

LEGACY AUSTRALIA INCORPORATED



2nd ANNUAL REPORT

2015 - 2016

CONTENTS	PAGE
CHAIRMAN’S REPORT	2
DIRECTORY	4
ABOUT US	5
BOARD AND COMMITTEES	6
CORPORATE GOVERNANCE STATEMENT	7
NATIONAL PROGRAMS	9
National Governance	9
National Support / Legal Compliance	11
National Advocacy	12
National Programs – Social Support	14
National Programs – Educational Support	15
National Media	16
National Fundraising and Donation Management	18
FINANCIAL STATEMENTS AND STATUTORY REPORTS	20
TREASURER’S REPORT	21
STATEMENT OF COMPREHENSIVE INCOME	24
STATEMENT OF FINANCIAL POSITION	25
STATEMENT OF CHANGES IN EQUITY	26
STATEMENT OF CASH FLOWS	27
NOTES TO THE FINANCIAL STATEMENTS	28
DIRECTORS’ DECLARATION	38
INDEPENDENT AUDITOR’S REPORT	46
WELFARE PATRIOTIC FUND	40
INCOME STATEMENT	41
STATEMENT OF FINANCIAL POSITION	42
NOTES TO THE FINANCIAL STATEMENTS	43
DECLARATION OF THE TRUSTEE	44
INDEPENDENT AUDITOR’S REPORT	45
CHAIRS OF LEGACY AUSTRALIA INCORPORATED	47



In writing this report, I am very conscious that we are only in our second year as Legacy Australia Incorporated. Our first year was very much about governance while our second year has been around bedding in the structure, processes and planning.

The year began with the movement from Melbourne and the consolidation of the staff in one office in Sydney. This was achieved with minimum fuss, no real disruption to services and has resulted in us having our first real home rather than being a lodger with one of the clubs. All of this takes time and our staff have shown an enormous capacity for hard work, patience and resilience.

The Board has settled into its new home and has developed routines and processes which allows the committees and the Board to work effectively. Several initiatives were trialled this year with mixed results. The first was the use of video conferencing. Facilities were provided for us by our pro bono lawyers DLA Piper. The trial identified that while videoing of Board meetings was viable and very cost efficient, it tended to stifle debate and lacked the intimacy of face to face meetings. The Board also decided to travel out of Sydney for occasional meetings. This is an expensive exercise and the default position will be that Board meetings will be held in Sydney in future. In 2016, 10 meetings were conducted. We will trial having only 7 meetings in 2017 to contain costs.

No doubt, the highlight of the year was the *Pozieres...Our Legacy 2016 tour*. Seventy five young Australians, for all of whom Legacy has or still is providing care and support, enjoyed an educational and at times emotional trip of lifetime to Australian battlefields in Belgium and France. The tour culminated in the group's attendance at the centenary commemoration of the battle of Pozières. This was the largest undertaking by Legacy for many years and was without doubt a magnificent success. Seventy five young Australians have experience of Australian sacrifice in World War I and have, for themselves identified with the Anzac spirit, the nature of sacrifice and the reason for Legacy's very existence. Special note should be made of Legatee Charles Wright, former Chair of LAC, for his wonderful vision and his dogged determination to see the project succeed.

Planning has already commenced for a much smaller group to walk the Kokoda track in 2017. One of the highlights of this will be the involvement of young Australian Defence Force veterans teaming with our young Australians and walking the Track together.

The National Launch of Legacy Week was conducted in Canberra at the Australian War Memorial for the first time this year. Again, this took a great deal of planning and hard work but proved to be a wonderful day. Many guests commented that the Australian War Memorial is the natural place for such a major Legacy activity and planning will commence shortly for the launch in 2017. Special note should be made of the magnificent support provided by Canberra Legacy.

Sadly, the number of Legacy clubs has dropped to 49 this year. This is a timely wake up call for all of us to begin the process of considering our long term viability. Nationally, Legacy has a long term future. The need for our services, and support will extend well into the future. However, like all these things, the need will not be even across the nation. Some clubs may find themselves in situations where widow, family and Legatee numbers are dwindling rapidly. This is demography at work in our community.

The Board of LA Inc has worked hard to provide the clubs with the support they need to carryout Legacy's mission. The Board has been wonderfully supported by a very small but dedicated team of professional staff.

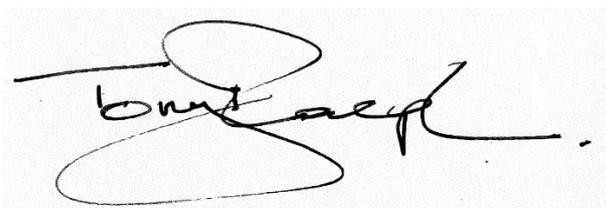
I wish to give thanks to our National Patron, Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd) who has hosted events for Legacy and has given us wise advice from time to time throughout the year.

I must also note the support of our Legacy Ambassadors who have given of their time to promote and support the work that we do. Dr Brendan Nelson from the Australian War Memorial has been most gracious in hosting events and also generous in providing such a wonderful backdrop for our significant and solemn ceremonies. Mr Ben Roberts-Smith VC MG for lending his name and face to many promotional activities and as a Legatee himself, providing support to the families of his mates who did not come home; Major General Stuart Smith, himself a 'Legacy Boy' who has taken an active interest in everything we do and is providing leadership in our youth projects; and Ms Leesa Kwok, who keeps us grounded in the reality of families of veterans who have given their health. Thank you to each of you.

Legacy could not operate without the generous pro bono support given by professional organisations such as our auditors BDO East Coast Partnership, Lawyers DLA Piper, and Lawyers Norton Rose Fulbright. Thank you for your generous support in 2015-2016. I would also like to thank Thales for not only their financial sponsorship but for their in-kind support across many of the Legacy activities.

Finally I would like to thank the members of the Board of LA Inc. As Legatees they give freely of their time to sit on the Board and are still active Legatees within their own Clubs. This is a significant commitment and not something to be taken lightly.

I commend this Annual Report to all Legacy clubs.

A handwritten signature in black ink, appearing to read 'Tony Ralph', with a large, stylized flourish above the name.

Legatee Tony Ralph
Chairman
Legacy Australia Inc.

DIRECTORY

FOUNDATION	1 March 2015
PATRON	Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd)
CHAIRMAN	Tony Ralph
VICE-CHAIRMEN	Rick Cranna Paul Clancy
IMMEDIATE PAST CHAIRMAN	David Gray
TREASURER	Rick Cranna
SECRETARY	John Bertram
CHIEF EXECUTIVE OFFICER	Jennifer Walker
AUDITORS	BDO East Coast Partnership, Melbourne
COMMERCIAL BANKERS	Commonwealth Banking Corporation Westpac Banking Corporation
SOLICITORS	DLA Piper Davies Collison Cave Williams Winter Norton Rose Fulbright
REGISTERED ADDRESS	293 Swanston Street, Melbourne, Vic 3000
BUSINESS ADDRESS	G1/1 Francis Street, Darlinghurst, NSW 2010
POSTAL ADDRESS	PO Box 231, Darlinghurst, NSW 1300
TELEPHONE	+61 2 8333 0600
FACSIMILE	+61 2 8333 0699
EMAIL	office@legacy.com.au
WEBSITE	www.legacy.com.au

OUR VISION

Our vision is that no dependant of an Australian Defence Force member suffers financial or social disadvantage as a result of the operational service death or incapacity of the family member.

OUR MISSION

Legacy Australia strives to ensure social justice for the dependants of incapacitated or fallen military personnel. Social justice is the ability people have to realize their potential in the society where they live.

OBJECTS

- The care of the dependants of those who served their country, namely veterans who gave their lives or health on operational service or subsequently, and Australian Defence Force members who died in service.
- To provide a caring service, not limited to financial support to the dependants, including by way of personal endeavour by Legatees.
- To protect the good name and reputation of Legacy.
- To act as the national co-ordinating body for Legacy Clubs including national representations and/or promotion of Legacy Purposes, Ideals and Interests at a national level.

OUR VALUES

The first Legacy Club was started in Melbourne in 1923 by Lieutenant-General (later Sir) Stan Savige who espoused:

- Legacy is greater than any of its members or any of its Clubs.
- Personal service is the main essential.
- If a job is worthwhile doing the money will come.
- All dependants of deceased servicemen regardless of time, place or manner of death are deserving of Legacy aid.
- Co-ordination is necessary between clubs, but it must be co-ordination, not control; co-operation, not domination.
- There must be no rewards in Legacy. No member should gain financially or socially from membership.
- There is no room in Legacy for sectarianism, politics, social distinction or rank.
- The only court of appeal is an unwritten law of cobbles in the field of battle.

