



RETURNED & SERVICES
LEAGUE OF AUSTRALIA
QUEENSLAND BRANCH

2017 ANNUAL REPORT





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2017 IN REVIEW



In 2017, RSL Queensland entered its second century with an even greater commitment to our Defence family.

We currently provide support to thousands of veterans with service histories spanning almost 80 years – from those who served in World War II to currently serving Australian Defence Force (ADF) members.

To remain flexible and agile in responding to the needs of our Defence family, RSL Queensland has expanded our scope to support them on a broader front than ever before.

Today our services range from assisting with DVA claims to funding vital research into post-traumatic stress disorder (PTSD) and veteran mental health, from easing the transition to civilian life to providing opportunities for members of Queensland's Defence family to connect with each other.

KEY ACHIEVEMENTS



RSL Queensland staff volunteered 80 days total for the ANZAC Appeal, Remembrance Day, Poppy Appeal and Beersheba Fun Day.

Respite care provided for current and former serving personnel and their families at Angus House and through our Digger's Rest program.

RSL Art Union grew by 11% in 2017, meaning more funds to help veterans.

20 scholarships worth \$12,000 each awarded to children and grandchildren of ex-serving Defence members.

Completed over 2,000 hospital visits and provided more than \$50,000 for food vouchers, bills, medical equipment and accommodation.

▼ KRISTIAN GAINS CONFIDENCE IN HIS OWN ABILITIES

“I found myself with nothing, no real qualifications, and not sure where to turn to. The RSL Employment Program helped with interview training, working out what I could and wanted to do, and actively searching for positions. At the start of this year I got a full-time traineeship as an aircraft surface refinisher in Townsville. It’s non-stop, hard work and everything I learnt in the Army, like teamwork, suits this job.”

– Kristian Lawson, 23, spent nearly five years in the Army but found when he chose to leave, he didn’t know how to market himself to employers.



LARGEST DEFENCE FAMILY RESEARCH PROJECT

RSL Queensland began the Defence Family Research Project, the largest venture ever undertaken to understand the size and shape of the Defence family in Queensland. We will use the results to inform and tailor RSL services to better meet the current and future needs of our veterans.

The research is being carried out by Colmar Brunton, an independent market research company.



▲ SURF’S UP

Imagine looking out across the vast blue ocean, feeling the sun shining warmly on your back and the splash of cool, salty water on your skin as you focus on manoeuvring your surfboard across the face of a wave. The scenario is in stark contrast to the dark, lonely, anxious headspace veterans sometimes find themselves in during times of struggle.

This is the reason the RSL Queensland Surfing Initiative, delivered by the Association of Veteran Surfers (AVS) on the Gold Coast, has been such a success and impacted so many lives.

AVS was established in March 2017 by two returned servicemen who wanted to offer fellow veterans an escape from the stress of either military life or transitioning out of the military. By the end of 2017, RSL Queensland had supported AVS with six family surf days.



◀ LIFE SWELL FOR VETERAN SURFERS

“For someone struggling constantly with internal thoughts, they can focus solely on the water and the waves. There is no time to think about what is happening back on land or what might be troubling you. For some, AVS gives them an opportunity to reignite their passion for surfing. For others, they were in a pretty dark place after leaving military and our surf days give them a new sense of purpose. The surf community is like a brotherhood, much like the Defence Force.”

– President Matt Hoare co-founded the Association of Veteran Surfers in 2017.



▲ ETHAN SHOWS ADMIRATION FOR OUR TROOPS

Young Ethan, who came all the way from Kingaroy to participate in the Fun Day, was one of thousands of community members to join the celebrations. He demonstrated his support by making a special slouch hat to wear on the day.



▲ FUN FOR THE WHOLE DEFENCE FAMILY

Almost 5,000 people enjoyed the Battle of Beersheba Fun Day celebrations organised by RSL Queensland and the 2nd/14th Light Horse Regiment (Queensland Mounted Infantry) on October 28. The day commemorated the centenary of the Battle of Beersheba and was an opportunity for RSL Queensland to show its support for our Defence family.

Brisbane residents got up close to armoured vehicles, met horses and riders from the Queensland Mounted Infantry Historical Troop, listened to bands, had their faces painted and joined in other family activities.

▼ SCHOLARSHIP TO STUDY SOCIAL WORK

“I had a really good job managing a Registered Training Organisation in childcare, but when I moved here, I couldn’t find a job that matched my skills and experience. There is a lot of demand for social workers, so I know my skills will be transferable.”

– *Cassandra Ladesma, 33, received a scholarship to study a Bachelor of Social Work at James Cook University as part of the partner scholarship pilot program. Relocating to Townsville with her Army husband had meant leaving her career behind.*



BRIGHTER FUTURES THROUGH EDUCATION

RSL Queensland’s charitable activities extend beyond those who have served or are serving in the Australian Defence Force to include their dependants.

Originally launched in 2016 to help children and grandchildren of ex-serving ADF members achieve tertiary or vocational qualifications, our scholarship program expanded in 2017 to include spouses of current or ex-serving ADF members.

