

LEGACY AUSTRALIA INCORPORATED



4TH ANNUAL REPORT

2017 - 2018

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This is my first Annual Report since having the honour to assume the position as Chairman of LA Inc. almost 12 months ago.

Our CEO Jenny Walker resigned from LA Inc. in January 2018. Jenny joined Legacy in June 2014 and assisted in overseeing and managing Legacy Australia Co-ordinating Council becoming an incorporated body in March 2015 after the approval of all Clubs in November 2014. Her knowledge on corporate law and management was a great help in this transition, as well as her role as CEO, and on behalf of Legacy Australia, my thanks to Jenny and best wishes in her future endeavours.

Following Jenny's resignation, we were fortunate to have Mr Peter Lawley, CEO of Brisbane Water Legacy (NSW), join us on a part-time basis as Acting CEO to June 2018. Peter was generously "loaned" to us by Brisbane Water (NSW) Legacy and my thanks to Brisbane Water (NSW) Legacy for "lending" Peter to us.

During June, Mr. Scott Warr was appointed to Legacy Australia Inc. as our CEO. Scott, who has a senior military background and wide business experience, has been a very important addition to Legacy Australia with his business and senior military contacts. This will be of great value to Legacy in our work and will be very important as we plan our path five to ten years in the future.

At our November 2017 AGM, we had unfinished business with respect to Legacy Club discussions on "Managing a Smaller Legacy", in particular the role and costs of LA Inc. This included advice that an Annual Subscription will be charged to Clubs in place of the current Legatee Levy. As time did not permit a satisfactory discussion or conclusion with Clubs at the AGM, I have spent a great deal of time, visiting most states and many Clubs, to ensure that every Legacy Club is able to understand Legacy Australia's role and discuss and debate the need to implement the Annual Subscription as set out in the Constitution. A formula to calculate a fair cost of the Annual Subscription has been developed and will be presented for approval at the Annual General Meeting.

In July 2017, the comprehensive Report on LA Inc., which was developed by the Review Panel, was presented for the Board and all Clubs to consider. This included a complete review of all LA Inc. costs and staffing requirements to ensure the long-term governance structure and funding of LA Inc. This is still work-in-progress, but with the steps already taken, our Budgeted costs have been reduced by some \$100k.

Included in the Review Panel Report was the re-location of our office from Darlinghurst. Legacy Club Services has very generously leased us space on a separate floor of their building at Legacy Chambers in York Street, Sydney, which will save over \$100k annually in lease costs. The move from Darlinghurst was made in mid-June 2018.

CHAIRMAN'S REPORT

The major Capital City Clubs have agreed to undertake all the major Marketing programs and the associated costs for the major annual revenue-raising periods, i.e. Anzac Day period, Legacy Week and Remembrance Day period.

In an effort to improve communication with Clubs, the major Capital City Presidents (or their representatives) have agreed to join the Board Marketing Committee meetings, which will help to ensure that we keep united in our work and have an understanding of all Legacy projects being undertaken around Australia.

As well as visiting many Legacy Clubs and areas, I have had meetings in Canberra with all the ADF Chiefs and Secretary of DVA as well as with our National Patron, Governor-General the Honourable Sir Peter Cosgrove AK MC (Retd), and our Legacy Ambassador Dr Brendan Nelson AO, Director of the Australian War Memorial. All expressed their strong support for our organisation and all stressed the need for one representative body (Legacy Aust. Inc.) to represent all of Legacy.

Apart from the National Conference in Wollongong in November 2017, three other major functions have taken place over the past twelve months.

- The completion of Operation Legacy Kokoda Challenge 2017
- The National Launch of Legacy Week 2017
- Anzac Day celebrations in April 2018

In early September 2017, 23 young Legatee Juniors completed their walk over the Kokoda Trail. Our juniors were accompanied on the expedition by 20 members of the ADF who were personally chosen to accompany the children by our Legacy Ambassador, Major General (Rtd) Stuart Smith AO, DSC. I was able to personally thank General Smith at a conference in Townsville earlier this year.