BOARD

MEMBERS

Tony Ralph - *Chairman*

- Paul Clancy
- Rick Cranna
- John Bertram
- Peter Heeney
- Ian Mackenzie
- Sarnia Birch
- Peter Bysouth
- Peter Jenke
- Phil McNamara
- Robert Connor
- Chris Hamilton

ROLE AND POWERS

- The activities of Legacy Australia Inc. (LA Inc) shall be managed by or under the direction of the Board.
- The Board may exercise all the powers of LA Inc except those powers that the Constitution or the Act requires to be exercised by General Meetings of the Member Clubs of LA Inc.
- The Board may:
 - appoint and remove staff
 - establish committees of LA Inc. with terms of reference it considers appropriate.

FINANCE, AUDIT & RISK MANAGEMENT

MEMBERS

Rick Cranna - *Chair*

- Peter Jenke
- Ian Mackenzie
- Ian Stewart

GOVERNANCE COMMITTEE

MEMBERS

Sarnia Birch - *Chair*

- Peter Bysouth
- David Grierson

ADVOCACY COMMITTEE

MEMBERS

Robert Connor - *Chair*

- Phil McNamara
- John McInerney
- Peter Lawley

DEVELOPMENT COMMITTEE

MEMBERS

Chris Hamilton - *Chair*

- John Bertram
- Paul Clancy
- Peter Heeney
- Peter Jenke

DISCIPLINARY COMMITTEE

MEMBERS

The Hon. Stanley G Jones AO - *Chair*

- Max Lemon (Adelaide)
- Phil McNamara (Wollongong & South Coast) until 23 March 2016
- Duncan Warren (Perth)
- Charles Wright (Gold Coast)

The Chairman is a member of all committees ex-officio.

Status

Legacy Australia Incorporated (LA Inc) is an incorporated association under the Victorian *Associations Incorporation Reform Act 2012* and includes any regulations made under that Act. Control and governance oversight of the association is provided by a Board elected by the Member Clubs. Operational and administrative management of the association is the responsibility of the Chief Executive Officer, who is appointed by the Board.

Rules

LA Inc is established and governed by the Legacy Australia Constitution and By-Laws made under the Constitution. By joining LA Inc, Member Clubs agree to abide by the Constitution and By-Laws. Rules establish the structure of the association and provide for its management and direction. The Constitution may be changed by the vote of 75% of those Member Clubs voting. A copy of the current Constitution and By-Laws is always available for inspection from the office of LA Inc or can be downloaded from the Legacy Australia website. A copy is provided to any Member Club on request.

Members

The members shall be Legacy Clubs that hold a Charter. Only Member Clubs that have fully paid up their annual subscription shall be entitled to vote. The rights, including the right to vote, of a Member Club that has not paid the annual subscription and levies by the due date, shall be suspended until the payments are made. Individual members of a Legacy Club have no entitlement to the profits or assets of LA Inc, even in the event of winding-up.

Audit

The appointment of a registered company auditor is approved by the Board of LA Inc. The Board has determined that there is no justification for an independent internal auditor. Internal checking, surveillance by the external auditor, and the presence of the Finance, Audit and Risk Committee partly provide an internal audit function.

Compliance

LA Inc complies with the letter and spirit of all applicable legislation and standards of corporate behaviour.

Reports to Member Clubs

LA Inc reports formally to Member Clubs each year through the Annual Report. A monthly National Chairman's Message and emails and correspondence on specific issues are also distributed. Communication by email between Member Clubs and the Chairman, Board and CEO is encouraged, as is Member Club's access to the Legacy Australia website, which includes a secure Members-only section.

Board

The Board shall consist of:

- a Chairman; and
- a Vice Chairman (Capital City); and
- a Vice Chairman (Rural); and
- a Secretary; and
- a Treasurer; and
- six (6) other Directors; and
- one (1) Appointed Director if required.

The Board may appoint an eligible Director to fill a casual vacancy on the Board until the next Annual General Meeting.

A Vice-Chairman fills a casual vacancy in the office of the Chairman.

CORPORATE GOVERNANCE STATEMENT

The Board meets bi-monthly or as required. The Chief Executive Officer attends all Board and Committee meetings as required. Minutes of all Board and Committee meetings are taken. These are tabled and reviewed by the Board at each monthly meeting.

The membership and attendance at LA Inc Board meetings during the whole of the financial year are as follows:

Legacy Australia Inc Board Member	Dates	Eligible to Attend	Meetings Attended
Anthony Ralph		10	9
John Bertram		10	10
Richard Cranna		10	9
Ian Mackenzie		10	8
Peter Heeney		10	8
Greg Kirk	Resigned 15 February 2016	6	4
David Gray	Term expired 31 December 2015	5	5
David Kelly	Term expired 31 December 2015	5	5
Richard Kennedy	Term expired 31 December 2015	5	3
Graeme Manning	Term expired 31 December 2015	5	4
Graeme Plumridge	Term expired 31 December 2015	5	5
William McGrath	Term expired 31 December 2015	5	5
Raymond Sunderland	Term expired 31 December 2015	5	5
Sarnia Birch	Elected with effect 1 January 2016	5	5
Peter Bysouth	Elected with effect 1 January 2016	5	5
Paul Clancy	Elected with effect 1 January 2016	5	4
Robert Connor	Elected with effect 1 January 2016	5	5
Peter Jenke	Elected with effect 1 January 2016	5	4
Christopher Hamilton	Appointed 23 March 2016	4	4
Philip McNamara	Elected with effect 23 March 2016	4	4

NATIONAL PROGRAMS

Activities and Outcomes

The 2015-2016 business plan for the Board, CEO and staff continues to focus on the governance of Legacy Australia Inc and the national marketing functions of the former National Marketing Office.

The following summarises the program activities of the Board, CEO and staff in ensuring the objects of LA Inc are achieved.

Program **NATIONAL GOVERNANCE**

Object To act as the national coordinating body for Legacy Clubs including national representations and/or promotion of Legacy purposes, ideals and interest at a national level

LA Inc aims to have:

- Effective Board members representing all views of the Legacy movement
- Qualified and efficient support staff
- Relevant information to make decisions
- Board committees with relevant Terms of Reference reporting to the Board in a timely manner
- Well organised and managed Board meetings
- Regular Board meetings
- Quality agenda and papers prepared ahead of the meetings
- Quality minutes
- Decisions disseminated to Legacy Clubs via appropriate means in a timely manner

BOARD MEETINGS

There were ten (10) Board meetings during the year, held in various locations that enabled local Club committee/Board members to observe and to some extent participate in discussions on national matters. The Board has also continued trials of teleconferences and videoconferences in order to manage costs. Meeting arrangements during the year were as follows:

July	Sydney Legacy
August	Adelaide Legacy
September	Sydney DVA office
October	Albury Legacy
November	Sydney DLA Piper office
February	Sydney Thales, Garden Island
March	Hobart Legacy
April	Videoconference – DLA Piper Sydney, Melbourne, Brisbane, Canberra, Perth
May	Sydney LA Inc office
June	Videoconference – DLA Piper Sydney, Melbourne, Brisbane, Canberra, Perth.

LA Inc wishes to thank DLA Piper for their ongoing support and for providing video conference facilities for Board Meetings with our Directors, who are located across the nation. LA Inc. is also most grateful for Governance advice as well as assistance with commercial property leases. A special thanks also to our national corporate partner, Thales, who host us in their Garden Island facility for our Board training days. DVA also kindly provided their conference room for our use and are always generous in allowing us to use their facilities around Australia.

NATIONAL PROGRAMS

BOARD COMMITTEES

The former committees of conference, namely the National Marketing Committee and the National Pensions Committees, were rolled into the new committees of Board during this financial year.

The former National Marketing Committee was replaced by the Development Committee, a small and strategic group of Board Directors who are the representatives of the Capital City Clubs. This Committee also ran wider meetings as required to receive input from the specialists at Club level in relation to marketing matters. The Development Working Group, as it is called, met in March 2016 to review the 2012-2016 Strategic Marketing Plan. The updated Plan is available on the Legacy website Members Area for access by all Legacy Clubs.

