



WAR WIDOWS' GUILD
OF AUSTRALIA NSW LTD

**ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2018**

ABN 24 083 075 914

**ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2018**

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GUILD MOTTO

*We all belong to each other.
We all need each other.
It is in serving each other and in sacrificing for our common good
That we are finding our true life*

(King George VI, Extract from Christmas Message 1941)

DIRECTORS' REPORT

The directors present their report together with the financial statements of the War Widows' Guild of Australia NSW Limited ("the company") for the year ended 31 March 2018 and the auditor's report thereon.

1 Directors

The directors of the company at any time during or since the end of the financial year are:

| | Special Responsibilities | Period as Director |
|-------------------------|----------------------------------|-------------------------------|
| Mrs Kathleen Arthur | | 25 June 2015 to present |
| Mrs Dorothy Haines | | 28 June 2012 to present |
| Mrs Barbara Jeanes | | 29 June 2016 to present |
| Mrs Brenda Morrison | | 26 June 2014 to present |
| Ms Laura Raymer | | 29 June 2016 to 1 May 2018 |
| Mrs Wendy Thompson | | 27 June 2012 to present |
| Ms Rhondda Vanzella OAM | President from 29/06/16 | 29 June 2016 to present |
| Mrs Jenny Wheatley | Chair of the Board from 29/06/16 | 29 July 2015 to 24 April 2018 |
| BRIG Bronwyn Worswick | | 3 February 2017 to present |

2 Objectives and Strategies

The Guild's mission is 'To support the well-being and interests of all war widows through friendship, connectedness and advocacy.

The specific strategies for the year were:

The Guild

We will maintain a financially strong and well governed Guild and in particular we will:

- (a) continue the staged withdrawal from housing as part of managing the Guild's assets to meet the cost of providing services to war widows
- (b) manage the finances of the NSW Guild by developing and implementing a new investment strategy, in view of a declining membership and the sale of the Guild housing assets
- (c) improve internal processes, capabilities and use of new technology for current services and operations and embrace new ways of offering services
- (d) provide support to the National Guild
- (e) review and revise the Guild's Constitution (in the context of potential changes at the National/State Guild levels)
- (f) ensure an ongoing process of Board renewal, with appropriately skilled people being identified
- (g) adopt and maintain an outward-facing scan of the environment in which we operate.

Services

We will provide a range of services which will take into account the changing needs of members and may include:

- (a) advocacy on issues which affect war widows and the Guild, including:
 - participation in government and other consultative forums
 - working with the National Guild and other State Guilds to ensure appropriate representation of war widows and their needs with the federal and state governments
 - through collaboration with other organisations
- (b) participating in collaborative projects with the Department of Veterans' Affairs and other appropriate organisations to provide information and better services and support for war widows
- (c) recognising the importance of the *Guild Digest* as part of a broad communications strategy that includes a digital newsletter, working to secure relevant, topical and on time support and information to members
- (d) provision of welfare support
- (e) assistance to interested members to access technology
- (f) provision of safe and secure housing for remaining residents.

DIRECTORS' REPORT (CONTINUED)**3 Principal Activity and Achievement of Objectives**

The principal activity of the company during the financial year was that of a membership based not for profit organisation classified as a public benevolent institution, which seeks to promote and protect the interests of war widows in NSW as well as achieving the above strategies.

4 Performance Measures - Review and Results of Operations

The company continued to engage in its principal activities during the financial year, leading to an approved deficit from continuing operations for the year ended 31 March 2018 of \$520,799 (2017: profit of \$5.9 million). In accordance with the Board's strategy, reserves continued to be utilised to provide services to Guild members. The Guild would like to express its appreciation for the receipt of bequests of \$223,206 during the year. The loss from continuing operations was offset by an increase in the value of the Guild properties of \$4.8m.

5 Dividends

The Constitution of the company does not permit the payment of a dividend.

6 Events Subsequent to Balance Date

There have been no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

7 Likely Developments

The company will continue to pursue its principal activity seeking to promote and protect the interests of war widows as well as providing services to meet their needs. It is not expected that the results in the coming year will be adversely affected by the continuation of these operations.

