continued)

(s) Fair values

Fair values may be used for financial asset and liability measurement, as well as for sundry disclosures.

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Available for Sale Financial Assets

Assets classified as held for sale are measured at fair value on a non-recurring basis.

All assets and liabilities for which fair value is measured or disclosed are categorised according to the fair value hierarchy as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the organisation.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

Available-for-Sale Financial Assets are Level 1 assets per the Fair Value hierarchy. Due to their short term nature the carrying amount of trade and other receivables and payables are assumed to approximate their fair values. The carrying value of loans to sub branches are assumed to approximate their fair values because the impact of discounting is not significant. Loans to sub branches are measured at cost less provision for non-recoverable loans.

**Notes to the consolidated financial statements
For the year ended 31 December 2017**

3. Expenses

(a) Donations and welfare

	2017	2016
	\$	\$
District and Sub Branch Grants	1,866,147	2,024,034
Veteran Services	2,800,929	3,026,818
Youth Development Program	10,253	505,228
RSL News	712,938	717,837
Mates4Mates	4,505,060	4,304,653
ANZAC & RSL Centenary	403,300	882,761
Solider Recovery Centre	-	5,830
Gallipoli Medical Research Foundation	1,501,303	1,000,000
Other Donations & Sponsorships	1,411,547	1,463,690
	13,211,477	13,930,851

(b) Other expenses

	Notes	2017	2016
		\$	\$
IT/Communications Expenses		2,022,061	1,369,772
Event Expenses		377,906	80,589
Provision for Doubtful Debts		1,180,010	2,121,073
Insurance Expenses		313,129	197,732
Legal Expenses	3 (c)	294,598	196,900
General Expenses		346,140	546,946
(Gain) / Loss on Disposal of Assets		(251,030)	639,202
		4,282,814	5,152,214

(c) Legal expenses

	2017	2016
	\$	\$
Constitution	11,589	16,902
Facilities	20,580	9,873
General Matters	226,760	163,224
Sub Branches	-	4,007
Trademarks	510	1,827
Tribunal Matters	35,159	1,067
	294,598	196,900

Notes to the consolidated financial statements For the year ended 31 December 2017

4. Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily deposit rates.

	2017 \$	2016 \$
Cash at Bank	53,315,537	38,813,322
	53,315,537	38,813,322

5. Other financial assets

	2017 \$	2016 \$
Cash on Deposit	25,951,070	25,273,568
	25,951,070	25,273,568

Short-term deposits are made for varying periods on average six months, depending on the organisation's cash requirements. These deposits earn interest at market rates.

The organisation's exposure to interest rate risk for financial assets and liabilities are disclosed in Note 16.

Other financial assets earned interest at a variable rate between 2.00% - 3.00% (2016: 2.00% - 3.20%). All monies are invested with A+ rated Australian Banks.

6. Trade and other receivables

The organisation's exposure to credit risk related to trade debtors and other receivables is disclosed in Note 16.

	2017 \$	2016 \$
CURRENT		
Trade Debtors	67,399	94,007
Other Debtors & Prepayments	1,366,114	1,269,348
Loans to Related Parties - Secured	4,968,138	5,837,443
Provisions	(4,006,122)	(2,826,112)
	2,395,529	4,374,686
NON-CURRENT		
Loans to Related Parties – Secured	3,516,103	3,642,288
	3,516,103	3,642,288
Total	5,911,632	8,016,974

Notes to the consolidated financial statements For the year ended 31 December 2017

6. Trade and other receivables (continued)

Provision for doubtful debts

Past experience indicates that no impairment allowance is necessary in respect of trade debtors 'not past due' and 'past due 0 – 30 days'.

Loans to Related Parties – Secured

Loans to Sub Branches	2017 \$	2016 \$
Bowen	40,000	40,000
Charters Towers	1,142,950	1,142,950
Mareeba	1,984,654	1,984,654
Sarina	583,161	583,161
Southport	4,480,418	5,230,296
St George	-	218,440
Yeppoon	253,058	280,230
Total Loans to Sub Branches *	8,484,241	9,479,731

* Total loans to sub branches include current and non-current loans.

(a) Bowen

The loan was established 23rd July 2013, and is secured by a mortgage over the property situated at 38 Williams St, Bowen. The loan has fully been provided for.