All enjoyed the trip immensely and will gain enormous benefit from their experience. If we are able to raise the funds and there are a willing number of Legacy kids, it would be excellent if we could arrange another similar expedition in 2019.

The 2017 National Launch of Legacy week was again held at the Australian War Memorial with a large number of guests attending including many Legatees. Thanks go to Canberra Legacy and the LA Inc. staff for helping to make the event so successful. My thanks also, to two of our Legacy Ambassadors, Dr Brendon Nelson AO for hosting us at the AWM and Mr Chris Jenkins, CEO, Thales Australia and New Zealand, for hosting the reception in the AWM Captain Reg Saunders Gallery, following the Launch ceremony.

Thales Australia and CEO Mr Chris Jenkins have been wonderful partners of Legacy and we are proud to have Chris join us as a Legacy Ambassador, further strengthening the relationship between Thales and Legacy. Thank you Chris from all in Legacy. Mrs Christine Stokes also accepted our invitation to be a Legacy Ambassador, and we thank her for supporting our worthy cause.

My thanks also to the other Legacy Ambassadors, National sponsors and Partners who have supported Legacy over the past year and allowed us to continue to support the education of our young people and assist widows and families when called upon.

CHAIRMAN'S REPORT

In April 2018, the Legacy Club of Canberra was host to Legacy children for the week, culminating in their attendance at the Canberra Anzac Day services where two juniors assisted me in placing a Wreath of Remembrance on the Remembrance Stone during the ceremony.

Canberra Club each year does a magnificent role in hosting our Legacy Juniors at this time and we in Legacy are very grateful for this.

In 2023, Legacy will celebrate 100 years of service and the Centenary of Legacy Committee is now planning ahead for this important celebration.

It has been a very busy year with ESORT (Ex Services Organisation Round Table), Advocacy and DVA issues and my thanks to all who have helped or completed Government Inquiries and submissions into veteran Advocacy reviews and other Government veteran reviews.

As time goes by, it is increasingly important that clubs plan ahead for their futures so that our dependants are well cared for, long into the future. Be it amalgamation or merger with another Club, becoming a Group/Division of another Club, establishing a central Legal Entity (such as the Legacy Club Services option), or winding up its operations, it is important that all Clubs have a continuity plan in place to ensure we can continue to provide services long into the future to families of veterans and those who have given their health. Good governance must be maintained. It is now more important than in the past with the ACNC focusing on good governance and compliance with the State Fundraising Acts within not-for-profit organisations, particularly following the RSL investigations in NSW.

Finally, I would like to thank the members of the Board for their commitment and time they have spent supporting the work we do at a national level whilst continuing their Legacy work at their own clubs. Regrettably, in June 2018 L/Peter Jenke (Zone A: Melbourne) submitted his resignation as Director and Treasurer of LA Inc. Board. I would like to extend my appreciation to L/Jenke for his commitment and contribution to the Legacy cause during his time in office. L/Don Stewart (Zone C: South Australia [including Broken Hill] & Northern Territory Region) was appointed Treasurer and we thank him for taking on such an important role in the organisation.

I would also like to thank our wonderful staff in the LA Inc. office who, although small in number, do an enormous amount of work to ensure that we in Legacy Australia can be of benefit to all Legacy Clubs and our beneficiaries.

I commend this Annual Report to all Legacy Clubs.