Each scholarship is for \$4,000 annually for up to three years. In 2017, 20 scholarships were awarded to children and grandchildren of ex-serving members of Defence and 10 were awarded to partners.



▲ HOMES FOR HEROES

Dozens of former servicemen, as well as military nurses and war widows, moved into stunning new homes and re-connected with old mates after RSL Queensland completed its \$18m transformation of the Warhaven housing complex in Cairns.

The revamped, resort-style complex has 74 units, including 56 completely new and 19 fully refurbished homes, contained in five one to three-storey blocks. Warhaven also includes emergency accommodation for Defence community members facing personal difficulties.

It is specifically designed to build a sense of camaraderie and community among residents, with a common room, bar with widescreen TV, library and barbecue area – all set within landscaped grounds and a community garden.

► A SENSE OF COMMUNITY

“I’m really happy with my new home, the accommodation here is just beautiful. And it’s been lovely to move back in and catch up with everyone again. It’s the people who make the place, you get to know them so well. Warhaven is a real community, it’s like a family to all of us.”

– *June Fisher, 81, first lived in Warhaven with her late husband Robert, a veteran of the Korean War.*





◀ **RESEARCH IMPROVES QUALITY OF LIFE**

“The Vietnam War may have officially stopped decades ago, but many of our Australian veterans are still suffering. Their lives have been destroyed as a result of the psychological trauma. With the results of our study, we will be able to establish novel therapies for veterans with PTSD.”

– Associate Professor David Colquhoun, leading cardiologist and PTSD Initiative investigator.

KEY FINDINGS

The study identified the following conditions associated with PTSD **independent** of the typical disease risk factors such as age, obesity, smoking, and alcohol intake.

Participants with PTSD...

Were **two times** more likely to have abnormal liver texture, suggestive of **liver disease**.

Had a **two to three times** increased risk of suffering from **gastrointestinal problems** including irritable bowel syndrome and its associated symptoms, in addition to reflux and stomach ulcers.



Were **three times** more likely to suffer from **obstructive sleep apnoea**.

Were almost **four times** more likely to have suffered a **heart attack** in the past.



Had **decreased lung function**.



Had a **four times** higher risk of **fatty liver**.

▲ **MEDICAL RESEARCH UNDERPINS SERVICES**

RSL Queensland leads the nation in supporting research into veterans’ mental health, investing more than \$6.75 million into Gallipoli Medical Research Foundation (GMRF) studies to date. In 2017, GMRF published the results of its ground breaking three-year study into PTSD involving 300 Vietnam veterans.

Following this, GMRF launched an accredited, online educational program through ThinkGP, to help GPs and other healthcare professionals better identify the signs and symptoms of PTSD.

A second research initiative into the issues and culture around separating from the ADF is now well underway, and is already attracting local and global interest. We anticipate the results of this research will provide important insights that will contribute to reducing the prevalence and severity of mental health issues faced by transitioning ADF personnel.



STATE PRESIDENT'S ANNUAL REPORT

On behalf of your State Board, I want to give my sincere thanks for how hard you worked over the last year to support our Defence family. We achieved a lot together during 2017, with magnificent work also being done at a Sub Branch level to support schools and the wider community.

At ANZAC House, we saw an increase in the number of Veteran Services Officers, a trial of the RSL Employment Program, which was rolled out statewide in 2018, and a deepening of our engagement with the Australian Defence Force (ADF). This happened not only at 3rd and 7th Brigades, but also at RAAF Amberley, HMAS Cairns and with the senior leadership of the ADF via the RSL Queensland Service Fellowships awarded to serving personnel. We also hosted and briefed senior staff from the Department of Veterans Affairs (DVA) and the Prime Minister's Industry Advisory Committee on Veterans' Employment.

Our Veteran Services staff have been very active, preparing Government submissions on a range of issues including superannuation, the taxing of 'persecution' payments for those who were prisoners of war of the Japanese, and mefloquine. Most recently, they met with the Commonwealth Ombudsman regarding DVA. During 2017, the team also held two productive regional meetings at Longreach and Mt Isa, where the League facilitated community discussion on post-traumatic stress.

Through our successful Health and Wellbeing Partnerships we expanded our support to the wider veteran community through kindred organisations such as Digger's Rest, Trojan's Trek, RAEMUS Rover, Timor Awakening and the Gallipoli Medical Research Foundation, with whom we have a long-standing relationship. We also took the lead on working with many Queensland ex-service organisations (ESOs), arranging

regular meetings and updates. We should be proud of the fact we are the only element of the League in Australia engaged with the wider ESO community in this way.

In 2017, the Australian Charities and Not-for-profits Commission (ACNC) investigated our corporate governance standards dating back to 2012. We now have processes and policies in place to ensure we operate in accordance with modern corporate governance practice. The investigation will result in a stronger League focused on those in need. We need to understand that every dollar raised is a 'charity dollar' which must be spent on a charitable purpose.