The former National Pensions Committee was replaced by the Board's Advocacy Committee that encompasses all matters relevant to pensions, welfare, and aged care. This committee will be supported in the operational planning and capability development role by the Advocacy Working Group that will meet as required in a national forum to workshop matters of national significance, including the application of the requirements of the Advocacy Training and Development Program in Legacy.

Prior to the new Advocacy Working Group taking up its role, the former National Pensions Committee still conducted their annual AGM at the DVA premises in Canberra. Detailed notes of this meeting can be found on the Members' Area of the Legacy Australia website.

The Finance Audit and Risk Committee met monthly to review the financial position of Legacy Australia Inc, assist in the budget development process and to continuously refine the risk management program and oversight the policy development process.

The Governance Committee met regularly to continue the work of refining the Constitution and Bylaws in the transition from Legacy Australia Council, a separate coordinating entity for Legacy Clubs, to an incorporated association of which all Legacy Clubs are members.

A Special Review Panel was established to progress the understanding of the implications of the establishment of Legacy NSW Associated Clubs and to help refine the definition of what is a Legacy Club for the purposes of membership of Legacy Australia Inc Constitution. The report was circulated in June 2016 and recommendations arising from the review are the subject of special motions being considered at the 2016 AGM of Legacy Australia Inc. The members of the Review Panel were:

- L/Sarnia Birch – Chair (Mornington Peninsula)
- L/Les Fisher (Coolangatta Tweed Heads)
- L/Max Lemon (Adelaide)
- L/Leyton Bullock (Geelong)

NATIONAL PROGRAMS

Program NATIONAL SUPPORT / LEGAL COMPLIANCE

Object To protect the good name and reputation of Legacy

The activities undertaken in this Program through 2015-2016 have included:

- Ongoing development and maintenance of a Risk Register. A Risk Assessment template has also been established.
- A standing 'risk' agenda item for the Finance, Audit and Risk Management (FARM) Committee, reviewed and updated monthly.
- Development of policies and procedures to ensure legal compliance and reduce risk for Legacy Clubs
- Norton Rose Fulbright Australia (NRF) completed a comprehensive review of LA Inc.'s Risk Management Program. All recommendations by NRF were adopted by the LA Inc. Board on 25 May 2016.
- Amongst other recommendations, NRF recommended that POL-05 Legacy Beneficiaries Misconduct (Discrimination, Bullying & Harassment) Policy and its corresponding Procedure be discontinued in favour of combining misconduct matters relating to Legacy Beneficiaries with Legacy Representatives into the Board endorsed POL-04 Legacy EEO, Discrimination, Bullying & Harassment Policy and its corresponding Procedure.
- Clubs were informed of these changes in the April/May 2016 edition of the 'National Chairman's Message' and have been encouraged to adopt the policies and procedures.
- Ansvr Insurance (LA Inc. Insurer) approved the changes recommended by NRF to the POL-08 LA Inc. Client Protection Policy.
- Development and maintenance of an Issues Register reviewed monthly by the LA Inc. Board
- Oversight and assistance to Legacy Clubs with issues to prevent escalation
- Levels of Assessment & Disciplinary Action Procedure under development at the Board's request
- Trademark protection with surveillance of use of Legacy name in the marketplace. Davies Collison Cave continued to provide ongoing assistance in the management of our Trademarks. Many users of the name Legacy were dealt with during the year and the cost of protecting our trademark was in the order of \$37,000 in legal fees.

The process of developing policies and procedures to ensure that Legacy Australia is a legally compliant organisation continued throughout the year. Legacy Clubs were informed through memoranda and multiple editions of the Chairman's Message that they could access templates for each policy and procedure in the Members Area of the Legacy website.

Policies, procedures and guidelines developed in the last financial year include:

- POL-05 LA Inc. Privacy Policy
- POL-09 Legacy Media Communication Policy
- POL-10 LA Inc. Delegations Policy
- POL-11 LA Inc. Code of Conduct
- POL-12 LA Inc. Acceptable Use of Computers, Technology & Social Media Policy
- PROC-01 LA Inc. Travel Expenses Procedure
- PROC-02 LA Inc. Election of Directors Procedure
- PROC-08 Accessing Westpac Education and Development Funds Procedure
- LA Inc. Risk Assessment template
- GLINE-01 LA Inc. Bequest Guidelines
- GLINE-02 LA Inc. Sponsorship & Cause Related Marketing Guidelines

Others in development and to be finalised in 2016-17 include:

- Third Party Fundraising Policy & Procedure
- Levels of Assessment & Disciplinary Action Procedure
- Veterans Who Have Given Their Health Procedure

NATIONAL PROGRAMS

Program NATIONAL ADVOCACY

Object To provide a caring service, not limited to financial support to the dependants, including by way of personal endeavour by Legatees.

The activities undertaken in this Program through 2015-2016 have included:

- Chairman's participation in Ex Service Organisation Round Table (ESORT) consultation with DVA
- Participation in Working Parties to improve support systems
- Participation in joint committees for Advocacy development
- Making submissions to Government for policy and budget considerations
- Active lobbying to Government decision-makers
- Canvass pensions and welfare officers for information on emerging issues
- Liaise with the wider ESO community to identify issues and opportunities
- Respond to requests for input to government legislation and policy review and development
- Dissemination of information across Legacy

CEO Legacy Australia Inc participated in the national ESO working groups to consider the Rolfe Review into Advocacy Training and Development. In this context, advocacy includes both pensions and welfare. The blueprint for the new Advocacy Training and Development Program (ATDP) was developed and is being implemented via a new organisational arrangement that include a Strategic Governance Board and a Capability Framework Management Group. CEO Legacy Australia Inc is the inaugural chair of the Strategic Governance Board. Information pertaining to this group is available on the DVA website.

Our advocacy task continues to primarily focus on ensuring that our beneficiaries receive all of their entitlements, including both pensions AND welfare entitlements. Pensions statistics for 2015 include:

- 810 primary claims lodged with 441 accepted (54%)
- 45 section 31 claims made with 14 accepted (31%)
- 186 VRB claims made with 131 accepted (70%)
- 35 AAT cases with 13 accepted (37%)

We currently have 49,372 of our widows on War Widows' Pensions under the VEA. That's 67.73% of all widows registered with Legacy. Last year there were 53,232 or 66.6%.

The majority of our beneficiaries are aged over 80. Aged care policy continues to be a significant area of learning of which Legacy has had to be aware and to advocate on behalf of our beneficiaries. Government support in this area is changing significantly and at a rapid pace, moving towards a future aged care system that is more consumer-driven, market-based and less regulated. As a tool to assist Legacy, the Royal District Nursing Service (RDNS) has established a dedicated telephone 'Navigator' service to provide a one-stop shop for information on home care packages and aged care from all Government programs.

Chair of Legacy Australia Inc continued to participate in the ESO Round Table (ESORT) Consultative Forum convened by the Secretary of DVA. Updates on the ESORT deliberations are summarised on the DVA website.