(b) Charters Towers

The loan was established on 24th May 2012 and is secured by a mortgage over the property situated at 8-10 Prior Street, Charters Towers. The commercial operation ceased in March 2013. The loan has fully been provided for.

(c) Mareeba

The loan was established on 21st December 2011 and is secured by a mortgage over the property situated at 88 Byrnes St, Mareeba. The loan has fully been provided for.

(d) Sarina

The loan was established on 13th August, 2013, and is secured by a mortgage over the property situated at 34 Central St, Sarina. The loan has fully been provided for.

(e) Southport

The loan was established on 23rd December, 2010, and is secured by a mortgage over the property situated at 36 Scarborough St, Southport.

(f) St George

The loan was established on 23rd December, 2011 and is secured by a mortgage over the property situated at 108 Alfred St, St George. The commercial operation ceased in 2016 and the loan was fully repaid during the year.

(g) Yeppoon

The loan was established on 17th August 2015, and is secured by a general security agreement over the plant and equipment of the sub branch. The loan has fully been provided for.

Notes to the consolidated financial statements

For the year ended 31 December 2017

7. Inventories

	2017 \$	2016 \$
CURRENT		
Merchandise	627,262	833,644
Provision for Obsolescence	(545,749)	(315,099)
Art Union	17,969,233	11,726,092
	18,050,746	12,244,637
NON-CURRENT		
Art Union	14,259,440	14,382,473
	14,259,440	14,382,473

8. Other Assets

	2017 \$	2016 \$
CURRENT		
Prepayments - Art Union	5,254,836	3,540,243
Prepayments - Other	429,381	449,365
	5,684,217	3,989,608
NON-CURRENT		
Prepayments - Art Union	1,167,674	1,594,049
	1,167,674	1,594,049

9. Available-for-sale financial assets

	2017 \$	2016 \$
Funds Managed by JB Were	20,360,266	18,354,970
	20,360,266	18,354,970

The portfolio holds a variety of investments which generate a return based on income from those investments and changes in the market value of the investments. The organisation's investment portfolio can be redeemed on an at call basis at the market value of the investment at the date of redemption less certain fees and charges.

The organisation's exposure to credit risk related to Available-for-Sale Financial Assets is disclosed in Note 16.

The Available-for-sale financial asset portfolio is managed by JB Were on behalf of the organisation. The total costs of funds invested through JB Were, at balance date, was \$17,285,291. The market value of investments, at balance date was \$20,360,266. The resulting market value portfolio increase of \$3,074,975 has been brought to account. During the year, the realised gain on trading was \$18,873. Dividends received totalled \$782,301, including franking credits. The net increase in the market value of the portfolio during the year was \$1,225,836.

Notes to the consolidated financial statements **For the year ended 31 December 2017**

10. Property, plant and equipment

	2017	2016
	\$	\$
Buildings - at cost	35,857,643	36,308,830
Accumulated Depreciation	(4,660,505)	(3,720,150)
	31,197,138	32,588,680
Plant & Equipment - at cost	6,609,754	6,014,209
Accumulated Depreciation	(2,107,233)	(1,758,292)
	4,502,521	4,255,917
Motor Vehicles - at cost	1,883,776	2,230,519
Accumulated Depreciation	(618,913)	(697,049)
	1,264,863	1,533,470
Work in Progress	493,415	15,000
	493,415	15,000

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:

	PLANT & EQUIPMENT	BUILDINGS	MOTOR VEHICLES	WORK IN PROGRESS	TOTAL
Carrying amount at the beginning of the year	4,255,917	32,588,680	1,533,470	15,000	38,393,067
Additions, at cost	925,096	-	40,434	478,415	1,443,945
Disposals, at Written Down Value	-	(374,111)	(74,457)	-	(448,568)
Depreciation Expense	(632,088)	(1,021,059)	(234,584)	-	(1,887,731)
Adjustment	(46,404)	3,628	-	-	(42,776)
CARRYING AMOUNT AT THE END OF THE YEAR	4,502,521	31,197,138	1,264,863	493,415	37,457,937

Notes to the consolidated financial statements For the year ended 31 December 2017

11. Intangible assets

	2017 \$	2016 \$
Software - at cost	3,343,929	2,256,807
Accumulated amortisation	(2,251,037)	(1,911,407)
Work in Progress	9,564,756	2,172,707
Total Intangibles	10,657,648	2,518,107