This is a crucial point and the reason we need robust policies in place for all charitable expenditure. Your Board has introduced several initiatives to reduce the cost of Board operations. Those from outside the Brisbane region have accommodation restrictions for Board meetings, all air travel is done on the cheapest economy flight available and spousal travel is only approved for the State Congress and one other Board meeting. Director resource allocations are detailed on our website. They will also be approved by you through your Sub Branch delegate annually at our state AGM.

Turning to more routine matters, the three Executive Directors – Deputy President John Strachan, Vice President Ewan Cameron and myself – have been very active throughout the year. We represented the League at numerous Vice Regal, Government (Federal and State) and local council events. This is in addition to attending major ceremonial events across the state. We were also busy visiting Districts and Sub Branches to engage with the wider membership around Queensland.

There has been criticism in the past that we are not

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doing enough to tell the 'good stories' of RSL Queensland. The great news is we are getting our messages out through local and state media. This has included positive coverage of our Employment Program, our education website and commemorative events such as ANZAC Day and Remembrance Day.

At the local level, we saw an increase in media articles about the excellent work of the RSL throughout Queensland. Our social media reach through applications such as Facebook, Twitter and our website is increasing and as we expand our digital capability we expect to have greater reach with younger veterans.

That said, we must and will continue with our print media channels, in particular our excellent magazine *Queensland RSL News*. *RSL News* has a far-reaching readership, not only in Queensland, but across Australia and in countries such as England, Ireland, Scotland, Canada and the United States.

Over the past year we saw numerous changes to the Boards at State, District and Sub Branch level. There are many men and women who have given years of support to the RSL. Each left an indelible mark through their service and commitment.

However, one individual deserves to be singled out – Vic Reading.

Vic stood down earlier this year as the District President of Brisbane North, a position he held for many years. Vic is a stalwart of the RSL and his guidance and counsel will be missed at the Board level. We are so fortunate to have members of his calibre in our organisation.

Sadly, we also saw the passing of many World War II veterans. One stands out for me – Tom McLucas OAM BEM. Tom was an Honorary Life Vice President of RSL Queensland (he was one of just two), Wide Bay Burnett District and Bundaberg Sub Branch.

In closing, I want to end where I began: thanking you for your support over the past year – for the hours you volunteer and for your families who support you.

We must also recognise and thank the hard-working staff in ANZAC House and across the state. Our team is focused on delivering the eight Objects outlined in our Constitution. While at times we may agree to disagree on issues, we must always remember that we exist to help our mates in need, no matter where they are.

Stewart Cameron CSC
State President
RSL Queensland



CHIEF EXECUTIVE OFFICER'S ANNUAL REPORT

ACHIEVEMENTS

Recently I've been meeting with several CEOs from other charitable and commercial organisations and reflecting on our achievements during 2017. This broader perspective helps me appreciate some of this year's accomplishments and the positive impact we have on the lives of those who we support.

KEY ACHIEVEMENTS

As you read through this report you'll find many examples of success stories our organisation can be proud of. For example, we awarded 20 scholarships to children and grandchildren of ex-serving members of Defence. I'm thrilled to say these deserving recipients were each given up to \$12,000 to help them achieve their tertiary qualifications.

We also began the Defence Family Research Project, which is the largest piece of Defence research ever conducted in Queensland. We will use the results to inform and tailor RSL services to better meet the current and future needs of our veterans. Turn to pages 6-11 to read more about our many achievements during 2017.

BOARD GOVERNANCE

On February 13, 2017, the Australian Charities and Not-for-profits Commission (ACNC) launched an investigation into the governance structures of RSL Queensland. More than a year later, I can reflect on the substantial body of work that has been undertaken to ensure this organisation evolves.

There have been significant changes in the legislative and compliance landscape at a Commonwealth level, and momentum increased with the creation of the ACNC in December 2012. These days, RSL Queensland is a large and complex charity and the view of the regulator, the public at large and our Board is that best practice governance

is an absolute mandatory prerequisite. Maintaining public confidence in the RSL brand and the good work of the League is crucial for our Art Union business, which funds 97 per cent of State Branch's operating activities, charitable work, service delivery, and funding of District operations and welfare.

To ensure that State Branch is well governed, we appointed a full time Governance Manager and experienced Company Secretary, and developed a Good Governance Guide to assist the Board with their obligations to the ACNC.

Although its position as a large charity requires State Branch to have deep and extensive corporate governance controls, I strongly believe traditional Sub Branches require a more "fit-for-purpose" approach. In fact, while promoting good governance at the Sub Branch level, it is equally important for me to actively advocate on your behalf to State and Commonwealth regulators to streamline the compliance activities that often fall to our volunteer office bearers in Sub Branches.

While I believe all of us wish the RSL brand to be one of the most trusted and recognised within Australia, many members would agree that their very valuable volunteer time and resources are best focussed on delivering the Objects of the League.