Legatee Rick Cranna

Chairman

Legacy Australia Incorporated

DIRECTORY

FOUNDATION	1 March 2015
PATRON	Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd)
CHAIRMAN	Rick Cranna (elected 29 November 2017)
VICE-CHAIRMEN	Peter Bysouth Philip McNamara
IMMEDIATE PAST CHAIRMAN	Tony Ralph
TREASURER	Peter Jenke (resigned 18 June 2018) Donald Stewart (elected 29 June 2018)
SECRETARY	John Bertram
CHIEF EXECUTIVE OFFICER	Jennifer Walker (resigned 31 January 2018) Scott Warr (appointed 14 June 2018)
LEGACY AMBASSADORS	The Hon Brendan Nelson AO; Ms Leesa Kwok; Major General Stuart Smith AO DSC (Retd); Mr Ben Roberts-Smith VC MG; Ms Christine Simpson Stokes; Mr Chris Jenkins, CEO Thales Australia and New Zealand
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	Level 7, 47 York Street, NSW 2000
POSTAL ADDRESS	GPO Box 4020, Sydney, NSW 2001
TELEPHONE	+61 2 8333 0600
EMAIL	office@legacy.com.au
WEBSITE	www.legacy.com.au
SPONSORS AND SUPPORTERS	Thales, Westpac, News Corp Australia, Reece, Australian Defence Force, Defence Industries Study Course, Downies, Macquarie Mint, Scentsy, Australia Post, Australian Military Bank, Lee Kernaghan, QinetiQ, Defence Health, Brandnet, Peet Limited, AFA Foundation, Australian Livestock & Property Agents Association Ltd (ALPA), Village Roadshow Theme Parks, BWS (Woolworths Group)

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 primary purposes of Legacy Australia Inc. 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 Australian Defence Force members who die in service or as a result of their service; and
- to provide a caring service, not limited to financial support to the dependants, including by way of personal endeavour by Legatees.

Other purposes are:

- to protect the good name and reputation of Legacy; and
- to act as the national coordinating body for Legacy Clubs including 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.
- 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 cobbers in the field of battle.

BOARD

MEMBERS

Rick Cranna – Chairman

- Peter Bysouth – *Vice Chairman*
- Philip McNamara – *Vice Chairman*
- John Bertram - *Secretary*
- Donald Stewart - *Treasurer*
- Sarnia Birch
- Robert Connor
- Peter Heeney
- Peter Keane
- Ian Mackenzie

At 30 June 2018 the position of Director for Zone A - Melbourne remained vacant.

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

Donald Stewart - Chair

- Peter Keane
- Ian Stewart

GOVERNANCE COMMITTEE

MEMBERS

Sarnia Birch - Chair

- Peter Bysouth
- David Grierson

ADVOCACY COMMITTEE

MEMBERS

Robert Connor - Chair

- Philip McNamara
- John McInerney
- Ian Mackenzie
- Peter Lawley

NATIONAL MARKETING COMMITTEE

MEMBERS

John Bertram - Chair

- Peter Heeney
- Scott Warr
- Carly Forrester

DISCIPLINARY COMMITTEE

MEMBERS

The Hon. Stanley G Jones AO - Chair

- Max Lemon (Adelaide)
- Duncan Warren (Perth)
- Charles Wright (Gold Coast)

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

CORPORATE GOVERNANCE STATEMENT

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. Regular National Chairman's Messages, emails and correspondence on specific issues are also circulated. 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.

CORPORATE GOVERNANCE STATEMENT

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

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 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	Term expired 29 November 2017	4	4
Richard Cranna		8	7
John Bertram		8	6
Sarnia Birch		8	6
Peter Bysouth		8	8
Paul Clancy	Term expired 29 November 2017	4	4
Robert Connor		8	8
Peter Keane	Elected with effect 29 November 2017	4	4
Peter Heeney		8	8
Peter Jenke	Resigned 18 June 2018	8	7
Ian Mackenzie		8	6
Philip McNamara		8	8
Don Stewart	Elected with effect 29 November 2017	4	4

LA Inc. Activities and Outcomes

The 2013 national governance working group considering the need for a 'national' body proposed that the functions of the national body should be:

Governance

- To manage and coordinate the day to day business of Legacy Australia at the national level
- To take decisions on matters which Legacy Clubs agree are not required to go to Conference (AGM)
- To implement the decisions of Legacy Clubs taken at Conference (AGM)
- To provide guidance to the Host Club of the biennial National Conference (and AGM)
- To provide advice and guidance to Legacy Australia in governance matters

Representation

- On behalf of Legacy Australia, to develop and maintain alliances and relationships at the national level, including making representations to, or negotiating with entities including:
 - Department of Veterans' Affairs
 - Department of Defence and the ADF
 - Federal Government and Federal Departments and Agencies generally