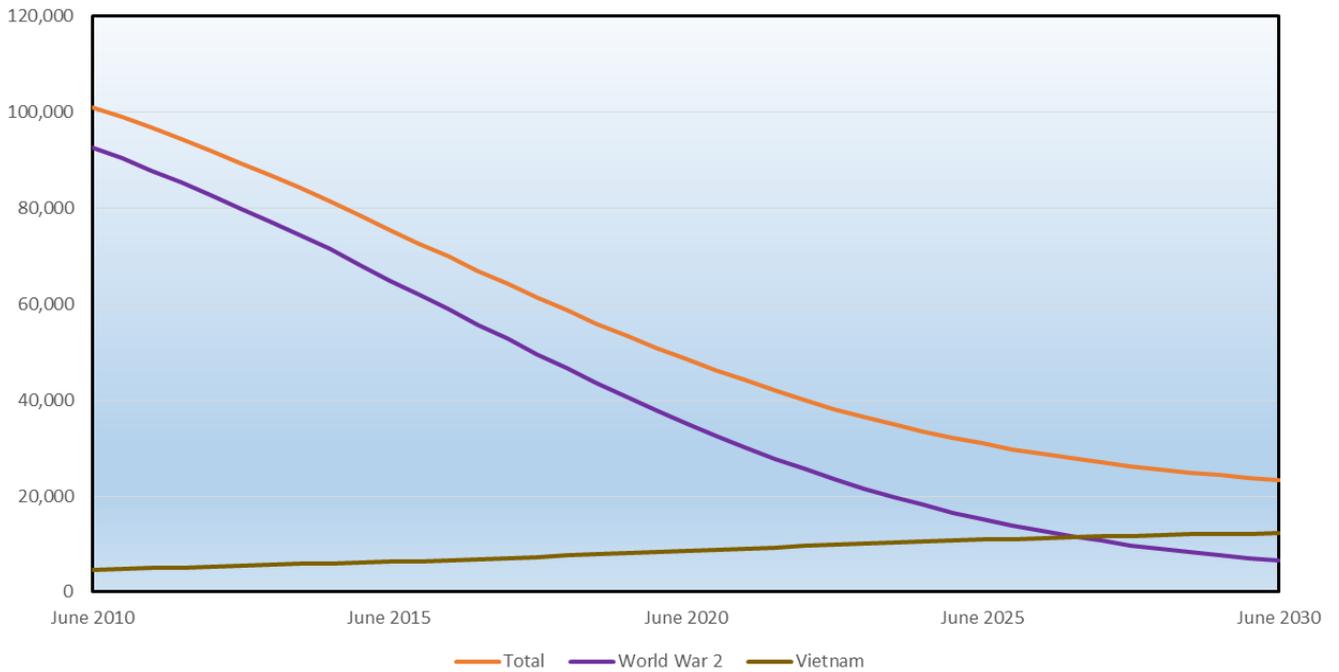
The Legacy Australia Inc Chairman's message was disseminated after each Board meeting with updates on Legacy Australia matters as well as information from ESORT and the ATDP. Many Clubs attached the Chairman's message to their own monthly Club Bulletins making it easy for all Legatees and beneficiaries to be kept informed of Legacy matters generally and importantly regarding national governance matters. All National Chairman's Messages are uploaded to the Legacy website and can be found in the Members' Area.

NATIONAL PROGRAMS

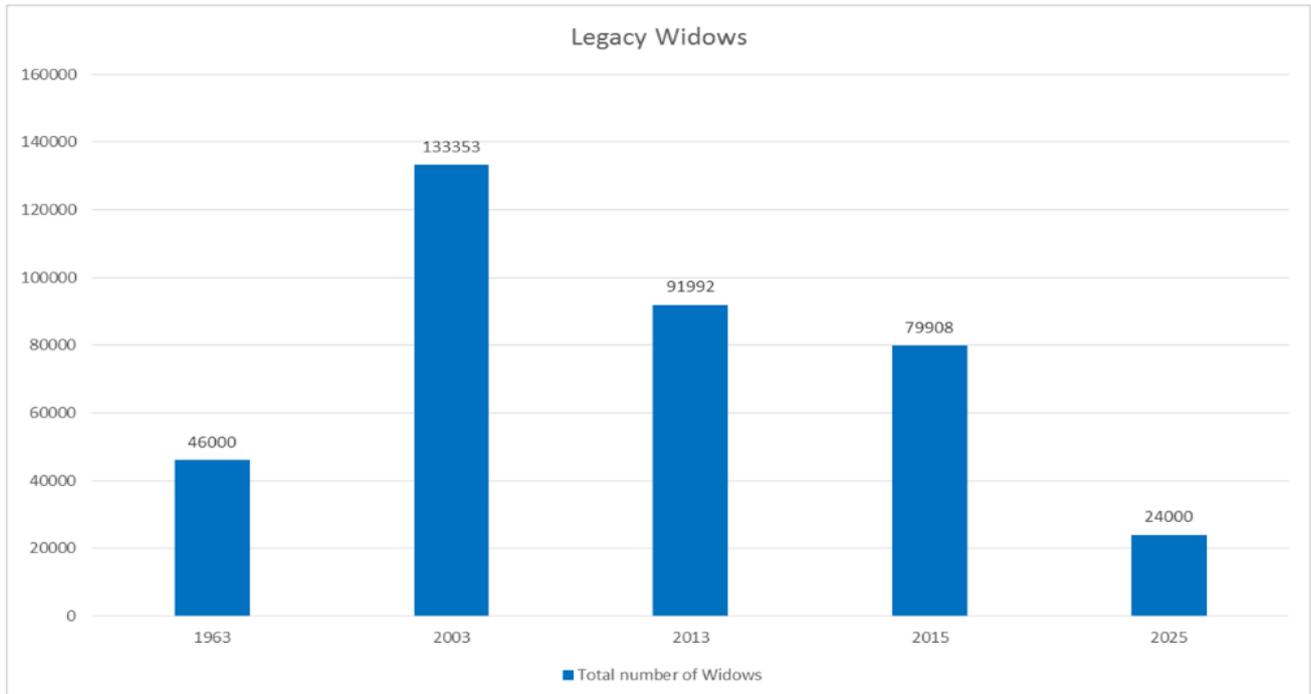
- The downward trend of widows has continued as a result of our WWII ladies passing on at a rate of around 19 per day.
- Legacy consistently has about 39% of all DVA widows enrolled with Legacy clubs as a beneficiary.
- Based on this share continuing, Legacy will have around 35,800 widows registered in our centenary year of 2023

The tables below depict the overall decline in widows numbers as the wave of WWII widows pass on.

DVA War Widow(er)s



Legacy Widows



NATIONAL PROGRAMS

Program NATIONAL PROGRAMS – SOCIAL SUPPORT

Object To provide a caring service, not limited to financial support to the dependants, including by way of personal endeavour by Legatees.

The activities undertaken in this Program in 2015-2016 have included assisting Legacy Clubs in delivery of their social support through:

- Exposure of Legacy youth to commemorative activities and ceremonies through continuation of Florance Foundation trips with the National Chairman accompanying Legacy Youth to lay a wreath at the Anzac Ceremony at the Australian War Memorial
- Allocation of the \$100,000 Australia Post funds raised to continue the program into the future
- Involvement of youth in personal development activities such as the Legacy Youth to Pozieres Study Tour
- Continuation of providing funds for the final of the Legacy Junior Public Speaking Competition
- Identifying other developmental opportunities for Legacy Youth

The Legacy Club of Melbourne hosted the 2015 Legacy Junior Public Speaking Awards with some funding from LA Inc. The competition continues to be popular and well contested in those states that continue with it. The Board have discussed the need for a review and refresh of the Program in the near future.

In April 2016 Canberra Legacy, in conjunction with the Australian War Memorial (AWM), hosted the Annual ANZAC Day Visit (previously the Florance Foundation Visit) with 13 Junior Legatees from all over the country visiting Canberra for six days, concluding on the day after ANZAC Day.

The trip was extremely successful thanks to the financial support of both LA Inc (through Australia Post's fundraising donation) and the Australian War Memorial who continue to fund the airfare expenses. Overall, the expense to LA Inc was \$12,960 (from an allocated budget of \$14,000), which is considered very reasonable considering the positive public exposure and Junior/Guardian feedback that was received. This continued support will ensure the visit continues to be conducted in years to come, along with the continued organisational efforts of Legatees Leigh Wrighton-Jones and Rachel Trump. A detailed report was circulated to Clubs.

Planning and organising for the Pozieres Study Tour continued throughout the financial year. The Chairman's message makes reference to the Tour as it occurred prior to preparation of this report. As it actually occurred in the 2016-2017 financial year, a more detailed account will occur next year when all the accounts of the project have been finalised. It is important to note however, that this project could not have been undertaken without the support of sponsors and key supporters including:

- His Excellency General The Honourable David Hurley AC DSC (Ret'd), Governor of New South Wales
- French National Order of Merit in Australia
- Society of Members of the Legion of Honour in Australia
- Chief of Army
- The Australian War Memorial
- Thales
- Veolia
- Virgin Airlines
- Veolia
- Tour Patron Cpl Mark Donaldson VC
- Australian Ambassador to France
- French Ambassador to Australia
- Brandnet
- Defence Health

NATIONAL PROGRAMS

Program NATIONAL PROGRAMS – EDUCATIONAL SUPPORT

Object The care of dependants of those who served their country, namely veterans who gave their lives or health on operational service or subsequently, and Australian Defence Force members who die in service.

The activities undertaken in this Program in 2015-2016 have included assisting Legacy Clubs in delivery of their social support through:

- Continuation of the oversight of the John Gough Scholarship for Legacy youth administered through Australian Veterans Children's Assistance Trust (AVCAT)
- Funding additional Legacy scholarships through AVCAT
- Development of the Westpac Education Support scheme for partners and children of veterans utilising the \$500,000 donation from Westpac in April 2016

This year there are thirteen young people undertaking university degrees through the various scholarship schemes provided by Legacy Australia and administered through the AVCAT. This is limited to tertiary study for children of veterans.