TRANSFORMATION

Last year I provided an update of the transformation program, noting that patience was required as some of the changes to the way State Branch is managed were quite substantial. This is a "once-in-a-lifecycle" upgrade to capability and technology that will position the League as far more innovative and capable of adopting changes to service delivery and within the broader veteran community over time.

"Recently I've been meeting with several CEOs from other charitable and commercial organisations and reflecting on our achievements during 2017. This broader perspective helps me appreciate some of this year's accomplishments and the positive impact we have on the lives of those who we support."

The team has worked diligently in a complex environment. Our humble small business MYOB accounting system has now been replaced with an enterprise grade package that will allow our approximately \$120m revenue, expenses and tax obligations to be transparently and robustly accounted for. The new systems also provide much-needed focus and transparency around our charitable expenditure. Our Board and management will soon have real time visibility, dashboards and management reporting to ensure our activities are aligned with our Objects and obligations as a charity, which will help optimise how we use State Branch resources.

The redevelopment of Lotteries' commercial operations and technology platforms means it is far more resilient, robust and able to manage and report on compliance in all states and territories. The new capabilities also allow us to capitalise on new growth initiatives like integrating with new partners to distribute lottery tickets, leading to increased sales while keeping operating costs lean.

The transformation has also facilitated a new era of innovative thinking around

our veteran services program, advocacy practices, and programs that address the evolving requirements of the Defence family and take RSL in a new direction. You can look forward to seeing real steps forward in terms of providing our services to more veterans, through more channels.

RECOGNITION AND THANKS

Finally, I'd like to recognise the outstanding work of the members of the League at the grassroots level, the staff of RSL Queensland and particularly my Executive Team of Joy Murray (Chief Financial Officer), Tracey Bishop (General Manager Lotteries), Simon Button (Chief Information Officer), Marina Cameron (General Manager People and Culture), Scott Denner (General Manager Operations and State Secretary) and Maria Forgione (General Counsel). Everybody has worked tirelessly, focussing on the Objects of the League, to ensure RSL Queensland is recognised as the premier ex-service organisation in Australia. Keep up the great work!

Luke Traini

*Chief Executive Officer
RSL Queensland*



Winston Churchill once said: “A nation that forgets its past has no future”. Within the Objects of the League lies the answer to addressing both issues – the past and the future – for we must retain our respect and commemoration of the past while planning and implementing structures for the future.

The Objects of the League provide both our reason for being, as well as a road map for where we need to be going in the future. The only caveat to this is our need to maintain a standard of training within Sub Branches and Districts that enables us to comply with regulatory requirements.

In my travels around the Districts, it is apparent that we can triumph easily if we achieve two things – succession planning incorporating generational change in both Sub Branches and Districts, and Sub Branch memberships that are active both in veteran matters and assistance, and in the community, schools and commemoration of days of remembrance.

ANZAC House has implemented many high-profile programs, which not only raise our standing with Defence and the ex-service organisation community, but with the public as well. Our engagement on behalf of veterans is outstanding. Veterans often take us to task for not progressing issues with Defence on policy matters, but interfering in running the Services is not within our remit. Veterans need to understand it is a line we do not cross!

Life as the Deputy is very full, supporting State President Stewart Cameron at many functions and attending all manner of events – some standing in for Stewart and others in my own right. I am sure many would have no inkling of the representational duties and internal issues which occupy the

STATE DEPUTY PRESIDENT'S ANNUAL REPORT



week, along with membership of the Lotteries Committee and chairing the Remuneration Committee with an “extra regimental appointment” as the Protocol Officer for the Brisbane ANZAC Day March. In line with my belief in renewal, I have now stood down as Sub Branch President of Stephens, a position I held for 13 years, working with some wonderful and committed people.

The only certainty is change and going forward we will most likely see change in a new Board structure, a new Constitution, and a new method of election, all driven by members at Congress. A return to the grassroots! Marry this with new initiatives

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for veterans and we will start to see a forward-thinking active Queensland Branch, lobbying both State and Federal Governments on all manner of veteran issues and taking the lead in the RSL community Australia-wide.

The year 2017 was not one for

standing still at ANZAC House or among your Executive, and we look forward to an equally busy 2018.

John Strachan OAM
State Deputy President
RSL Queensland



STATE VICE PRESIDENT'S ANNUAL REPORT

In my role as State Vice President in 2017, my greatest pleasure was visiting Sub Branches and representing the State Executive at meetings, commemorative services and functions. These visits are informative on many levels, but the real pleasure lies in the camaraderie and fellowship offered to us as visitors.

We always appreciate the time we spend keeping you informed and listening to your ideas, experiences, hopes and plans. Thanks to the members who made these visits so productive and enjoyable.

I was pleased to see younger servicemen and women putting their hands up to join the RSL and participate in various activities, with some accepting committee appointments in their Sub Branches. I am confident this trend will continue, despite the fact our younger servicemen and women are concerned about issues in their personal lives, including careers and family.