8 Indemnification and Insurance of Directors

In 2016, the Board approved a Deed of Access, Indemnity and Insurance to apply to all directors in office in 2016 and later. Appropriate Directors' and Officers' Liability insurance is in place to indemnify directors for any claim in relation to the company's business for which they may be held personally liable provided:

- a the liability does not arise out of conduct involving a lack of good faith, or
- b the liability is for costs and expenses incurred by a director in defending proceedings in which judgement is given in their favour or in which they are acquitted.

9 Environmental Regulations

The company's operations are not subject to any significant environmental regulations under Australian Law.

10 Information on Directors: Qualifications and Experience

| | |
|--------------------------|---|
| Mrs Kathleen Arthur | Guild member since 2007; Director War Widows' Guild of Australia NSW Ltd; Assistant Co-ordinator of Wellington Guild Social Club; Assistant Co-ordinator of Wellington Legacy Laurel Club; Vice President of Yeoval RSL Women's Auxiliary. |
| Mrs Dorothy (Dot) Haines | Guild member since 2001; Director War Widows' Guild of Australia NSW Ltd; member Vietnam Veterans and Peacekeepers Association; member 8RAR Association Incorporated; member Younger Members Guild Social Club; Co-ordinator Hawkesbury Guild Social Club at Richmond since 2007. |
| Mrs Barbara Jeanes | Guild member since 2009; Director War Widows' Guild of Australia NSW Ltd; member War Widows' Guild of Australia NSW Ltd Finance, Risk & Audit Committee. |
| Mrs Brenda Morrison | Guild member since 2005; Director War Widows' Guild of Australia NSW Ltd; Co-ordinator of Parramatta War Widows' Social Club; member Younger Members Guild Social Club; Co-ordinator of All Saints Church Fundraising Committee, North Parramatta; Volunteer archivist for the Australian Sewing Guild. |

DIRECTORS' REPORT (CONTINUED)

| | |
|--|---|
| Mrs Wendy Thompson | Guild member since 1999; Director War Widows' Guild of Australia NSW Ltd; member War Widows' Guild of Australia NSW Ltd Finance, Risk and Audit Committee; Secretary of Campsie War Widows' Guild Club since 2006; member Remembrance Driveway Committee; Ambassador on the NSW Centenary of ANZAC Advisory Council; Friendship Line Volunteer; President Hurstville Ladies Probus Club, and since 2000, weekly volunteer with St. George Meals of Wheels Service. |
| Ms Rhondda Vanzella OAM | State President War Widows' Guild of Australia NSW Ltd; Guild member since 2014; Director War Widows' Guild of Australia NSW Ltd from June 2016; member Remembrance Driveway Committee; Ambassador on the NSW Centenary of ANZAC Advisory Council; member RSL Ladies Auxiliary; affiliate member of Returned and Services League Bundanoon sub-branch; President of the RSL Rural Commemorative Youth Choir. |
| Ms Laura Raymer | Non-Member Director War Widows' Guild of Australia NSW Ltd; Chair of War Widows' Guild of Australia NSW Ltd Finance, Risk & Audit Committee; Managing Director & founder of CFO Strategic. Extensive experience as a chartered accountant in Chief Financial Officer and Company Secretary roles for Australian and international companies and in corporate restructuring and recovery roles at Price Waterhouse Coopers and Deloitte Chartered Accountant. |
| Mrs Jenny Wheatley B Bus; Grad Dip (Forensic Studies), CA, GAICD, MICA | Director (Chair since 29/6/2016), War Widows' Guild of Australia NSW Ltd; member War Widows' Guild of Australia NSW Ltd Finance, Risk and Audit Committee; CEO, Cambooya Pty Ltd and Vincent Fairfax Family Foundation; Cambooya Pty Ltd, Secretary; Cambooya Services Pty Ltd, Director/Secretary; Vincent Fairfax Ethics in Leadership Foundation Ltd, Secretary of Private Companies connected with high net wealth individuals. |
| Brigadier Bronwyn Worswick GAICD | Non-Member Director War Widows' Guild of Australia NSW Ltd; Extensive experience in Defence and the ADF as a legal advisor to command and senior leadership in military employment and conditions of service, employment and administrative law, and ADF military justice reform. Post-graduate qualifications in commercial law, international relations and public policy. |

