



R S L N S W

Treasurer's report

2018 Extraordinary
General Meeting

Overview

- Focus areas since last Congress
- Financial results (Jan-Jun 18)
- Questions for the treasurer and auditors
- Questions from the floor

Finance team focus areas

- Compliance
 - NSW charitable fundraising – Compliant with control and reporting of charitable funds. Not ready to recommence fundraising
 - ACNC – Completed or progressing changes required. Ongoing reporting
 - RSL NSW Act requirements – Change of financial year and transition to general purpose reporting commenced
- Business Processes
 - Bedding down new finance and HR systems
 - Preparing for expense management system implementation
 - Integration of Defence Care into RSL NSW
 - Partial recommencement of fundraising on Remembrance Day through WBI

6 monthly results - at a glance

\$000's	H1 2018	2017	2016	2015
Revenue	5,786	10,654	12,410	9,403
Expenses	9,040	11,633	11,583	9,403
(Deficit)/surplus	(3,254)	(978)	828	1,245

2017 & 2016 Revenue - at a glance

\$000's	H1 2018	2017	2016	2015
Revenue				
Fundraising	0	201	937	851
Memberships	801	980	973	1,050
Investments	4,397	9,094	8,935	8,098
Other	588	380	1,564	650
Total revenue	5,786	10,654	12,410	10,648

2017 & 2016 Expenses - at a glance

\$000's	H1 2018	2017	2016	2015
Expenses				
Administration expenses	372	401	516	380
Employee benefits and on-costs	2,672	4,888	4,584	3,988
Events	314	173	412	284
Assets written off	-	-	649	-
Professional fees	535	426	437	129
Inquiry costs	156	1,220		
Impairment of assets	2,436	26	190	-
Other expenses	2,555	4,499	4,794	4,623
Total expenses	9,040	11,633	11,583	9,403

State Council expenses

State Councillors & President Expenses:

2015: \$210,587

2016: \$177,230

2017: \$184,567

H1 2018 : \$30,538

Audit outcome

- Auditor Qualifications
 - 2017 comparative figures
 - No qualifications for H1 2018
- Control environment weaknesses
 - 13 open at the end of the last audit
 - 7 implemented closed
 - 6 to be actioned / in progress

Questions for Treasurer and Auditor

Financial governance and controls

Comment: Nothing has been provided by State Council to satisfy the members, or their representatives, as to the adequacy of the governance controls and oversight of those controls, specifically in relation to the Financial Reports.

The current State Council have engaged Ernst and Young as our auditors to provide that assurance. They and myself are here to answer your questions.

Income

Q: What is proposed to generate additional income?

1. Restart fundraising in RSL NSW – DGR/PBI status
 2. Access additional grants
 3. Improve investment performance
 4. Service fees from sub-branches
 5. Contributions from sub-branches
- GM Revenue generation and Treasury Manager roles to take responsibility
 - 4 & 5 subject to further consultation

Expenses

Q: Total expenditure has increased and the actual loss (ex revaluations) for the period was \$846,180 (LY \$978,396). What strategy has been considered or implemented to correct this adverse trend?

1. Most of the loss is associated with our involvement with Invictus which will still have some impact in H2 2018
2. Staffing increases to meet our charitable purpose and support sub-branches E.g. legal / property management. These have improved compliance and reduced costs to sub-branches
3. One off system change costs which have long term savings. E.g. Sage to Navision

Expenses

Q: Included in the 2017 result was \$134k attributed to Strategic Planning. Could you please explain the current position with the formulation of a Strategic Plan, together with details of the substantial increase in the 2018 result?

1. Key findings from the Strategic Planning work has been shared in May and has been used on the development of the constitution being put forward to you today.
2. This total professional fees in this financial period also includes amounts spent to inform State Council on the options for 262 Castlereagh Street

Budget approval at Congress

Comment: State Council needs to undertake a thorough review of staffing at Anzac House, and provide a detailed submission to Congress with recommendations on a fully costed management and staffing structure. This has been requested in the past and not provided.

State Council has duties to undertake these tasks and have been doing so since being elected.

It is not practical for an organization this size and there is no requirement to seek approval of a budget. It is too complex for sub-branches to be across all the issues and would not allow Council the flexibility to adapt to changes important changes without approval.

Members/sub-branches have their say at Congress on Council performance and at elections

AFOF and WBI

The financial statements of AFOF and WBI can be found on the ACNC website.

Questions from the floor

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