As the RSL Queensland representative on the Defence Reserves Support Council – Queensland (Executive Committee), I attended six executive meetings and the Employer Support Awards in Brisbane. The Not-for-Profit Business Award was introduced as a new category in the 2018 Employer Support Awards. It is pleasing to see the not-for-profit sector gaining importance across all enterprise and business activities in every sector.

As the Executive appointed to liaise with the State Council of Auxiliaries, I attended several meetings including the Auxiliaries Council AGM in Brisbane. We hosted two meetings with the Auxiliaries Council at ANZAC House, which proved informative to Council members, who met the staff who manage the business affairs that influence Auxiliaries across Queensland.

During 2017, the number of Auxiliaries among the Sub



Branches increased, which is a great outcome as Auxiliary membership is a class of RSL membership. In several Sub Branches, citizen's auxiliary numbers were raised simply by asking club and social members to complete the RSL membership application. Auxiliaries enjoy more membership benefits than social members, including receiving *Queensland RSL News*, long service awards and certificates.

RSL Queensland's support of the three services' cadet schemes is greatly appreciated, and I know many Sub Branches actively participate, support and advocate for their local cadet units. The number of cadet units has increased, particularly in the Army Cadets, which is a positive indicator that the community values these organisations

“We always appreciate the time we spend keeping you informed and listening to your ideas, experiences, hopes and plans. Thanks to the members who made these visits so productive and enjoyable.”

and the ideals they support. I congratulate those who give their time to support the cadets.

Finally, thanks to the hard-working volunteers in the Districts and Sub Branches and to all our RSL Queensland staff.

I also thank the members for giving me the opportunity

to write this report and wish everyone involved in all facets of our organisation all the best for the future.

Ewan Cameron
State Vice President
RSL Queensland

AUDIT AND RISK COMMITTEE ANNUAL REPORT



**BARRY
VAINS OAM**
CHAIR
AUDIT
AND RISK
COMMITTEE

At the end of 2017, the committee comprised non-executive directors Barry Vains OAM (Chair), Bill Whitburn OAM and Pat Fairon, and external members Jamie Whitehead, Michael Quinn and Barry Medlin.

External member Brian Nally left the committee during the year and was replaced in May 2017 by Barry Medlin. We thank Brian for the dedicated service he gave to the committee over several years.

The committee plays a key role in helping the Board fulfil its responsibilities in:

- Risk, policies, and control
- Internal review and external audit.

During the year, the RSL Queensland executive team, including CEO Luke Traini, has been very busy in several areas.

RISK, POLICIES AND CONTROL

1. In February 2017, the Australian Charities and Not-for-profits Commission (ACNC) announced investigations into all RSL state branches. Consequently, in November 2017 the Board approved a Corporate Governance Plan to enhance its corporate governance framework, which is being monitored by the ACNC. Included in the plan was provision for the appointment of a Risk Manager and Corporate Governance Manager, both of which have now been made. The corporate governance framework, including a suite of Board governance policies, is now in place and can be viewed on the RSL Queensland website.
2. In June 2017, the Board commissioned Deloitte to review the corporate governance of RSL Queensland. Deloitte presented its

“2018 will be a challenging year for RSL Queensland as it manages the risks associated with the outcome of the ACNC investigation and the review of its governance structure.”

recommendations at the December 2017 Board meeting, and they are being considered for inclusion in the new Constitution. The new Constitution will be submitted to the RSL Queensland membership at the 2018 Annual General Meeting.

3. The Enterprise Risk Management Framework continued to be enhanced during the year, with the Board approving the Risk Appetite Statements, the Board Risk Policy and the Risk Standard.
4. Policy development, review and updates of policies continued during the year.
5. Since the new Microsoft Dynamics AX Enterprise

Resource Planning (ERP) platform went live at the end of 2016, the system has had modules added to it and been enhanced. The lotteries platform rebuild commenced during 2017 and will continue into 2018.

6. A high level Quarterly Risk Management Report is being developed by management for submission to both the committee and the Board at the end of Quarter 1, 2018.

INTERNAL REVIEW AND EXTERNAL AUDIT

1. The Committee has established a good working relationship with the external auditor who attends committee meetings. The external auditor gives the committee an oversight of the annual external audit plan and the committee, in conjunction with management, conducts a review of the draft financial statements each year.
2. A review of RSL Queensland insurance policies was carried out during the year.
3. RSL Legal Counsel produced a document that details the legislative landscape for the organisation. This document has been tabled at committee and board meetings, and will form the basis for management to further develop the compliance framework.

2018 will be a challenging year for RSL Queensland as it manages the risks associated with the outcome of the ACNC investigation and the review of its governance structure.

The committee will continue assisting the Board to focus deeply on the audit and risk profile of the organisation during this period of strategic change, ensuring RSL Queensland is best positioned to serve future generations of veterans.



TRIBUNAL ANNUAL REPORT



**PAUL
PETERSON**
CHAIR
RSL
QUEENSLAND
TRIBUNAL

This report covers the activities of the Tribunal for 2017.