The donation from Westpac, given to assist the families of those affected by war in education and development, was matched again this year making the total donation of \$1M from Westpac so far across two years. Such a generous donation has been put to helping all Legacy beneficiaries to realise their full potential once they have left school.

We have provided money out of this fund to assist widows and partners of wounded, injured and ill veterans to skill / re-skill to assist them in becoming financially sustainable despite the circumstances of their veteran partner. Westpac are highly supportive of this as it is a similar focus for their other corporate social responsibility programs.

In other instances we have provided funds to assist with trade training or skills development. All recipients have expressed sincere thanks for the additional support that Legacy is now able to provide in this area as a result of the Westpac donations.

NATIONAL PROGRAMS

Program **NATIONAL MEDIA**

Objects **To act as the national coordinating body for Legacy Clubs including national representations and/or promotion of Legacy purposes, ideals and interest at a national level.**

To protect the good name and reputation of Legacy

Legacy Australia Inc has assumed responsibility for the National Marketing Office functions. The National Marketing Office was primarily established to ensure that there was a single and consistent corporate image and to realise the economies of scale in fundraising costs and overheads across the Legacy movement. Activities in this regard include:

- Development of national communication and marketing plans
- Engagement of a creative agency to develop national marketing campaigns, especially the Legacy Week Campaigns
- Consultation on creative concepts and approval processes
- Placement of paid media to achieve maximum benefit across all media for all Legacy Clubs
- Paid media (TV, print and digital) during peak fundraising campaigns (Anzac Day, Legacy Week, Remembrance Day)
- Maximised unpaid media during campaign times including TV appearances and special programs
- Ongoing digital media management (website, social media and other)

2015-2016 Legacy Australia Achievements

Each month the Chairman of the Legacy Australia Inc Board circulates a newsletter to all Clubs to communicate the key items discussed at Board meetings. Updates of National marketing activities are always included in the Chairman's Update or as a supplementary Update. A brief summary of the activities appears below.

JustGiving Charity of the Year Awards

JustGiving, one of the world's leading third party fundraising platforms, announced on 30 September that Legacy was the winner of their 2015 JustGiving Charity of the Year Asia Pacific Awards. Legacy was one of three finalists with the Award winner being decided by a public vote on Facebook. The charity post receiving the most likes in a 24 hour period was selected as the winner. Legacy easily won the title receiving 1030 votes. The fantastic results reflected our healthy following on Facebook and the support of our Legacy Clubs who took the time to vote and help spread the word.

2015 Legacy Week Campaign

The Legacy Week paid media brief for 2015 was to raise awareness & donations around Legacy Week and Badge Day. This year, the focus of the "For each serving Australian who risks everything, a family does the same" campaign creative was family driven so it was fitting to target the young family life stage group of people 18 – 35.

The Legacy Week paid media national campaign was aimed to cover all 49 Legacy Clubs within Australia in a fair and effective manner. The 2015 Legacy Week total paid media by LA Inc and opt in Clubs was \$292,863 with a total value of \$732,605 returned.

Overall there were some positive results from last year's Legacy Week paid media campaign with TV, radio and press all performing very well. Results were especially pleasing given that the additional campaign value delivered was 150%.

NATIONAL PROGRAMS

This is considerably higher than the 112% of campaign value delivered in 2014. In fact 148% was delivered in 2013, 144% in 2012, 113% in 2011 and 105% in 2010, so this is the highest ever campaign value delivered for the Legacy Week national paid media campaign.

2016 Anzac Week Campaign

Each capital city club provided contact names of both a Legatee and a widow (or partner of a veteran who has given their health) to be part of News Corp coverage in the lead up to Anzac Day as part of the Westpac donation and News Corp commemorative coins campaign. Coverage has been generous across NewsCorp publications in each state plus Channel 7, local and trade media.

A Morning Tea was held on Monday April 4 at the Officers Mess, Victoria Barracks, Paddington as part of the Westpac donation/News Corp project. Legacy Ambassador Ben Roberts-Smith VC MG accepted the donation on behalf of Legacy. Legacy Ambassador Leesa Kwok was also in attendance along with widow Jacky Gavin and family.

April Media/PR Legacy received substantial news coverage over the April and Anzac period including:

- Articles about scholar recipients, Legatees and Legacy families as arranged as part of the News Corp coin promotion and airing on Channel 7 news, Sunrise, The Daily Edition
- Interview with Legacy Ambassador Leesa Kwok
- Letters of Gallipoli – web series/ views, on The Project and the Morning Show
- Anzac marches and activities such as the Shrine of Remembrance school children service and Peter Heeney's performance at the AFL
- Tony Ralph as spokesperson for Legacy in the Camp Gallipoli enquiry

NATIONAL PROGRAMS

Program NATIONAL FUNDRAISING AND DONATION MANAGEMENT

Objects To act as the national coordinating body for Legacy Clubs including national representations and/or promotion of Legacy purposes, ideals and interest at a national level.
To protect the good name and reputation of Legacy

The National Marketing Office was primarily established to ensure that there was a single and consistent corporate image and to realise the economies of scale in fundraising costs and overheads across the Legacy movement. Activities in this regard include:

- Provision of merchandise for fundraising
- Receipt and disbursement of online donations
- Corporate partnership programs
- Approval of 3rd party fundraisers
- Provision of support to 3rd party fundraisers
- Corporate partner liaison

Merchandise

LA Inc entered into a new arrangement with merchandise supplier PMG who managed the coordination and supply of 2015 Legacy Week merchandise and collateral to all Legacy Clubs nationally. The process was successful so PMG have been contracted for a further two years. As expected the Legacy bears proved to be very popular with many clubs selling out during Legacy Week. A year round national approach to merchandise and collateral was scoped and is currently under development.

Legacy Christmas Puddings

LA Inc organised the national order and distribution of Legacy Christmas puddings.

Ancestry.com

Ancestry asked their members and the Australian community to share their Anzac ancestor's stories on the Ancestry Anzac Hero Wall Facebook app. Ancestry donated \$5,000 to Legacy.

Thales

In addition to the \$110,000 event sponsorship of Legacy Week, Thales also made a sponsorship contribution of \$100,000 to Pozieres Study Tour in 2016.

Thales Graduate Program

The Graduate Program is part of the Thales Community Fundraising initiative which is aimed at encouraging Thales staff to fundraise for Legacy; act as Legacy ambassadors within Thales business and promote the partnership; create local relationships with local Legacy Clubs and build awareness for Legacy in the local community. This year the graduates were given a challenge to consider how they might provide their skills to Legacy. The IT team worked with LA Inc on some concepts for a new webpage to replace our existing outdated technology and look.

Berger

The initiative lends a helping DIY hand to widows or families affected by war by giving their home a much needed makeover. The project is a team effort with Berger supplying the paint and materials and Inspirations Paint stores, who are the exclusive stockists for Berger premium paint, organising local trade painters and equipment. Legacy assists with identifying suitable repaints and recruiting local Legatees or community volunteers to donate their time to support the cause. There were a handful of repaints this year and the program is undergoing a review.

NATIONAL PROGRAMS

Support to Club Fundraising

The LA Inc. office is the first point of contact for public enquiries and offers support to Legacy Clubs with branding, marketing and fundraising as requested.

Legacy Club Collateral order was managed by LA Inc. and included the sale of:

- Collection buckets and Legacy stickers to go on the buckets
- Legacy tin hat collection tins
- Legacy Caps
- Pull-up banners
- Tear drop banners
- Pop-up tents

LA Inc. centrally managed Legacy's online donation portal and related disbursements to clubs. In 2015/16 a total of \$433,132 was donated to Legacy through the Legacy website. Note LA Inc. paid \$24,116 in associated payment gateway, website, credit card merchant and bank fees. These costs were not passed on to the clubs but absorbed by LA Inc. The 10% surcharge to cover the fees and handling of donations by LA Inc, discussed at the 2015 National Conference, has not yet been applied. Discussions and planning continued throughout the year on the viability of automating the disbursement of online donations.

Support to 3rd Party Fundraising

LA Inc. centrally managed Legacy's online fundraising portals and related disbursements to clubs. The Net Third party fundraising income received from third party platforms for 2015/16 was \$92,203. Note LA Inc paid the \$1,490 in associated third party platform licences this Financial Year and prepaid \$5,000 in last financial year. These costs were not passed on to clubs but absorbed by LA Inc.