| 11 | Directors' Meetings | Number of Meetings the Director was in attendance | Number of Meetings held during the year |
|-----------|----------------------------|--|--|
| | Mrs Kathleen Arthur | 7 | 7 |
| | Mrs Dorothy Haines | 7 | 7 |
| | Mrs Barbara Jeanes | 7 | 7 |
| | Mrs Brenda Morrison | 6 | 7 |
| | Mrs Wendy Thompson | 7 | 7 |
| | Ms Rhondda Vanzella OAM | 7 | 7 |
| | Ms Laura Raymer | 6 | 7 |
| | Mrs Jenny Wheatley | 7 | 7 |
| | BRIG Bronwyn Worswick | 7 | 7 |

*Reflects the number of meetings held during the time the director held office during the year.

A Board Finance, Risk and Audit Committee was formed in 2001 and during the year included: Mrs Laura Raymer Chair for 7 meetings (7 out of 7), Mrs Barbara Jeanes (7 out of 7), Mrs Wendy Thompson (7 out of 7). The Committee met seven times during the year.

DIRECTORS' REPORT (CONTINUED)

12 Membership

The total amount that members are liable to contribute if the company is wound up is not to exceed \$20.

13 Auditors' Independence Declaration

A copy of the Auditor's independence declaration, as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 6.

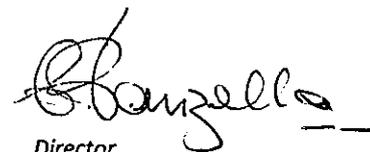
Signed in accordance with a resolution of the directors:



Director



Director



Director

Sydney 14 June 2018



Accountants | Business and Financial Advisers

**WAR WIDOWS' GUILD OF AUSTRALIA NSW LTD
ACN 24 083 075 914**

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of War Widows' Guild of Australia NSW Limited for the year ended 31 March 2018.

A handwritten signature in dark blue ink that reads 'HLB Mann Judd'.

**Sydney, NSW
14 June 2018**

**HLB Mann Judd
Chartered Accountants**

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

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Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (NSW Partnership) is a member of  International. A world-wide network of independent accounting firms and business advisers.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

| | Note | 2018 \$ | 2017 \$ |
|--|------|--------------------|--------------------|
| Revenue and other income from continuing operations | | | |
| Investment revenue | | 251,949 | 101,715 |
| Guild housing revenue | | 470,910 | 618,661 |
| Member subscriptions | | 123,980 | 146,250 |
| Donations, bequests and grants | | 359,524 | 179,407 |
| Activities and events revenue | | 15,739 | 63,875 |
| Other revenue from continuing operations | | 15,327 | 17,148 |
| Other Income | 2 | 81,110 | 6,801,278 |
| Total revenue and other income from continuing operations | | 1,318,539 | 7,928,334 |
| Expenses from continuing operations | | | |
| Employee expenses | | (962,934) | (978,485) |
| Office rent | | (163,506) | (162,912) |
| Guild housing expenses | | (106,322) | (155,787) |
| Event expenses | | (33,545) | (116,452) |
| Grant expenses | | (67,678) | (100,598) |
| Corporate governance expenses (incl AGM) | | (75,282) | (76,809) |
| Relocation costs for office move | | (2,200) | (73,760) |
| Transport assistance expenses | | (62,963) | (58,766) |
| Information technology & database support | | (48,495) | (51,156) |
| Depreciation expense | | (27,309) | (28,998) |
| Professional and consulting fees | | (96,039) | (37,778) |
| Other expenses | | (193,065) | (157,999) |
| Total expense from continuing operations | | (1,839,338) | (1,999,500) |
| (LOSS)/PROFIT FOR THE YEAR | | (520,799) | 5,928,834 |
| Other Comprehensive Income (Loss) | | | |
| Write back of asset revaluation reserve on sale of property | 9 | - | (3,965,199) |
| Increase in asset revaluation reserve due to revaluation of properties | 9 | 4,829,500 | - |
| Total other comprehensive Income (Loss) for the year | | 4,829,500 | (3,965,199) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 4,308,701 | 1,963,635 |