COMPLAINTS RECEIVED

In 2017, 67 complaints were submitted to the Registrar from Sub Branch members, 39 more than in 2016. Not included in that figure were a small number of complaints that were not Tribunal matters e.g. potential criminal matters or those involving only management issues.

Of the 67 complaints received, 19 proceeded to formal hearing, eight were withdrawn by the complainant prior to hearing and one was referred to mediation.

A further 39 complaints (from only three complainants) were considered at preliminary hearings, where it was decided they would not proceed to hearing for reasons including insufficient information being provided by the complainant or not being within the Tribunal's jurisdiction.

MEETINGS AND HEARINGS

The Tribunal conducted six administrative meetings and six preliminary meetings during the year. Preliminary meetings are standard practice, allowing Tribunal members to consider all available information before deciding if complaints warrant a hearing or alternative action.

Four separate hearings were convened to hear the 19 accepted complaints. Of these, five were proven, 11 were not proven and three were withdrawn by the complainant during the hearing. Of those proven, the penalties were a reprimand on each of three complaints, and Transfer to the Miscellaneous List of Members on each of two complaints (where the penalties were to be served concurrently).

All meetings and hearings were conducted at ANZAC House.

APPEALS

The Tribunal received one appeal from a member against disciplinary action taken by his Sub Branch. Prior to the appeal being heard, the Sub Branch rescinded the action taken against the member, citing a constitutional technicality. RSL National Branch received one appeal from a Sub Branch member who had been disciplined by the Tribunal.

TRIBUNAL PERSONNEL

For the 12 months to December 31, 2017, the Tribunal comprised:

Gregory Fitzgerald
Chairman (until 31 May)

Paul Peterson
Chairman (from 1 June)

Dr Trevor Rogers
Deputy Chairman (from 1 June)

Dell Shears RFD
Member

David Barnicoat
Member

John Stanford
Member

Rod McLeod AM
Member

Judith Munday OAM
Member

All Tribunal appointments are for 12 months from 1 June, and are made annually by the Board.

Mr Fitzgerald did not seek reappointment in 2017 after serving for seven years, including the last four as Chairman. Mr Peterson was then appointed as Chairman, with Dr Rogers replacing him as Deputy Chairman. All other members continued in their positions.

“The Tribunal conducted six administrative meetings and six preliminary meetings during the year. Preliminary meetings are standard practice, allowing Tribunal members to consider all available information before deciding if complaints warrant a hearing or alternative action.”

REGISTRAR

Graham Lucas continued in the role of Registrar of the Tribunal for the eighth consecutive year.

COUNCIL OF AUSTRALASIAN TRIBUNALS (COAT)

The Tribunal renewed its membership of COAT for 2017.



LOTTERIES COMMITTEE ANNUAL REPORT



VIC
READING
CHAIR
LOTTERIES
COMMITTEE

In 2017, RSL Art Union cemented its position as Australia's most popular prize home lottery. The RSL's cause, combined with the quality of its prize homes, has meant more Australians than ever before are showing their support for the veteran community by purchasing tickets.

Key to lotteries' success has been the growth of its field sales program. The program, which involves signing up VIP memberships from retail stands, has grown steadily since its launch in 2014 and now contributes close to 20 per cent of all revenues. Given the typically long tenure of customers joining the lottery's VIP program, this sales channel provides a predictable revenue stream that allows RSL Queensland to plan its long-term service offering with greater certainty.

Other highlights from 2017 include:

- The beach house at Palm Beach on the Gold Coast became the lottery's highest selling \$5 game ever. It attracted 20,000 more customers than the previous years' beach house in Freshwater, Sydney and nearly 100,000 more than the previous Gold Coast beach house.
- A new website was developed, which will launch later in 2018. The new site gives the lottery a fresh new look as well as using leading edge technology to offer customers a more convenient experience.
- Lotteries has continued to invest in Sydney properties, with a focus on beachside suburbs. This investment means lotteries will maintain its broad appeal to customers across Australia, with at least three Sydney-based prizes each year.

“In 2017, RSL Art Union cemented its position as Australia's most popular prize home lottery.”

- The total prize pool grew to more than \$31m, with 12 lucky Australians receiving a call to let them know they were now millionaires. For the first time, four of the year's properties were worth more than \$3m and all the property prizes were valued at more than \$2m.

All this was achieved while the new operating technology platform was being developed with RSL Queensland's Technology and Innovation team. The platform is key to lotteries' long-term success, as it enables lotteries to manage its own operations while innovating and growing. The program achieved some significant milestones in 2017, with development of the core operating system close to complete by the end of the year.

This level of change in lotteries has required significant effort from the team and I'd like to take this opportunity to recognise their efforts.

I would also like to thank David Lammey, a long-standing member of the Lotteries Committee who resigned his position in December. David's advice has been key to many of the larger decisions made in lotteries and his commitment to its long-term success is unquestionable.



CONSTITUTION AND AWARDS COMMITTEE ANNUAL REPORT



ROY
CUNNEEN
CHAIR
CONSTITUTION
AND AWARDS
COMMITTEE

At its Annual Conference in June 2016, the National Branch of the Returned and Services League adopted a new Constitution.