Legacy Australia Incorporated

ABN 59 203 621 448

FINANCIAL STATEMENTS & STATUTORY REPORTS

30 JUNE 2016

LEGACY AUSTRALIA INCORPORATED TREASURER'S REPORT

The Financial Statements and Auditor's Report for the financial year ended 30 June 2016 are submitted for review by LA Inc and Member Clubs.

The report also contains the proposed levy for the FY2016/17.

EXECUTIVE SUMMARY

- LA Inc.'s revenue from donations, bequests and fundraising activities for the 2015-2016 financial year totalled \$2,220,599 compared to \$3,154,989 for the previous year, down some \$934,390. This is not an alarming drop as the previous year was the Centenary of Gallipoli year and all revenues were well above average in that year.
- Significant amounts included in the donations figure this year were the second generous Westpac Donation of \$500,000 as part of the 2016 Newscorp Anzac coin campaign and the Australia Post VC Winners Living Legends Australia Day stamp sales donation of \$100,000. Website Donations of \$433,132 (compared to \$446,036 last year) and Everyday Hero donations of \$78,184 (compared to \$347,702 last year) were also major sources of funds.
- Distribution of donations and sponsorship proceeds to Member Clubs totalled \$713,135 in cash disbursements plus \$104,669 in scholarships giving a total of \$817,804. The distribution of the same items last year was \$1,713,091. Given the revenues were down by \$934,390 and distributions were down by \$895,287, the overall disbursement rate was maintained.
- There is also \$1,438,342 available in reserved funds for disbursement in the Westpac Education and Development Fund as well as other existing special purpose funds. The total of this and the amounts disbursed this year is \$ 2,256,146.
- In previous years the Treasurers Report has highlighted the need to build up reserves to ensure continuation of LA Inc.'s activities. Retained earnings are now \$2,152,912.

MAJOR ACCOUNTING ITEMS AND TRANSACTIONS OF NOTE

- LA Inc.'s overall annual accounting outcome reflects a surplus of \$418,733 for the 12 months to 30 June 2016. This compares to the previous year's surplus of \$410,627.
- The LA Inc. Balance Sheet details that Net Assets as at 30 June 2016 were \$3,591,354. This compares with \$3,172,521 as at 30 June 2015 and reflects the surplus recorded for the year.

PROPOSED LEVY FOR THE FINANCIAL YEAR 2016/2017

By-Law 3.2.1 (a) authorises LA Inc. to collect the annual levy to cover administrative costs. The Board agreed at its August 2015 Board Meeting, that the LA Inc. Annual Levy should encompass the following costs incurred by the organisation:

- Board Meeting Costs including travel, accommodation and meeting room hire
- Board Committee costs
- Trademark & intellectual property protection costs

By-Law 3.2.1(b) regarding insurance premiums is dealt with separately as costs are re-reimbursed by the Clubs soon after the premium is paid in November. The cost for insurance YE2016 was \$101,807. It is important to note that Sydney, Tamworth, Far North Coast and Port Macquarie Hastings procure their own insurance.

At the AGM in October 2015, the Member Clubs agreed that a levy of \$29.85 be incurred per Legatee based on the Annual Statistics at 31 March 2015. The levy was based on the 2015 expenditure of Board and Committee costs, and excluded Trademark and IP protection costs. The Levy dollar amounts are calculated using the Australia wide Legatee Membership (including Reserve Members) as at 31 March each year. Levies raised are used in support of LA Inc.'s administrative and Board expenditure.

The following table provides a breakdown of the costs.

Expense	2015	2016	Projected 2017
Board	\$119,663* Includes NMC	\$85,622	\$81,000
Committee:			
Advocacy	\$9,001		
Development	\$26,907	\$13,858	\$22,200
FARM	\$2,824		
Governance			
Trademark/IP	\$42,932	\$56,338	\$40,000
Total	\$201,327	\$155,818	\$143,200

PROPOSED LEVY FOR FY 2016/17

The proposed levy amount for the FY2016/17 is calculated using our total membership of 5,086 Legatees. Regrettably, this is 220 less than the previous year.

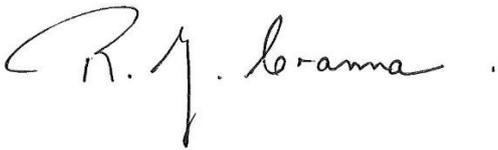
LA Inc. Levy 5,086 Legatees @ \$30.64 \$155,835

AUDITORS: BDO

'Legacy Australia wishes to thank BDO, under the auspices of Richard Dean the audit partner of BDO, for providing a professional standard audit on a pro bono basis for the financial year 2015 -2016. BDO has provided this continued support for over 30 years to which Legacy is extremely grateful.'

The Financial Statements and Auditor's Report for the financial year ended 30 June 2016 are submitted for review by LA Inc. and Member Clubs.

The report also contains the recommended levies for the FY 2016/17.

A handwritten signature in black ink, appearing to read 'R. J. Cranna' followed by a period. The signature is written in a cursive, flowing style.

**Legatee Richard Cranna
Treasurer**

23 September 2016

LEGACY AUSTRALIA INCORPORATED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
INCOME			
Revenue from Ordinary Activities			
Donations, bequests and fundraising		2,220,599	3,154,989
Club levies		172,237	160,121
Grants		13,091	10,000
Sponsorship		110,000	395,054
Pozieres Study Tour project		566,227	100,000
Other income		2,799	19
Interest received		63,966	60,644
Total Revenue		3,148,919	3,880,827
EXPENSES			
Employee benefits expense	2	731,040	807,352
Conference and travel expenses		26,718	29,287
Board and committee expenses		131,001	158,397
Insurance premiums		5,444	1,496
Depreciation expense	6	13,070	40,810
Loss on disposal of fixed asset		22,386	5,111
Office rental		77,054	50,077
Other occupancy expenses		96,896	48,691
Marketing expenses		274,690	352,779
Distribution of donations and sponsorship proceeds to clubs		713,135	1,645,339
Scholarships		104,669	67,752
Project expenses		365,656	30,275
Legal and trademark fees		56,339	90,933
Other expenses		112,088	141,901
Total Expenses		2,730,186	3,470,200
Surplus		418,733	410,627
Other comprehensive income		-	-
Total Comprehensive Income		418,733	410,627

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes to the financial statements.

LEGACY AUSTRALIA INCORPORATED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash at bank	3	254,803	548,789
Other receivables	4	592,334	270,446
Other financial assets	5	2,988,969	2,436,810
TOTAL CURRENT ASSETS		<u>3,836,106</u>	<u>3,256,045</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	9,583	55,417
TOTAL NON-CURRENT ASSETS		<u>9,583</u>	<u>55,417</u>
TOTAL ASSETS		<u>3,845,689</u>	<u>3,311,462</u>
CURRENT LIABILITIES			
Payables and other liabilities	7	31,475	98,895
Accrued distributions		167,642	-
Employee benefits provisions	8	46,855	34,824
TOTAL CURRENT LIABILITIES		<u>245,972</u>	<u>133,719</u>
NON-CURRENT LIABILITIES			
Employee benefits provisions	8	8,363	5,222
TOTAL NON-CURRENT LIABILITIES		<u>8,363</u>	<u>5,222</u>
TOTAL LIABILITIES		<u>254,335</u>	<u>138,941</u>
NET ASSETS		<u>3,591,354</u>	<u>3,172,521</u>
EQUITY			
Settled sum		100	-
Reserves	10	1,438,342	-
Retained earnings	9	2,152,912	3,172,521
TOTAL EQUITY		<u>3,591,354</u>	<u>3,172,521</u>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements.