Movements in the carrying amounts between the beginning and end of the current financial year:

	SOFTWARE	WORK IN PROGRESS	TOTAL
Carrying amount at the beginning of the year	345,400	2,172,707	2,518,107
Additions, at cost	1,041,183	7,392,049	8,433,232
Disposals, at Written Down Value	-	-	-
Amortisation Expense	(339,630)	-	(339,630)
Adjustment	45,939	-	45,939
CARRYING AMOUNT AT THE END OF THE YEAR	1,092,892	9,564,756	10,657,648

12. Investment properties

	2017 \$	2016 \$
Investment Properties - at cost	11,538,655	13,368,654
Accumulated Depreciation	(1,313,878)	(1,285,653)
Provision for Impairment	(926,972)	(926,972)
Total Investment properties	9,297,805	11,156,029

Movements in the carrying amounts between the beginning and end of the current financial year:

	INVESTMENT PROPERTIES
Carrying amount at the beginning of the year	11,156,029
Additions, at cost	-
Disposals, at Written Down Value	(1,543,770)
Depreciation Expense	(311,290)
Provision for Impairment	-
Adjustment	(3,164)
CARRYING AMOUNT AT THE END OF THE YEAR	9,297,805

Notes to the consolidated financial statements For the year ended 31 December 2017

13. Trade and other payables

The organisation's exposure to risks related to trade creditors and other payables is disclosed in Note 16.

	2017 \$	2016 \$
Trade Creditors & Accruals	3,723,311	1,779,809
Trade Creditors & Accruals – Art Union	7,147,838	7,061,363
Ticket Sales in Advance	237,332	250,824
	11,108,481	9,091,996

14. Provisions

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

	2017 \$	2016 \$
CURRENT		
Employee Benefits – Annual Leave	954,014	794,251
Employee Benefits – Long Service Leave	282,283	288,306
	1,236,297	1,082,557
NON-CURRENT		
Employee Benefits – Long Service Leave	175,924	239,662
	175,924	239,662

Any accrued wages and salaries are included in the current trade payables balance.

15. Reserves

Available-for-sale Financial Assets

This reserve is used to record the movement in fair value of the Available-for-sale Financial Assets.

16. Financial instruments

(a) General objectives, policies and processes

The organisation is exposed to risks that arise from its use of financial instruments. This note describes the organisation's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the organisation's exposure to financial instrument risks, objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Notes to the consolidated financial statements For the year ended 31 December 2017

16. Financial instruments (continued)

The principal financial instruments from which financial instrument risk arises:

- Cash and cash equivalents;
- Other financial assets
- Trade and other receivables;
- Trade and other payables;
- Available-for-sale financial assets

The Board of Directors has overall responsibility for the determination of the organisation's risk management objectives and policies.

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligations resulting in the organisation incurring a financial loss. This usually occurs when debtors or counter parties to contracts fail to settle their obligations owing to the organisation.

The maximum exposure to credit risk at balance date, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets as indicated in the Statement of Financial Position and is as follows:

	2017 \$	2016 \$
Cash & cash equivalents	53,315,537	38,813,322
Other financial assets	25,951,070	25,273,568
Trade & other receivables	5,911,632	8,016,974
Available-for-sale financial assets	20,360,266	18,354,970
	105,538,505	90,458,834

(i) Cash and cash equivalents and other financial assets

Cash and cash equivalents are deposited with the Commonwealth, Westpac, National Australia Bank, ANZ and Australian Military Bank.

(ii) Trade and Other Receivables

Within trade and other receivables, the largest debtors are Loans to Sub Branches as outlined in Note 6.

Credit risk associated with trade and other receivables is monitored by the monthly review of trade debtor listings and loan balances.

(iii) Available-for-Sale Financial Assets

The organisation's Available-for-Sale Financial Assets are disclosed in Note 9. Investments are diversified and are exposed to defensive and growth assets to minimise the risk to the organisation.

Notes to the consolidated financial statements For the year ended 31 December 2017

16. Financial instruments (continued)

The objective of the organisation investing in Available-for-Sale Financial Assets is a long-term approach to support the maintenance and growth of the organisation's mission and strategic plan. Under the investment policy established by the organisation, risk of future losses is in part managed by setting guidelines that require the organisation's investments be diversified such that there is adequate exposure to both defensive and growth assets. The performance objective of the organisation's investment portfolio is to achieve diversification of income. To help implement the organisation's investment policy and manage the associated investment risk the organisation employs JB Were as an independent advisor, who manages the organisation's investments in line with the Board approved investment policy.