At the 2015 AGM in Townsville, State President Stewart Cameron advised that RSL Queensland was consequently required to align its Constitution with the new National Constitution, as were all Districts and Sub Branches throughout Queensland.

Our “in house” writing team has been developing a draft Constitution, which considers members’ feedback collected from my visits to your District Council meetings and provided in writing from individuals and Sub Branches.

It was, in fact, the detailed questions from an amalgamated Sub Branch received in February 2017 that led to the Committee seeking advice from the State Solicitor. As that advice was not provided until after the 2017 AGM, the proposed new Constitution could not be put to the members for a vote at that time. However, it proved that the content of the proposed Constitution was robust and legally sound.

Due to the investigation into RSL (New South Wales Branch), the Board thought it prudent to review the structure of RSL Queensland. Deloitte was engaged to conduct the review, holding its first round of consultation at the 2017 AGM.

In December 2017, Deloitte produced its report, which was noted and considered by the Board and then distributed to all Districts for further distribution to Sub Branches.

In noting the Deloitte Report, the Board took the opportunity to further revise the Constitution held back from the last AGM. This revised draft was taken

“Our ‘in house’ writing team has been developing a draft constitution which considers members’ feedback collected from my visits to your District Council meetings and provided in writing from individuals and Sub Branches.”

to all District AGMs and/or District Council Meetings before the 2018 State AGM to obtain further feedback and suggestions on its content.

The Board is hopeful the proposed new Constitution, including the revised structure of RSL Queensland, will be approved by members at the 2018 AGM. This new RSL Queensland Constitution will then form the basis of State Branch By-Laws, District Branch and Sub Branch Model Constitutions.

As this report is for 2017, I cannot include developments which have occurred since December 31, 2017. However, I look forward to explaining these at the AGM and recommending that the proposed new Constitution be accepted and approved by members.

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MATES4MATES ANNUAL REPORT



**RICK
RALPH**
CHAIRMAN
MATES4MATES

OUR YEAR IN REVIEW

We began the year aiming to grow and improve, and that's exactly what we did. We continued to broaden our delivery of services, particularly to regional hubs, and introduced new programs across our five service streams.

PSYCHOLOGICAL SERVICES

The delivery of Psychological Services is an instrumental part of our holistic approach to recovery. Across the country we conducted approximately 4,700 appointments with Mates and family members, including regular individual, couple appointments and child friendly sessions, inductions and screening for our Rehabilitation Adventure Challenges. Throughout the year, the Psychological Services team attended 12 professional development activities to ensure best practice therapeutic interventions were delivered.

PHYSICAL REHABILITATION AND WELLBEING SERVICES

The Physical Rehabilitation team grew in 2017, adding a full-time Exercise Physiologist (EP) to our Hobart and Brisbane Family Recovery Centres (FRC). Because veterans typically have similar injuries, we introduced pain management programs. The demand for these specialised programs was high and they will continue in 2018. Across the country, we had 13,000 Physical Rehabilitation and Wellbeing Service connections, including pilates, acupuncture, group training sessions, walking group, and hydrotherapy.

Our Equine Therapy program continued to grow in popularity, with 68 people attending programs held at Canungra, Hunter Valley, Yarra Valley and Cairns. The Gallipoli Medical Research Foundation also

“We began the year aiming to grow and improve, and that’s exactly what we did. We continued to broaden our delivery of services, particularly to regional hubs, and introduced new programs across our five service streams.”

released its evaluation of the program, confirming the positive results for couples and providing measures for improvement to the Mates program.

EMPLOYMENT AND EDUCATION SUPPORT SERVICES

We continued our partnerships with Ironside Recruitment and Churchill Education throughout the year to help deliver our Employment and Education Services. At the start of 2017 we had eight Mates graduate with a Diploma in Leadership and Management from Churchill Education, and eight partners commence the same 12-month diploma course.

REHABILITATION ADVENTURE CHALLENGES

Throughout the year, we ran 12 Rehabilitation Adventure Challenges, which were attended by 127 people, selected from expressions of interest from 238 Mates. The programs ranged from our annual Kokoda Trek to



kayaking in the Whitsundays and our Snowy Mountains horse trip. Our Rehabilitation Adventure Challenges continue to have a profound impact on those who take part, pushing them out of their comfort zone while in a supportive group of likeminded people.

SOCIAL CONNECTION ACTIVITIES

Social Connection lies at the heart of everything we do at Mates4Mates. It’s the basis of our holistic approach – without it, we wouldn’t be as successful as we are. Our FRCs provide a place for Mates and their families to feel

connected and regain a sense of belonging and understanding. Our social connection activities include school holiday programs, movie nights, pancake breakfasts and Toastie Tuesdays. Last year we cooked almost 7,000 sausages at our famous BBQs, which helped foster friendships for our Mates.