LEGACY AUSTRALIA INCORPORATED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2016

	Settled Sum \$	Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2014	-	-	2,761,894	2,761,894
Surplus	-	-	410,627	410,627
Balance at 30 June 2015	<u>-</u>	<u>-</u>	<u>3,172,521</u>	<u>3,172,521</u>
Balance at 1 July 2015	-	-	3,172,521	3,172,521
Surplus	-	-	418,733	418,733
Transactions with members:				
Settled sum	100	-	-	100
Transfer from retained earnings to establish reserves	-	969,873	(969,873)	-
Net transfer to/(from) reserves	-	468,469	(468,469)	-
Balance at 30 June 2016	<u>100</u>	<u>1,438,342</u>	<u>2,152,912</u>	<u>3,591,354</u>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

LEGACY AUSTRALIA INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from operations		918,375	547,613
Donations, grants, bequests and fundraising received		1,844,690	3,164,989
Interest received		57,921	69,135
Payments to beneficiaries, suppliers and employees		<u>(2,573,291)</u>	<u>(3,491,835)</u>
Net cash provided by operating activities	13	<u>247,695</u>	<u>289,902</u>
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		15,738	-
Payments for property, plant and equipment		(5,259)	(3,884)
Net payments for other financial assets		<u>(552,159)</u>	<u>(42,849)</u>
Net cash used in investing activities		<u>(541,680)</u>	<u>(46,733)</u>
Net (decrease)/increase in cash and cash equivalents		(293,986)	243,169
Cash and cash equivalents at 1 July		<u>548,789</u>	<u>305,620</u>
Cash and cash equivalents at 30 June	3	<u>254,803</u>	<u>548,789</u>

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

LA Inc is an association incorporated under the Victorian Associations Incorporation Reform Act 2012 and domiciled in Australia. The principal place of business is G1/1 Francis Street, Darlinghurst, New South Wales. The Association changed its name from Legacy Australia Council Incorporated on 16 February 2015.

The principal 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.

New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the Directors' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Associations Incorporation Reform Act 2012 and the Australia Charity and Not-for-profits Commission Act 2012 and associated regulations. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of LA Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation and Application of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates and Judgements

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the association.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent LA Inc and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. LA Inc owns 100% of Legacy Australia Pty Ltd, a dormant company that has not undertaken any activity since it was incorporated. LA Inc is the trustee of and controls the activities of Legacy Australia Inc Welfare Patriotic Fund (No. W573).

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the incorporated association from the date on which control is obtained by the incorporated association. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the incorporated association.

(b) Income and Payroll Tax

No income or payroll tax is payable as the entity is tax-exempt.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amounts for plant and equipment are reviewed annually by Directors to ensure that they are not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

Depreciation

All plant and equipment is depreciated on a straight-line basis over the asset's useful life, 5 to 10 years, commencing from the time the assets are held ready for use.

Leasehold improvements are amortised over the period of the lease.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet 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 disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit and loss.

(d) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the association to approved employee superannuation funds and are charged as expenses when incurred.

(e) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within two months and is net of bank overdrafts.

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

Donation and bequest income is recognised when the funds are received

Sponsorship income is recognised on the dates the corporate sponsors confirm as the due dates.

Levies are billed annually for the financial year and recognised as income in the year to which they relate.

Any government grant is recognised in the balance sheet initially as deferred income when there is a reasonable assurance that it will be received and that the entity will comply with the conditions attaching to it. Grants that compensate the entity for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the entity for the cost of an asset are recognised in the income statement as other operating income on a systematic basis over the useful life of the asset.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances 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 in the statement of financial position are shown exclusive of GST.

(h) Comparatives

Comparative figures, where appropriate, have been reclassified so as to be comparable with the figures presented for the current financial year.

LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
2. EXPENSES		
Wages and salaries	642,946	644,757
Contributions to approved superannuation funds	59,838	59,785
Other employee benefits expenses	28,256	102,810
	<u>731,040</u>	<u>807,352</u>
<p>The auditors acted in an honorary capacity. BDO provided other services of \$Nil (2015: \$Nil).</p>		
3. CASH AND CASH EQUIVALENTS		
Operating bank balances:		
- Cash at bank	254,303	547,789
- Petty cash	500	1,000
	<u>254,803</u>	<u>548,789</u>
4. RECEIVABLES		
Club levies receivable	1,715	40,008
Sponsorship receivable	500,000	111,000
GST recoverables	12,072	13,458
Other receivables and prepayments	78,547	105,980
	<u>592,334</u>	<u>270,446</u>
5. OTHER FINANCIAL ASSETS		
At call deposit accounts	113,735	645,184
Term deposits	2,192,663	857,718
Commonwealth Bank Online Saver	682,571	933,908
	<u>2,988,969</u>	<u>2,436,810</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Office equipment – at cost	73,814	69,214
Less accumulated depreciation	(64,231)	(51,520)
	<u>9,583</u>	<u>17,694</u>
Leasehold improvements – at cost	-	94,308
Less accumulated depreciation	-	(56,585)
	<u>-</u>	<u>37,723</u>
	<u>9,583</u>	<u>55,417</u>

LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Carrying Amount	Office Equipment		Leasehold Improvements		Totals	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Opening Balance	17,694	40,869	37,723	56,585	55,417	97,454
Additions	5,259	3,884	-	-	5,259	3,884
Disposals	(300)	(5,111)	(37,723)	-	(38,023)	(5,111)
Depreciation	(13,070)	(21,948)	-	(18,862)	(13,070)	(40,810)
Closing Balance	<u>9,583</u>	<u>17,694</u>	<u>-</u>	<u>37,723</u>	<u>9,583</u>	<u>55,417</u>

	2016	2015
	\$	\$
7. PAYABLES AND OTHER LIABILITIES		
Current		
Trade and other creditors	<u>31,475</u>	<u>98,895</u>

8. EMPLOYEE BENEFITS PROVISIONS		
Current		
Liability for annual leave	<u>46,855</u>	<u>34,824</u>
Non Current		
Liability for long-service leave	<u>8,363</u>	<u>5,222</u>

9. RETAINED EARNINGS		
Balance at 1 July	3,172,521	2,761,894
Surplus attributable to the Association	418,733	410,627
Net transfer to reserves	(1,438,342)	-
Balance at 30 June	<u><u>2,152,912</u></u>	<u><u>3,172,521</u></u>

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. RESERVES

In order to assist members to understand the future activities that the retained surplus of LA Inc is intended to support, the directors have established a number of reserves within equity. The movements for the year in each reserve and the detailed purpose for which the reserve has been established are detailed below.

Total Reserve Movement

Transfer from retained earnings to establish reserves	969,873
Expenditure allocated to the reserve	(697,758)
Income allocated to the reserve	1,166,227
Balance at 30 June	<u>1,438,342</u>

2016
\$

These movements occurred through the following reserves:

(a) National Programs – Educational Support

2016
\$

Westpac Banking Corporation

Transfer from retained earnings	500,000
Westpac Donation recognised as income received in FY 2015/16	500,000
Legacy Westpac Fund Bursaries paid out in FY 2015/16 to various beneficiaries in Legacy Clubs with the approval of Advocacy Committee	(56,686)
Legacy Bursaries administered through AVCAT paid out in FY 2015/16	(35,916)
Administrative support costs allocated to the distribution of the bursaries in FY 2015/16	(30,000)
Funds Retained in reserves for future Financial Years	<u>877,398</u>

This comprises of funds set aside to maintain commitments to current welfare projects and services to benefit Legacy beneficiaries.

John Gough Memorial Fund

Transfer from retained earnings	286,032
Bursaries & Administration Fees paid out in FY 2015/16 to AVCAT	(12,067)
Funds Retained in reserves for future Financial Years	<u>273,965</u>

These funds were received as a bequest from the late Legatee John Gough of Melbourne and Adelaide Legacy. Legacy Australia Council resolved that this fund be used to provide assistance for the use of tertiary scholarships to Legacy beneficiaries.

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. RESERVES (CONT'D)

(b) National Programs – Social Support

**2016
\$**

**Junior Welfare Fund (part of funds received through the
Duchesa Bequest)**

Transfer from retained earnings	121,023
Expenses to Legacy Junior Public Speaking Award (LJPSA) paid out in FY 2015/16	(17,202)
Administrative support costs allocated to the program in FY 2015/16	(15,000)
Funds Retained in reserves for future Financial Years	<u>88,821</u>

This comprises of funds set aside to maintain commitments to current welfare projects and services to benefit Junior Legacy beneficiaries.

Australia Post/Florance Foundation

Donation Received on 1/7/15	100,000
2016 Florance Foundation Expenses and Visits to AWM paid out in FY 2015/16	(18,231)
Administrative support costs allocated to the program in FY 2015/16	(15,000)
Funds Retained in reserves for future Financial Years	<u>66,769</u>

This fund is provided by Australia Post to Legacy, in the lead up to the commemoration of the ANZAC Centenary, donations of \$1 each from the sales of selected 2015 Australia Post Legends Stamp products that are sold through Australia Post outlets, including its Victorian outlets.

