

**Australian War Widows NSW Limited
(formerly War Widows' Guild of Australia NSW Limited)**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 MARCH 2020**

ABN 24 083 075 914

**ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2020**

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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 Australian War Widows NSW Limited ("the company") for the year ended 31 March 2020 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		24 June 2015	to present
Mrs Lynne Boyd		25 July 2018	to present
Mrs Gwen Cherne		25 July 2018	to present
Mrs Barbara Jeanes		24 June 2016	to present
Mrs Brenda Morrison		26 June 2014	to present
Ms Rhondda Vanzella	President from 29 June 2016	29 June 2016	to present
Mrs Jennifer Collins		25 July 2018	to present
Ms Tricia Hobson		25 June 2019	to present
Mr Stuart Clark		25 June 2019	to present

2 Objectives and Strategies

The objects of the Company are for the public charitable purposes of supporting War Widows in Australia, including:

- (i) The dominant purposes of providing benevolent relief to War Widows who are disadvantaged or in need due to poverty, distress, suffering, misfortune or helplessness; and
- (ii) The secondary purposes of advancing the social and public welfare of War Widows in Australia.

The specific strategies for the year were:

The Organisation

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

- (a) continue the staged withdrawal from housing as part of managing the assets to meet the cost of providing services to war widows
- (b) manage the finances of the NSW organisation by developing and implementing a new investment strategy, in view of a declining membership and the sale of the 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 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 organisation, 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

DIRECTORS' REPORT (CONTINUED)

- (c) recognising the importance of the *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.

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 a deficit of \$857,145 from continuing operations for the year ended 31 March 2020 (2019: surplus of \$1,371,082). In accordance with the Board's strategy, reserves continued to be utilised to provide services to members. The quarter ended 30 June 2020 saw a revision to the market value of financial assets by \$659,155.

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 other significant events occurring after balance date, other than the impact of COVID19, 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.

DIRECTORS' REPORT (CONTINUED)**10 Information on Directors: Qualifications and Experience**

Mrs Kathleen Arthur	Member since 2007; Director War Widows' 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 Barbara Jeanes	Member since 2009; Director War Widows' NSW Ltd; member War Widows' NSW Ltd Finance, Risk & Audit Committee.
Mrs Brenda Morrison	Member since 2005; Director War Widows' 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.
Ms Rhondda Vanzella OAM	State President War Widows' NSW Ltd; Member since 2014; Director War Widows' 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.
Mr Stuart Clark AM	Non-Member Director; A former partner in Clayton Utz, a large Australian law firm, for some 30 years where he focused on the defence of class actions and multi-jurisdictional litigation. Stuart is a former President of The Law Council of Australia. Has served as both director and chair on a number of not for profit boards. He is involved in a range of other activities in the community, including serving as a captain in the NSW Rural Fire Service, an Adjunct Professor of Law at Macquarie University Law School and a member of the Legal profession Uniform Law Admissions Committee. Stuart is a Fellow of the Australian Institute of Company Directors and in 2015. His late mother, Helen Clark, was a member of the War Widow's Guild.
Tricia Hobson	Non-Member Director; A partner with the law firm Norton Rose Fulbright, a global firm with 8000 employees across 58 offices. She served as the firm's first female Global Chairman after spending more than 6 years on the firm's global board and Australia's local board.
Mrs Gwen Cherne	Member since 2017; Member Director for the Australian War Widow's, NSW, Member of the Australian War Widows and the Contemporary Widows Committee, NSW, appointed as a Member of the Council of the Australian War Memorial in 2019, a member of the Council for Women and Families United by Defence Service, and an Ambassador for the Commando Welfare Trust and Gotcha4Life.
Mrs Lynne Boyd	Member since 2005; Director War Widows' NSW Ltd; member Vietnam Veterans & Peacemakers Association; President City Saturday Guild Club, and now Co-ordinator since becoming Social Club Friendship Line Volunteer.
Mrs Jennifer Collins	Non-Member Director; member War Widows' NSW Ltd Finance, Risk & Audit Committee; member and Chair War Widows' NSW Ltd Contemporary Widows Committee; Extensive experience in executive leadership roles for the State and Federal Governments, with Post graduate qualifications in Health, Management and Counselling. Member Australian Institute of Company Directors. Actively involved in the Ex-Service community since 2004, and currently Chair Kokoda Track Memorial Walkway Foundation.