Risk is managed by monthly reviews of investment holdings, policy compliance, economic updates and reviewing the long-term cash needs of the organisation. The Board monitors the quality of investments taking into consideration areas such as credit ratings, returns and investment objectives. As required under Australian accounting standards, a review of the carrying values of Available-for-Sale Financial Assets as at 31 December 2017 was performed to determine whether any impairment existed as at that date, with no changes for impairment required.

(iv) Interest Rate Risk

Interest rate risk arises from the use of interest bearing financial instruments. Interest rate risk is the risk that fair value for future cash flows of a financial instrument will fluctuate because of changes in interest rates. The organisation monitors its interest rate exposure continuously. Total other financial assets at balance date that earned interest at a floating rate is \$82,619,049 (2016: \$63,219,579) in addition to receivables of \$5,911,632 (2016: \$8,016,974).

17. Commitments and contingencies

Capital expenditure commitments

At reporting date, the organisation has entered into contracts relating to the purchase of properties, the construction of buildings and software development for the following, which have not been provided for in the financial statements and are payable during 2018:

- \$5,058,087 relating wholly to the operation of future Art Unions
- \$927,722 relating wholly to the Lotteries Transformation Project

Operating expenditure commitments

At reporting date, the organisation has the following commitments:

- Memorandum of Understanding in 2015 with the Gallipoli Medical Research Foundation for \$5,000,000. The amount payable for the period of the next 2 years from 2018 to 2019 is \$1,000,000 a year.
- Contribution to the Salvation Army for a veterans' homelessness program for two years from 2017 to 2020. The amount payable is \$400,000 a year.

Contingencies

The organisation had no contingent liabilities as at 31 December 2017.

Notes to the consolidated financial statements For the year ended 31 December 2017

18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO (including related entities), the auditor of the organisation:

	2017 \$	2016 \$
Audit Services	67,138	57,990
Employment Advisory Services	4,568	24,797
Taxation Advisory Services	99,231	85,504
Other Services	-	49,731
	170,937	218,022

BDO has provided advice and recommendations in a number of areas during the year. These services are provided by separate BDO business units to the audit section and are provided by BDO under the Accounting Professional Ethical Standards (APES) to ensure audit independence.

19. Operating leases

	2017 \$	2016 \$
Not later than 12 months	737,175	666,378
Later than 12 months but not later than 5 years	1,293,106	1,683,482
	2,030,281	2,349,860

During the year, property lease agreements have been entered into for properties which are occupied by the Districts of the Returned & Services League of Australia (Queensland Branch). Mates4Mates also lease a property in Brisbane which is used for the Family Recovery Centre and Head Office. These agreements are under normal commercial terms and conditions.

20. Related parties and related-party transactions

Key Management Personnel

The following persons were key management personnel of the Returned & Services League of Australia (Queensland Branch) during the financial year:

Directors

- Mr Stewart Cameron CSC
- Mr John Strachan OAM
- Mr Ewan Cameron
- Mr Vic Reading
- Ms Vivienne Stanbury (appointed 16 Feb 2017)
- Mrs Wendy Taylor
- Mr Max Foot OAM
- Mr Roy Cunneen
- Mr Tony Ferris

**Notes to the consolidated financial statements
For the year ended 31 December 2017**

20. Related parties and related-party transactions (continued)

- Mr Bill Whitburn OAM
- Mr Peter Sterling
- Mr Pat Fairon
- Mr Donald Davey (appointed June 2017)
- Mr Barry Vains OAM
- Mr Neil Burrows (ended June 2017)

Executive

- Mr Luke Traini
- Mr Scott Denner
- Mr Goran Avramovic (ended 1 July 2017)
- Ms Joy Murray (appointed 15 May 2017)
- Ms Tracey Bishop
- Mr Chris Miers (ended 17 March 2017)
- Ms Maria Forgione (appointed 26 June 2017)
- Mr Simon Button
- Ms Marina Cameron

Total key management personnel compensation was \$2,394,282 (2016: \$2,084,554).

Transactions with Districts and National

Amounts paid during the year to Districts \$1,907,344 (2016: \$2,185,533) and National \$178,801 (2016: \$250,994).