**The above statement of profit or loss and other comprehensive income
should be read in conjunction with the accompanying notes.**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

| | Note | 2018 \$ | 2017 \$ |
|--------------------------------------|------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 591,719 | 594,187 |
| Financial assets | 4 | - | 8,720,525 |
| Inventories | | 5,762 | 6,190 |
| Trade and other receivables | 5 | 42,555 | 13,614 |
| Other assets | | 15,352 | 16,837 |
| TOTAL CURRENT ASSETS | | 655,388 | 9,351,353 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 14,495,734 | 9,689,504 |
| Financial assets | 4 | 8,585,066 | 83,000 |
| TOTAL NON-CURRENT ASSETS | | 23,080,800 | 9,772,504 |
| TOTAL ASSETS | | 23,736,188 | 19,123,857 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 791,715 | 414,437 |
| Other liabilities | | 35,000 | 35,000 |
| Provisions | 8 | 264,402 | 329,545 |
| TOTAL CURRENT LIABILITIES | | 1,091,117 | 778,982 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 8 | 16,495 | 25,030 |
| Other liabilities | | 480 | 450 |
| TOTAL NON-CURRENT LIABILITIES | | 16,975 | 25,480 |
| TOTAL LIABILITIES | | 1,108,092 | 804,462 |
| NET ASSETS | | 22,628,096 | 18,319,395 |
| ACCUMULATED FUNDS | | | |
| Reserves | 9 | 13,898,901 | 9,069,401 |
| Accumulated surplus | | 8,729,195 | 9,249,994 |
| TOTAL ACCUMULATED FUNDS | | 22,628,096 | 18,319,395 |

The above statement of financial position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 MARCH 2018**

| | Note | Reserves \$ | Accumulated Surplus \$ | Accumulated Funds \$ |
|---|------|-------------------|------------------------------|----------------------------|
| Balance at 1 April 2016 | | 13,034,600 | 3,321,160 | 16,355,760 |
| Profit for the year | | - | 5,928,834 | 5,928,834 |
| Write back of revaluation reserve on sale of property | 9 | (3,965,199) | - | (3,965,199) |
| Balance at 31 March 2017 | | 9,069,401 | 9,249,994 | 18,319,395 |
| Loss for the year | | - | (520,799) | (520,799) |
| Increase due to revaluation of properties | 9 | 4,829,500 | - | 4,829,500 |
| Balance at 31 March 2018 | | 13,898,901 | 8,729,195 | 22,628,096 |

**The above statement of changes in accumulated funds
should be read in conjunction with the accompanying notes.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

| | 2018 | 2017 |
|---|------------------------------|------------------------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 1,057,835 | 1,063,877 |
| Interest and dividends received | 7,344 | 121,831 |
| Other Receipts | 243,387 | 1,001,279 |
| Payments to suppliers and employees | <u>(2,004,564)</u> | <u>(1,937,958)</u> |
| Net cash (outflow) inflow from operating activities | <u>(695,998)</u> | <u>249,029</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Deposits or proceeds from sale of Guild properties | 398,000 | 6,526,799 |
| Disposal (Purchase) of financial assets | 299,569 | (6,441,014) |
| Payments for property, plant & equipment | <u>(4,039)</u> | <u>(69,018)</u> |
| Net cash inflow from investing activities | <u>693,530</u> | <u>16,767</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (2,468) | 265,796 |
| Cash and cash equivalents at the beginning of year | <u>594,187</u> | <u>328,391</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF YEAR | <u><u>591,719</u></u> | <u><u>594,187</u></u> |

The above statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the War Widows' Guild of Australia NSW Limited, an individual entity, incorporated and domiciled in Australia. The financial statements were authorised for issue by the directors on 14 June 2018. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission Act 2012 (the "ACNC Act")*. War Widows' Guild of Australia NSW Limited is a not-for-profit entity for the purpose of preparing the financial statements

(i) Compliance with Australian Accounting standards – reduced disclosure requirements

The financial statements of the War Widows' Guild of Australia NSW Limited comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

The financial statements have been prepared on an historical cost basis except for property, plant and equipment, and financial assets which are measured at fair value.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements.