DIRECTORS' REPORT (CONTINUED)

11	Directors' Meetings	Number of Meetings the Director was in attendance	Number of Meetings held during the year
	Mrs Kathleen Arthur	4	4
	Mrs Lynne Boyd	4	4
	Mrs Gwen Cherne	3	4
	Mrs Barbara Jeanes	3	4
	Mrs Brenda Morrison	3	4
	Ms Rhondda Vanzella	4	4
	Mrs Jennifer Collins	4	4
	Stuart Clark	3	*3
	Tricia Robson	3	*3

*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 Barbara Jeanes (7 out of 7), Mrs Jennifer Collins (4 out of 7) and John Kean (7 out of 7). The Committee met seven times during the year.

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 7.

Signed in accordance with a resolution of the directors:




Director
Jennifer Collins

Director
Rhondda Vanzella OAM

Sydney, NSW
Dated this 30th day of July 2020



Australian War Widows NSW Limited

Auditor's Independence Declaration to the Directors of Australian War Widows NSW Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as the auditor of Australian War Widows NSW Limited for the year ended 31 March 2020, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CIB ACCOUNTANTS & ADVISERS
Chartered Accountants



RADLEE MOLLER
Partner

PARRAMATTA NSW 2150
Dated this 30th day of July 2020

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 \$	2019 \$
Revenue and other income from continuing operations			
Investment revenue		693,975	844,184
Guild housing revenue		56,550	178,561
Member subscriptions		86,730	105,510
Donations, bequests and grants		668,006	504,776
Activities and events revenue		145,239	91,777
Other revenue from continuing operations		15,689	31,486
Other Income	2	1,720	1,867,779
Total revenue and other income from continuing operations		1,667,909	3,624,073
Expenses from continuing operations			
Employee expenses		(662,240)	(931,934)
Office rent		(99,647)	(179,245)
Guild housing expenses		(42,607)	(279,731)
Event expenses		(130,125)	(89,653)
Grant expenses		(13,525)	(51,043)
Corporate governance expenses (incl AGM)		(95,152)	(96,031)
Relocation costs for office move		(50,435)	(2,400)
Transport assistance expenses		(64,153)	(46,737)
Information technology & database support		(30,963)	(41,659)
Depreciation expense		(50,623)	(30,197)
Professional and consulting fees		(25,581)	(42,310)
Loss on managed fund investments		(1,008,151)	(213,272)
Other expenses		(251,852)	(248,778)
Total expense from continuing operations		(2,525,054)	(2,252,990)
PROFIT/(LOSS) FOR THE YEAR		(857,145)	1,371,083
Other Comprehensive Income			
Write back of asset revaluation reserve on sale of property	14	(5,187,501)	(8,711,400)
Total other comprehensive Income for the year		(5,187,501)	(8,711,400)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(6,044,646)	(7,340,317)

**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 2020**

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	11,610,804	9,561,822
Trade and other receivables	4	57,485	206,796
Assets held for sale	5	-	6,487,500
Other assets	6	71,995	113,203
TOTAL CURRENT ASSETS		11,740,284	16,369,321
NON-CURRENT ASSETS			
Property, plant and equipment	7	19,107	34,538
Right of use asset	8	363,137	-
Financial assets	9	11,938,142	8,507,462
TOTAL NON-CURRENT ASSETS		12,320,386	8,542,000
TOTAL ASSETS		24,060,670	24,911,321
CURRENT LIABILITIES			
Trade and other payables	10	232,499	587,898
Other liabilities	11	42,520	37,930
Provisions	12	30,755	37,320
Lease liabilities	13	66,596	-
TOTAL CURRENT LIABILITIES		372,370	663,148
NON-CURRENT LIABILITIES			
Other liabilities	11	210	210
Provisions	12	820	4,825
Lease liabilities	13	301,277	-
TOTAL NON-CURRENT LIABILITIES		302,307	5,035
TOTAL LIABILITIES		674,677	668,183
NET ASSETS		23,385,993	24,243,138
ACCUMULATED FUNDS			
Reserves	14	-	5,187,501
Accumulated surplus		23,385,993	19,055,637
TOTAL ACCUMULATED FUNDS		23,385,993	24,243,138

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 2020**

	Note	Reserves \$	Accumulated Surplus \$	Accumulated Funds \$
Balance at 1 April 2018		13,898,901	8,729,195	22,628,096
Opening retained earnings adjustment		-	243,959	243,959
Profit for the year		-	1,371,083	1,371,083
Write back of revaluation reserve on sale of property	14	(8,711,400)	8,711,400	-
Balance at 31 March 2019		5,187,501	19,055,637	24,243,138
Deficit for the year		-	(857,145)	(857,145)
Write back of revaluation reserve on sale of property	14	(5,187,501)	5,187,501	-
Balance at 31 March 2020		-	23,385,993	23,385,993