Thank you to RSL Queensland for your continued financial support and leadership. Without your help, we wouldn’t be able to deliver these services to our veterans and their families when they’re most in need. As always, we look forward to working with every level of the RSL in the years ahead.

STATE COUNCIL OF AUXILIARIES ANNUAL REPORT



**LYNNE
GAMBRILL**
PRESIDENT
STATE COUNCIL
OF AUXILIARIES

The State Council of Auxiliaries supports Auxiliaries in their endeavours to assist Sub Branches carry out the Objects of the League, as well as with its social and welfare activities.

As the State Board fully funds us, we do not need to charge capitations, which means all Auxiliaries in Queensland are now automatically members of the Council.

The Council comprises members from four Districts, giving us a better understanding of the needs of both city and country Auxiliaries and Sub Branches. The full Council meets every second month, with the Executive also meeting in between times. This year we were invited to hold some of our Executive meetings in ANZAC House, which proved invaluable in allowing both us and the staff there to gain a greater appreciation for each other's role within the organisation.

The Council was once again represented at District Conferences such as South Eastern, Western and Brisbane North.

I had the pleasure of representing the Council at various Auxiliary and Sub Branch functions throughout the year. We still send our newsletter to Auxiliaries to keep them informed of Council activities, as well as some interesting items from other Auxiliaries.

During the year, members of the Council took two trips to the Pioneer Fitzroy Highlands District, visiting 20 Sub Branches and six Auxiliaries. These visits are well received, especially by Auxiliaries who may not previously have seen a member of another Auxiliary, and we hope to visit more Sub Branches and Auxiliaries during 2018.

Last May, our Secretary Maureen and I attended the NSW Central Council of Women's Auxiliaries 70th Anniversary

“As the State Board fully funds us, we do not need to charge capitations, which means all Auxiliaries in Queensland are now automatically members of the Council.”

Congress and brought back some ideas which we have begun implementing. For example, we began a joint project with Auxiliaries from NSW and Victoria to make laundry bags for competitors in the 2018 Invictus Games.

At our Annual General Meeting, we presented the winner of the Joy Bryson Shield to the Auxiliary with the highest percentage increase in membership over the previous year. The winning Auxiliary for 2016 was Nanango Citizens' Auxiliary.

Our thanks go firstly to RSL Queensland for its continued support and encouragement of our endeavours, and in particular to Vice President Ewan Cameron for his help and guidance.

My thanks must also go to our Secretary, Maureen Sargent OAM, for the incredible job she does, along with the other members of our Executive. To all our Councillors, I extend my personal thanks for your efforts all year – you are an incredible group and a pleasure to work with.

Looking forward to the challenges a new year will bring, we wish all Sub Branches and Auxiliaries a successful year.





ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
31 DECEMBER 2017



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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 & 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 Capitations | | 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

| | Consolidated | | |
|--|--|--------------------|--------------------|
| | Available-for-sale financial asset revaluation reserve | 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

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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.

The 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

The 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) is 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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 and 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.

Depreciation

Items of Property, Plant and Equipment (other than land) are

**NOTES TO THE
CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED
31 DECEMBER 2017

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 is 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.

(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% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2017

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

(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, and 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:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

(5) 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.

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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 |
| Soldier 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 |

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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

Loans - 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 23 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 24 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

21 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 13 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 23 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 23 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 17 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.

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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 |

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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.

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 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 37,457,937 | 38,393,067 |

**NOTES TO THE
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10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 |

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 |

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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 |

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 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 two 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 leases 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
- 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, the 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 |
| TOTAL 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.

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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 are 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

DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 DECEMBER 2017

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
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.

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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



A J Whyte
Director

Brisbane, 20 April 2018



RETURNED & SERVICES
LEAGUE OF AUSTRALIA
QUEENSLAND BRANCH

RSL QUEENSLAND OBJECTS

1. Provide for the sick, helpless, wounded, aged, vulnerable, destitute and needy among those who are serving or who have served in the Australian Defence Forces and their dependants;
2. Perpetuate the close and kindly ties of friendship created by a mutual service in the Australian Defence Force or in the forces of nations traditionally allied with Australia and the recollections associated with that experience;
3. Maintain a proper standard of dignity and honour among all past and present members of the Defence Forces of the nation and to set an example of public spirit and noble hearted endeavour;
4. Preserve the memory and the records of those who suffered and died for Australia, erect monuments to their valour, provide them with suitable burial places, and establish and preserve, in their honour, the annual commemoration days known as ANZAC Day, Remembrance Day and other commemorative days;
5. Encourage loyalty to Australia and secure patriotic service in the interests of Australia;
6. Protect the good name and preserve the interests and standing of members of the Australian Defence Force;
7. Encourage Members, as citizens, to serve Australia with that spirit of self-sacrifice and loyalty with which they served as members of the Australian Defence Forces; and
8. Provide welfare to the sick, helpless, wounded, vulnerable, aged, destitute and needy.



RETURNED & SERVICES
LEAGUE OF AUSTRALIA
QUEENSLAND BRANCH

ABN 79 902 601 713