(iv) Comparatives

Comparatives are consistent with prior years unless otherwise stated.

The financial statements are presented in Australian currency.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The company recognises revenue when the amount of revenue can be reliably measured, it is probable future economic benefits will flow to the entity and specific criteria have been met for each of the activities described below.

Subscriptions

Subscription income is taken into revenue in the year to which it relates.

Donations and Bequests

Donation income is taken into revenue when received.

Retained entry contributions

The proportion of entry contributions paid by residents under the Retirement Villages Act that is designated as a "Retained Amount" is included as revenue but spread over five years in equal monthly instalments (the unallocated portion of the "Retained Amount" is refundable to the resident should she vacate the property within five years). The remaining entry contribution is treated as an interest free loan (liability) from the resident repayable on departure. The Guild no longer accepts residents under the Retirement Villages Act.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

(b) Revenue recognition (continued)

Investment income

Investment income includes interest and income earned on investments in managed funds. Investment income is recognised in the year to which it relates.

Guild housing income

Revenue from rent and maintenance is recognised when the amounts are receivable.

Other income

Income from other sources is recognised when the fee in respect of other products or service provided is receivable.

Government grants

A number of the Guild's programs are supported by grants received from the federal government. If conditions are attached to a grant which must be satisfied before the Guild is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Guild obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

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

Changes in fair value of investments

Net gains or losses on investments designated at fair value through profit or loss are calculated as the difference between the fair value at sale, or at year end and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest or dividend revenue.

(c) Income tax

The company is exempt from the payment of income tax as it has endorsement as an income tax exempt charity entity under subdivision 50-B of the *Income Tax Assessment Act 1997*.

(d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting period.

(e) Cash and cash equivalents

For purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

(f) Trade receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance account for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

(g) Financial assets

Classification

The company classifies its investments in the following categories: financial assets at fair value through profit or loss and held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investment at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting period.

(i) Designated as at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated at fair value. A financial asset is classified in this category if acquired for the purpose of longer term investment. Assets in this category are classified as non-current assets.

These investments have been designated as at fair value through profit or loss as doing so results in more relevant information. These investments are managed and their performance evaluated on a fair value basis in accordance with the risk management and investment strategies of the company.

(ii) Held-to-maturity investments

The company classifies its term deposits as held-to-maturity investments. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in current assets except those with maturities greater than 12 months from the end of the reporting period, which are classified as non-current assets.

Fair Value

For investments traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the balance date.

Investments in other unlisted unit trusts are recorded at the redemption value per unit.

Recognition and Derecognition

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets designated as at fair value through profit or loss are revalued to fair value at each reporting period.

Subsequent Measurement

Held-to-maturity investments are carried at amortised cost using the effective interest method.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Changes in the fair value of financial assets designated at fair value through profit or loss are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

(g) Financial assets (continued)

Impairment

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is evidence of impairment for any of the company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(h) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers and reviewed by the directors each reporting date, less subsequent depreciation for buildings. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss and during the financial period in which they are incurred.

Increases in the carrying amounts arising on the revaluation of land and buildings are recognised in other comprehensive income and accumulated reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit and loss, the increase is first recognised in the profit and loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

| | |
|---------------------|-------------|
| Buildings | 50 years |
| Plant and Equipment | 3 – 4 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are recognised as current liabilities unless payment is not due within 12 months of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

(j) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

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.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(l) Working capital deficiency

As at balance date the company had positive net assets of \$22,628,096, and an excess of current liabilities over current assets of \$435,729. During the year, the company incurred a loss of \$520,799. The company has non-current financial assets of \$8,585,066 which can be readily converted into cash if needed. Accordingly, the Directors have prepared the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

| | 2018 | 2017 |
|---|---------------|------------------|
| | \$ | \$ |
| 2. OTHER INCOME | | |
| Profit on sale of Guild property | - | 5,863,829 |
| Compensation payment | - | 937,449 |
| Unrealised gain on managed fund investments | 81,110 | - |
| | 81,110 | 6,801,278 |

The Guild sold its property at Collingwood Street Drummoyne on 30 January 2017. The profit on sale amount of \$5,863,829 for the year ended 31 March 2017 includes the finalisation of the Long Term Maintenance Fund related to that property.