**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 2020**

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,095,889	916,710
Interest and dividends received	193,956	82,222
Payments to suppliers and employees	(1,537,072)	(2,578,354)
Net cash outflow from operating activities	(247,227)	(1,579,422)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits received from sale of Guild properties	-	324,375
(Payments for)/proceeds from investment in financial assets	(4,000,000)	425,000
Proceeds from sale of property	6,164,845	9,816,650
Proceeds from franking credits on investments	169,551	-
Payments for property, plant & equipment	(11,356)	(16,500)
Net cash inflow from investing activities	2,323,040	10,549,525
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(26,831)	-
Net cash outflow from financing activities	(26,831)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,048,982	8,970,103
Cash and cash equivalents at the beginning of year	9,561,822	591,719
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	11,610,804	9,561,822

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 2020**

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 Australian War Widows NSW Limited (formerly 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 30 July 2020. 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")*. Australian War Widows 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 Australian War Widows 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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*.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) 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.

(e) 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.

(f) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The company does not hold any equity instruments nor debt investments.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Company's financial assets measured at FVTPL comprises units in managed funds.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation on 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:

Plant and Equipment	3 – 4 years
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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 the carrying amount. These are included in the profit or loss.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(j) Leases

Contracts which convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases by the Company. At the commencement date, the Company, as lessee, recognises a right-of-use asset and a lease liability. The lease liability is measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease, unless such a rate is not readily determinable, in which case the incremental borrowing rate is used. The right-of-use asset comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the Company. Lease term is determined as the non-cancellable period of a lease adjusted for any reasonably certain extension or termination option.

After commencement date, the right-of-use asset is depreciated on a straight-line basis to the end of the lease term. The lease liability is accounted for by reducing the carrying amount to reflect the lease payments made, and increasing the carrying amount to reflect the interest on the lease liability.

(k) 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.

(l) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the company.

(n) Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

	2020 \$	2019 \$
2. OTHER INCOME		
Profit on disposal of held for sale property	1,720	1,856,650
Realised gain on managed fund investments	-	11,129
	1,720	1,867,779
3. CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	100	600
Cash at bank	11,610,704	9,561,222
	11,610,804	9,561,822
4. TRADE AND OTHER RECEIVABLES		
Current		
Other receivables	-	36,502
Tax credits receivable	49,888	158,251
GST receivable	7,597	12,043
	57,485	206,796
5. ASSETS HELD FOR SALE		
Current		
Building at fair value	-	500,000
Freehold land at fair value	-	5,987,500
	-	6,487,500
6. OTHER ASSETS		
Current		
Prepayments	20,899	30,203
Term deposit - bank guarantee	51,096	83,000
	71,995	113,203

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

	2020	2019
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT		
Non-current		
Plant and equipment – at cost	82,425	244,133
Less: accumulated depreciation	(63,318)	(209,575)
Total plant and equipment	<u>19,107</u>	<u>34,538</u>
8. RIGHT OF USE ASSETS		
Non-current		
Leased office	389,075	-
Accumulated depreciation	(25,938)	-
Total right of use asset	<u>363,137</u>	<u>-</u>
9. FINANCIAL ASSETS		
Non-current		
BT	8,027,511	8,507,462
JB Were	3,910,631	-
	<u>11,938,142</u>	<u>8,507,462</u>
10. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	156,649	505,173
Petersham Soldiers' Memorial Hall Fund proceeds	75,850	82,725
	<u>232,499</u>	<u>587,898</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

	2020 \$	2019 \$
11. OTHER LIABILITIES		
Current		
Subscriptions in advance	<u>42,520</u>	<u>37,930</u>
Non-Current		
Subscriptions in advance	<u>210</u>	<u>210</u>
12. PROVISIONS		
Current		
Employee benefits	<u>30,755</u>	<u>37,320</u>
Non-current		
Employee benefits	<u>820</u>	<u>4,825</u>

13. FINANCIAL LIABILITIES

The lease term of the Company's property lease is 5 years. The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1-5 years \$
	<u>66,596</u>	<u>301,277</u>

Lease liabilities

For the year ended 31 March 2020, the discount rate applied was 4.43%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The total cash flow relating to all lease obligations for the year ended 31 March 2020 was \$26,831 with lease obligations denominated in Australian dollars. Total lease interest paid in the year was \$5,628. The Company does not face a significant liquidity risk with regard to its lease liability.