The LA Inc Board agreed to utilise the \$100,000 from the Australia Post Fundraiser for the extension of the Florance Foundation initiative whereby Legacy juniors are sent to Canberra to lay a wreath with the National Chairman on ANZAC Day.

A total of \$22,913 of Australia Post's donation was generated through stamp sales in the state of Victoria and in accordance with the requirements of the Veterans Act 2005 these funds have been deposited in Legacy Australia Inc Welfare Patriotic Fund (No. W573). This fund will be used to fund the participation of Victorian beneficiaries in Florance Foundation trips.

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. RESERVES (CONT'D)

	2016
	\$
(c) National Programs – Projects	
Pozières	
Transfer from retained earnings	62,818
Pozières Study Tour Project Income received in FY 2015/16	566,227
Project Expenses incurred in FY 2015/16	(497,656)
Funds Retained in reserves for future Financial Years	<u>131,389</u>

This is comprised of funds to be used for the educational study tour of Legacy junior beneficiaries to the Western Front Battlefields in commemoration of the battle of Pozières.

11. OPERATING LEASES

The association has entered into a rental agreement in respect of office premises and office equipment under operating leases. The future minimum lease payments due under non-cancellable operating leases are as follows:

	2016	2015
	\$	\$
Less than one year	71,120	24,057
Between one and five years	225,432	-
	<u>296,552</u>	<u>24,057</u>

12. RELATED PARTIES

No members of the Board or Director related entities transacted with LA Inc during the year.

LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

13. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2016	2015
	\$	\$
Reconciliation of cash flow from operations with surplus from ordinary activities:		
Operating Surplus	418,733	410,627
Adjustments for:		
- Loss on disposal of property, plant and equipment	22,386	5,111
- Depreciation expense	13,070	40,810
Changes in assets and liabilities		
- Increase in other receivables	(321,888)	(103,730)
- Increase/(decrease) in payables and other liabilities	100,222	(70,868)
- Increase in employee benefits provisions	15,172	7,952
Cash Flow from Operations	247,695	289,902

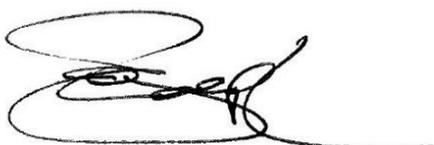
LEGACY AUSTRALIA INCORPORATED
DIRECTORS' DECLARATION

The Directors of Legacy Australia Incorporated have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

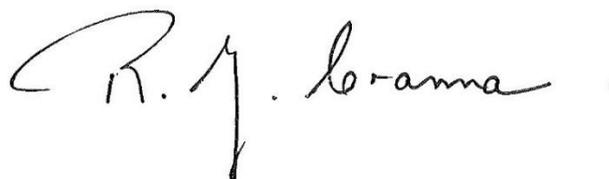
In the opinion of the Directors of Legacy Australia Incorporated:

- (a) the financial statements and notes, set out on pages 6 to 18 are in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, including giving a true and fair view of the financial position of Legacy Australia Incorporated as at 30 June 2016 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Legatee Anthony Ralph
Chairman



Legatee Richard Cranna
Treasurer

23 September 2016
Sydney

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LEGACY AUSTRALIA INCORPORATED**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Legacy Australia Incorporated, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012, the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the responsible entities' preparation of the financial report that gives a true and fair view 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 registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the responsible entities, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

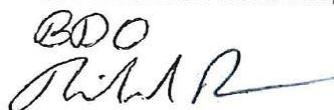
In our opinion the financial report of Legacy Australia Incorporated has been prepared in accordance with the Associations Incorporation Reform Act 2012 and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the Legacy Australia Incorporated's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, Associations Incorporation Reform Act 2012 and the Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2015.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

BDO East Coast Partnership



Richard Dean
Partner

Melbourne, 23 September 2016

Legacy Australia Inc

WELFARE PATRIOTIC FUND

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016**

LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND

Income Statement

FOR THE PERIOD ENDED 30 JUNE 2016

	2016
	\$
INCOME	
Fundraising	22,913
Interest received	2
Total revenue	<u>22,915</u>
EXPENSES	
Bank fees	19
Total expenditure	<u>19</u>
Surplus	<u>22,896</u>
Opening retained earnings	-
Closing retained earnings	<u>22,896</u>

LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND

Statement of Financial Position

AS AT 30 JUNE 2016

	2016
	\$
ASSETS	
CURRENT ASSETS	
Cash at bank	22,996
TOTAL CURRENT ASSETS	<u>22,996</u>
NET ASSETS	<u>22,996</u>
EQUITY	
Settled sum	100
Retained earnings	22,896
TOTAL EQUITY	<u>22,996</u>

1. INTRODUCTION

Legacy Australia Inc Welfare Patriotic Fund (No. W573) was established on 12 November 2015 and is a trust domiciled in Victoria. The Trustee is LA Inc. The objects and purposes of Legacy Australia Inc Welfare Patriotic Fund are the care of dependants of those who served their country, namely veterans who gave their lives or health on operational service or subsequently, and the Australian Defence Force members who died as a result of any Service or Duty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are a special purpose financial report prepared in order to satisfy the accounts preparation requirements contained in the Trust Deed for Legacy Australia Inc Welfare Patriotic Fund. The trustee has determined that Legacy Australia Inc Welfare Patriotic Fund is not a reporting entity as defined in Statement of Accounting Concepts 1 “Definition of the Reporting Entity” and therefore there is no requirement to apply accounting concepts or standards in the preparation of these statements.

The financial report has however adopted the measurement requirements Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards.

The principal accounting policies adopted by Legacy Australia Inc Welfare Patriotic Fund are stated in order to assist in a general understanding of the financial report.

(a) Donations

Income is recognised when Legacy Australia Inc Welfare Patriotic Fund obtains control of the contribution or the right to receive a contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be reliably measured.

(b) Income Tax

The Trust is in the process of registering with the Australian Charities and Not-for-profit Commissions (ACNC) as a Public Benevolent Institution and applying for Deductible Gift Recipient status.

(c) Cash

Cash includes deposits held at call with a bank or financial institution and highly liquid investments that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND

Declaration of the Trustee

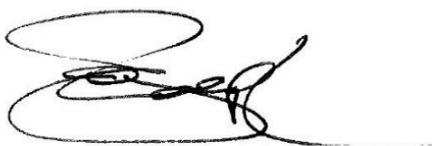
The directors of the Trustee declare that the financial statements and notes of the trust set out on pages 1 to 3:

- (a) are consistent with the financial reporting requirements of the Legacy Australia Inc Welfare Patriotic Fund declaration of trust and are appropriate to meet the needs of the members; and
- (b) present fairly the Trust's financial position as at 30 June 2016 and its performance for the financial period ended on that date.

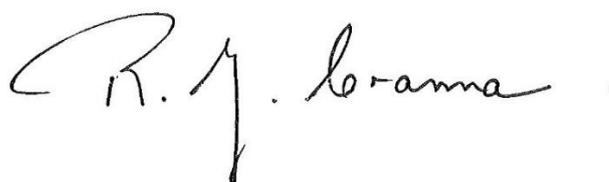
In the opinion of the directors of the Trustee:

- (a) the financial statements and notes are in accordance with the Trust Deed; and
- (b) there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Legatee Anthony Ralph
Chairman



Legatee Richard Cranna
Treasurer

23 September 2016
Sydney

TO THE MEMBERS OF LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Legacy Australia Inc Welfare Patriotic Fund, which comprises the statement of financial position as at 30 June 2016 and the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the Trustee.

Trustees' Responsibility for the Financial Report

The directors of LA Inc, as trustee of Legacy Australia Inc Welfare Patriotic Fund, are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of the trust deed. The trustees' responsibility also includes such internal control as the trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

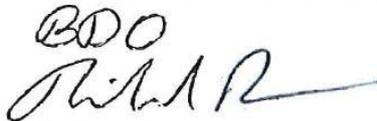
Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Legacy Australia Inc Welfare Patriotic Fund as at 30 June 2016, and its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards described in Note 2 and the financial reporting requirements of the trust deed.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the trust deed. As a result, the financial report may not be suitable for another purpose.

BDO East Coast Partnership

The image shows a handwritten signature in black ink. The signature starts with the letters 'BDO' in a stylized, blocky font. Below this, there is a cursive signature that appears to be 'Richard Dean'. The signature is written over a light blue horizontal line.

Richard Dean
Partner

Melbourne, 23 September 2016

2015	David Gray
2016	Tony Ralph