Also in the prior year, the Guild received a compensation payment from Transport for NSW for the compulsory early surrender of the Guild office lease. This was part of the Metro transport project.

| | 2018 | 2017 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| 3. CASH AND CASH EQUIVALENTS | | |
| Current | | |
| Cash on hand | 600 | 600 |
| Cash at bank | 591,119 | 593,587 |
| | 591,719 | 594,187 |

| | | |
|------------------------------|------------------|------------------|
| 4. FINANCIAL ASSETS | | |
| Current | | |
| Held-to-maturity investments | - | 2,502,048 |
| Units in managed funds | - | 6,218,477 |
| | - | 8,720,525 |
| Non-current | | |
| Units in managed funds | 8,502,066 | - |
| Bank guarantee | 83,000 | 83,000 |
| | 8,585,066 | 83,000 |

In the current year, units in managed funds consists of monies invested with a reputable financial institution and are at fair value. In the prior year, these were classified as current, as the funds were held at call in a cash account pending investment.

In the prior year, held-to-maturity investments comprised of term deposits with fixed interest rates held with reputable financial institutions that matured during 2018.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

| | 2018 \$ | 2017 \$ |
|---|-------------------|------------------|
| 5. TRADE AND OTHER RECEIVABLES | | |
| Current | | |
| Other receivables | 4,150 | 7,932 |
| Tax credits receivable | 31,598 | - |
| GST receivable | 6,807 | 5,682 |
| | 42,555 | 13,614 |
| | 42,555 | 13,614 |
| 6. PROPERTY, PLANT AND EQUIPMENT | | |
| Non-current | | |
| Freehold land and buildings at fair value | 14,447,500 | 9,650,000 |
| Less: accumulated depreciation | - | (32,000) |
| | 14,447,500 | 9,618,000 |
| Total land and buildings | 14,447,500 | 9,618,000 |
| Plant and equipment – at cost | 227,954 | 223,915 |
| Less: accumulated depreciation | (179,720) | (152,411) |
| | 48,234 | 71,504 |
| Total plant and equipment | 48,234 | 71,504 |
| Total property, plant and equipment | 14,495,734 | 9,689,504 |
| Total property, plant and equipment at cost | 14,675,454 | 9,873,915 |
| Less: accumulated depreciation | (179,720) | (184,411) |
| | 14,495,734 | 9,689,504 |
| Total written down amount | 14,495,734 | 9,689,504 |

Revaluations

Land and Buildings were independently valued for the year ended 31 March 2018 by Jones Lang LaSalle and Property Logic Valuers and fair value is calculated as the average of the separate valuations prepared by Jones Lang LaSalle and Property Logic Valuers. The revalued amounts for Land and Buildings are based upon the "market value for existing use" which is defined as the value of an asset based on its continued use, assuming the asset could be sold as part of a continuing business.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| 7. TRADE AND OTHER PAYABLES | | |
| Current | | |
| Sundry creditors | 603,254 | 209,394 |
| Subscriptions in advance | 55,620 | 63,280 |
| Petersham Soldiers' Memorial Hall Fund proceeds | 88,649 | 95,582 |
| Prepaid housing recurrent charge surplus | 44,192 | 46,181 |
| | 791,715 | 414,437 |

Included in sundry creditors is an amount of \$398,000 received which represents call option fee paid by HELM No. 10 Pty Ltd for the right to acquire the property at 177 Russell Avenue, Dolls Point. The put and call option agreement was executed on 19 December 2017. The sale of the property will be completed once certain conditions in the agreement have been achieved, one of them being the approval by Council of a Development application lodged by Helm.