Notes to the consolidated financial statements

For the year ended 31 December 2017

21. Parent entity information

The following information relates to the parent entity, Returned & Services League of Australia (Queensland Branch). The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	Parent	
	2017	2016
	\$	\$
Current Assets	105,061,549	81,560,798
Non-Current Assets	96,681,146	92,800,324
TOTAL ASSETS	201,742,696	174,361,122
Current Liabilities	12,093,192	9,868,165
Non-Current Liabilities	165,933	229,682
TOTAL LIABILITIES	12,259,125	10,097,847
Reserves	3,074,975	1,849,139
Accumulated Funds	186,408,596	162,414,136
TOTAL EQUITY	189,483,571	164,263,275
Net surplus for the year	23,994,460	21,798,389
Other comprehensive income	1,225,836	81,737
TOATAL COMPREHENSIVE INCOME	25,220,296	21,880,126

22. Events subsequent to reporting date

The national charities regulator, the Australian Charities and Not-for-profits Commission (ACNC) has issued a Direction to RSL Queensland after an investigation into the charity. The Direction requires the charity to address and rectify certain governance issues. It is not anticipated that this will have a significant financial impact on the charity.

Notes to the consolidated financial statements For the year ended 31 December 2017

23. Income and expenditure - Fundraising Appeals

This disclosure is made under the NSW Charitable Fundraising Act (1991).

(i) Details of aggregate gross income and total expenses directly related to Fundraising Appeals:

	2017 \$	2016 \$
Gross proceeds of Fundraising Appeals (as defined by the Act)	114,293,461	100,925,345
Costs of Fundraising Appeals	(58,447,805)	(48,662,156)
Net surplus obtained from Fundraising Appeals	55,845,656	52,263,189

Note: Fundraising appeals is primarily made up of the lottery operations. The cost of fundraising appeals includes payments made to traders where they have been engaged to assist with lottery ticket sales.

(ii) Expenditure directly applied to the Charitable Purpose

	2017 \$	2016 \$
Donations and sponsorships	(5,394,394)	(6,593,550)
Veteran Services and Compliance	(11,486,677)	(7,750,265)
Welfare Property expenditure	(2,527,603)	(18,355,743)
Total Charitable Expenditure	(19,408,675)	(32,699,558)

Note: Other expenditure of an indirect or overhead nature which supports fundraising activity and the provision of charitable activities is not included in the above tables.

24. Additional information

The registered office and principal place of business is:

283 St Pauls Terrace
Fortitude Valley
Brisbane QLD 4006

For the year ended 31 December 2017
DIRECTORS' DECLARATION

The directors have determined that the Returned & Services League of Australia (Queensland Branch) is a reporting entity and that these general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements:

The directors of the Returned & Services League of Australia (Queensland Branch) declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012)* and:
 - a. comply with Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - b. give a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
3. The Statement of profit or loss and other comprehensive Income gives a true and fair view of the all income and expenditure of the organisation with respect to fundraising appeals.
4. The Statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals.
5. The financial report and associated records of the organisation have been properly kept during the year ended 31 December 2017 in accordance with the provisions of the Charitable Fundraising Act 1991(NSW), the regulations under the Act and the conditions attached to organisation's authority.
6. The internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Signed for and on behalf of The Board of Directors at Brisbane this 20th day of April , 2018



.....
Mr Stewart Cameron CSC
CHAIR



.....
Mr Barry Vains
CHAIR, AUDIT AND RISK COMMITTEE

INDEPENDENT AUDITOR'S REPORT

To the members of Returned & Services League of Australia (Queensland Branch)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Returned & Services League of Australia (Queensland Branch) (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Returned & Services League of Australia (Queensland Branch), is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Collections Act 1966 (Qld)*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (ii) Complying 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 Group 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act and the *Collections Act 1966 (Qld)*, and for such internal control as the directors 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, directors are responsible for assessing the Group'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 directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2015*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- (i) The financial report shows a true and fair view of the financial result of fundraising appeals conducted during the year ended 31 December 2017;
- (ii) The accounting and associated records have been properly kept during the year in accordance with NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015;
- (iii) Money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015; and
- (iv) At the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

BDO Audit Pty Ltd

BDO



A J Whyte

Director

Brisbane, 20 April 2018