	2020 \$	2019 \$
14. RESERVES		
Asset revaluation	<u>-</u>	<u>5,187,501</u>
Balance 1 April	5,187,501	13,898,901
Net revaluation increment	-	-
Reversal to retained earnings	<u>(5,187,501)</u>	<u>(8,711,400)</u>
Balance 31 March	<u>-</u>	<u>5,187,501</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

15. 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
Ms Tricia Hobson	Mrs Gwen Cherne	Mrs Barbara Jeanes
Mrs Lynne Boyd	Mr Stuart Clark	Mrs Jennifer Collins

	2020 \$	2019 \$
Honoraria paid	41,156	33,777
Remuneration of Key Management Personnel	288,844	434,957

16. SUPERANNUATION COMMITMENTS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

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

	2020 \$	2019 \$
Gross revenue from fundraising		
Bequests	-	56,000
Donations	549,791	292,495
Field of Remembrance	717	1,785
Honouring Women United by Defence Service	143,213	86,688
Major raffles	-	584
	<u>693,721</u>	<u>437,552</u>
Total cost of fundraising		
Honouring Women United by Defence Service	(119,242)	(71,202)
Field of Remembrance	(3,447)	(5,630)
	<u>(122,689)</u>	<u>(76,832)</u>
Net surplus from fundraising	<u>571,032</u>	<u>360,720</u>
Gross revenue and other income from non-fundraising		
Investment revenue	693,975	844,184
Guild housing revenue	56,550	178,561
Member subscriptions	86,730	105,510
Grants	118,215	156,281
Activities and events revenue	1,308	2,720
Other revenue from continuing operations	15,689	31,486
Realised gain on managed fund investments	-	11,129
Profit on sale of asset	1,720	1,856,650
	<u>974,187</u>	<u>3,186,521</u>
Total cost of non-fundraising		
Employee expenses	(662,240)	(931,934)
Office rent	(99,647)	(179,245)
Guild housing expenses	(42,607)	(279,731)
Event expenses	(7,435)	(12,822)
Grant expenses	(13,525)	(51,043)
Corporate governance expenses (incl AGM)	(95,152)	(96,031)
Relocation costs for office move	(50,435)	(2,400)
Transport assistance expenses	(64,153)	(46,737)
Information technology & database support	(30,963)	(41,659)
Depreciation expense	(50,623)	(30,197)
Professional and consulting fees	(25,581)	(42,310)
Realised loss on managed fund investments	(110,757)	(209,983)
Unrealised loss on managed fund investments	(897,394)	(3,289)
Other expenses	(251,852)	(248,778)
	<u>(2,402,364)</u>	<u>(2,176,158)</u>
Net surplus/(deficit) from non-fundraising	<u>(1,428,177)</u>	<u>1,010,363</u>
Total net surplus/(deficit)	<u>(857,145)</u>	<u>1,371,083</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)**

	2020 \$	2020 %	2019 \$	2019 %
Total cost of fundraising/gross revenue from fundraising	122,689/693,721	18	76,832/437,552	18
Net surplus from fundraising/gross revenue from fundraising	571,032/693,721	82	360,720/437,552	82

Expenditure of funds raised

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

18. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	Note		
Financial assets			
Cash and cash equivalents	3	11,610,804	9,561,822
Trade and other receivables	4	57,485	206,767
Financial assets	9	11,938,142	8,507,462
Total financial assets		23,606,431	18,276,051
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	9	232,499	587,898
Lease liabilities	13	367,873	-
Total financial liabilities		600,372	587,898

19. 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.

20. EVENTS OCCURRING AFTER BALANCE DATE

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly effect, the operations of the company, the results of those operations, or the state of affairs of the company in future years. The directors have made comprehensive assessments on the current environment in relation to COVID-19 and established policies to mitigate identified risks. Management will continue monitoring and reacting to the government policies.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes, set out on pages 8 to 24 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 2020 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 2020;
 - (ii) the Statement of Financial Position as at 31 March 2020 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
Jennifer Collins



Director
Rhondda Vanzella OAM

Sydney, NSW
Dated this 30th day of July 2020

Independent Audit Report to the members of Australian War Widows NSW Limited

Report on the Audit of the Financial Report Opinion

We have audited the financial report of Australian War Widows NSW Limited (the company), which comprises the statement of financial position as at 31 March 2020, 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 directors' declaration.

In our opinion, the accompanying financial report of Australian War Widows NSW Limited 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 2020 and of its financial performance for the year 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 company 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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Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, 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.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 company 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CIB ACCOUNTANTS & ADVISERS
Chartered Accountants



RADLEE MOLLER
Partner

PARRAMATTA NSW 2150
Dated this 30th day of July 2020