| | 2018 | 2017 |
|--------------------------|-------------------|------------------|
| | \$ | \$ |
| 8. PROVISIONS | | |
| Current | | |
| Housing maintenance fund | 199,767 | 192,076 |
| Employee benefits | 64,635 | 137,469 |
| | 264,402 | 329,545 |
| Non-current | | |
| Employee benefits | 16,495 | 25,030 |
| 9. RESERVES | | |
| Asset revaluation | 13,898,901 | 9,069,401 |

Nature and purpose of reserves

Asset revaluation

The Asset Revaluation Reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with AASB 116.

| | 2018 | 2017 |
|---------------------------------------|-------------------|------------------|
| | \$ | \$ |
| Balance 1 April | 9,069,401 | 13,034,600 |
| Net revaluation increment/(decrement) | 4,829,500 | (3,965,199) |
| Balance 31 March | 13,898,901 | 9,069,401 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

10. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

The names of the persons who were directors of the company at any time during the financial year are as follows:

| | | |
|---------------------|---------------------|-------------------------|
| Mrs Kathleen Arthur | Mrs Brenda Morrison | Ms Rhondda Vanzella OAM |
| Mrs Dorothy Haines | Ms Laura Raymer | Mrs Jenny Wheatley |
| Mrs Barbara Jeanes | Mrs Wendy Thompson | BRIG Bronwyn Worswick |

Total compensation paid or payable, or otherwise made available to all directors of the company from the company. Directors' honoraria are paid on a pro-rata basis for the period served during the financial year.

| | 2018 \$ | 2017 \$ |
|--|----------------|----------------|
| Honoraria paid | <u>50,000</u> | <u>50,000</u> |
| Remuneration of Key Management Personnel | <u>341,000</u> | <u>301,000</u> |

11. SUPERANNUATION COMMITMENTS

The company has a legal obligation to contribute superannuation for all employees. The company contributes to 'employee choice' complying superannuation funds.

12. INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

| | 2018 \$ | 2017 \$ |
|--|------------------|------------------|
| Gross revenue from fundraising | | |
| Bequests | 223,206 | 2,144 |
| Donations | 53,911 | 66,239 |
| Field of Remembrance | 2,745 | 2,246 |
| Major raffles | 1,370 | 2,896 |
| | <u>281,232</u> | <u>73,525</u> |
| Total cost of fundraising | | |
| Field of Remembrance | <u>(3,623)</u> | <u>(4,144)</u> |
| Net surplus from fundraising | <u>277,609</u> | <u>69,381</u> |
| Gross revenue and other income from non-fundraising | | |
| Investment revenue | 251,949 | 101,715 |
| Guild housing revenue | 470,910 | 618,661 |
| Member subscriptions | 123,980 | 146,250 |
| Grants | 82,407 | 111,024 |
| Activities and events revenue | 11,624 | 58,733 |
| Other revenue from continuing operations | 15,327 | 17,148 |
| Other income | 81,110 | 6,801,278 |
| | <u>1,037,307</u> | <u>7,854,809</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

12. INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 (CONTINUED)

| | 2018 \$ | 2017 \$ |
|---|-------------------------|-------------------------|
| Total cost of non-fundraising | | |
| Employee expenses | (962,934) | (978,485) |
| Office rent | (163,506) | (162,912) |
| Guild housing expenses | (106,322) | (155,787) |
| Event expenses | (29,922) | (112,308) |
| Grant expenses | (67,678) | (100,598) |
| Corporate governance expenses (incl AGM) | (75,282) | (76,809) |
| Relocation costs for office move | (2,200) | (73,760) |
| Transport assistance expenses | (62,963) | (58,766) |
| Information technology & database support | (48,495) | (51,156) |
| Depreciation expense | (27,309) | (28,998) |
| Professional and consulting fees | (96,039) | (37,778) |
| Other expenses | (193,065) | (157,999) |
| | <u>(1,835,715)</u> | <u>(1,995,356)</u> |
| Net (deficit) surplus from non-fundraising | <u>(798,408)</u> | <u>5,859,453</u> |
| Total net (deficit) surplus | <u>(520,799)</u> | <u>5,928,834</u> |

| | 2018 \$ | 2018 % | 2017 \$ | 2017 % |
|---|-----------------|-----------|---------------|-----------|
| Total cost of fundraising/gross revenue from fundraising | 3,623/281,232 | 1 | 4,144/73,525 | 6 |
| Net surplus from fundraising/gross revenue from fundraising | 277,609/281,232 | 99 | 69,381/73,525 | 94 |

Expenditure of funds raised

Surplus funds from fundraising are applied to carry out the activities of the War Widows' Guild of Australia NSW Limited.

13. LEASES

The premises lease commitments are non-cancellable operating leases. The current premises lease is for a period of 3 years and expires on 30 September 2019.

The Company's future minimum operating lease payments as at 31 March 2018 are as follows and include an annual rent review of 4.25%.

| | 2018 \$ | 2017 \$ |
|---------------|-----------------------|-----------------------|
| Within 1 year | 179,672 | 171,630 |
| 1 to 5 years | 91,888 | 271,560 |
| | <u>271,560</u> | <u>443,190</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

14. COMMITMENTS

The Guild has received a number of grants under the Club Grant Scheme. The funding under these grants is restricted for specific purposes, however these funds are not repayable if they are not spent or not spent in accordance with the specified purpose. Accordingly, the funds received have been recognised as revenue in the Statement of Profit or Loss and Other Comprehensive Income. Clubs have the option to restrict future funding to the Guild should funding received by the Guild not be spent in accordance with the funding restrictions.

15. EVENTS OCCURRING AFTER BALANCE DATE

There have been no significant events occurring after reporting date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes, set out on pages 7 to 21 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (ii) giving a true and fair view of the company's financial position as at 31 March 2018 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (c)
 - (i) the statement of profit & loss and other comprehensive income give a true and fair view of the results of the fundraising appeals for the year ended 31 March 2018;
 - (ii) the Statement of Financial Position as at 31 March 2018 gives a true and fair view of the state of affairs with respect to fundraising appeals;
 - (iii) the financial statements and its associated records/disclosures comply with the provisions of the *Charitable Fundraising Act 1991*, and the Regulations under the Act and the conditions attaching to the fundraising authority; and
 - (iv) the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied from fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.

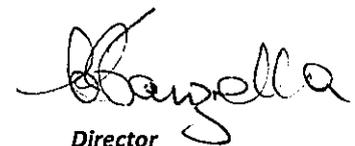


Director

Sydney, NSW
14 June 2018



Director



Director



Accountants | Business and Financial Advisers

**WAR WIDOWS' GUILD OF AUSTRALIA NSW LTD
ACN 24 083 075 914**

INDEPENDENT AUDITOR'S REPORT

To the Members of War Widows' Guild of Australia NSW Limited

Opinion

We have audited the financial report of War Widows' Guild of Australia NSW Limited ("the Guild") which comprises the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

In our opinion:

- (a) the accompanying financial report of the Group is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 March 2018 and of its financial performance and cash flows for the year then ended; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) we have been given all information, explanation and assistance necessary for the conduct of the audit;
- (c) the Company has kept financial records sufficient to enable a financial report to be prepared and audited;
- (d) the Company has kept other records as required by Part 3.2 of the ACNC Act;
- (e) the financial report gives a true and fair view of the financial result fundraising appeals for the financial year;
- (f) any money received as a result of fundraising appeals conducted during the year ended 31 March 2018 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations thereto;
- (g) the financial statements and associated records have been properly kept during the financial year in accordance with provisions of the Charitable Fundraising Act 1991 and the Regulations thereto; and
- (h) at the date of this statement there are reasonable grounds to believe War Widows' Guild of Australia NSW Limited will be able to pay its debts as and when they fall due.

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

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**WAR WIDOWS' GUILD OF AUSTRALIA NSW LTD
ACN 24 083 075 914**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 Entity in accordance with the auditor independence 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors, would be in the same terms if given as at the time of this auditor's report.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Entity'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 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



WAR WIDOWS' GUILD OF AUSTRALIA NSW LTD
ACN 24 083 075 914

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Handwritten signature of HLB Mann Judd in black ink.

HLB Mann Judd
Chartered Accountants

Sydney, NSW
14 June 2018

Handwritten signature of A G Smith in black ink.

A G Smith
Partner