CORPORATE GOVERNANCE STATEMENT

- RSL and other Ex-Service Organisations
- ACNC

- To represent Legacy Australia at the national level in areas of:
 - Media Management
 - Incident Response

National Policy / Services

- To develop and implement, following endorsement by Legacy Clubs, policy on matters including:
 - Pensions
 - Welfare
 - Aged Care
- To provide guidance to and oversight of the Advocacy Committee
- To provide guidance to and oversight of the Aged Care Forum
- To provide guidance to and oversight of the National Welfare Network

National Marketing

- To provide guidance to and oversight of the National Marketing Committee including:
 - Marketing, Public Relations and Media Management
 - Fundraising at a national level
 - Corporate partnerships and sponsorships
 - Development and maintenance of Legacy website
- To solicit, receive, invest and disburse funds.

The 2014 Special Conference meeting, where Legacy Clubs voted to establish and join LA Inc., gave responsibilities to the Board of LA Inc. (Rule 39 of LA Inc. Constitution) including:

- The activities of LA Inc. shall be managed by or under the direction of the Board;
- The Board may exercise all the powers of LA Inc. except that are required to go to an AGM.

The powers of LA Inc. (Rule 5 of LA Inc. Constitution) include the power “to do all things incidental or conducive to achieve its purposes” including the grant or removal of Charters.

The association is the vehicle by which Legacy Clubs are authorised to operate under the Legacy name and logo.

The national office is the set of resources required to undertake the work of the Board on a day to day basis.

NATIONAL PROGRAMS

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 eight (8) Board meetings during the year held primarily in Sydney. The Board has also continued videoconferencing in order to reduce governance costs. Meeting arrangements during the year were as follows:

July	Sydney, Darlinghurst
September	Videoconference – DLA Piper Sydney, Melbourne, Brisbane and Perth
October	Novotel Wollongong Northbeach
November	Sydney, Masonic Club
February	Sydney Thales, Garden Island
March	Videoconference – DLA Piper Sydney, Melbourne, Brisbane and Perth
May	Sydney, DLA Piper

LA Inc. wishes to thank DLA Piper for their continued support and for providing facilities for our Board Meetings.

CHAIRMAN'S MESSAGES

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 representation and marketing activities are always included in the Chairman's Message or as a supplementary Update.

BOARD COMMITTEES

The **Development Committee** is responsible to the Board for the development of best practice marketing and fundraising proposals which enhances Legacy's reputation and brand name while, where possible, cultivating long term revenue streams. This Committee held five meetings during the reporting period and also ran wider meetings as required to receive input from the specialists at Club level in relation to marketing matters. Established to provide support and advise the National Marketing Committee of marketing implications and interdependencies that exist among Legacy campaigns, media relations and communications, the Development Working Group met in January 2018 to plan the 2018 campaigns and communicated regularly during the reporting period via email and teleconference meetings. As an outcome of the Development Working Group forum project leads for National Campaigns were agreed where Capital City Clubs would project lead the three major Campaigns with oversight by the National Office.

At its May 2018 Meeting the Board approved the Committee's recommendation to change its name to **National Marketing Committee** to better reflect the role of the Committee. The Board also agreed that major capital city Club Presidents or their representatives be appointed to the Committee.

The Board's **Advocacy Committee** encompasses all matters relevant to pensions, welfare, and aged care. The Advocacy Committee met in April 2018 during the reporting period and communicates regularly via email. It is supported in the operational planning and capability development role by the Advocacy Working Group that primarily conducts its business via email and meets annually in a national forum at the DVA premises in Canberra to solidify the Group's work during the year and workshop matters of national significance, including the application of the requirements of the Advocacy Training and Development Program in Legacy.

The **Finance Audit and Risk Management Committee** convened six meetings during the reporting period 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. A Risk Management Workshop was convened on 16 April 2018 with Legatees David Kelly (Melbourne Legacy) and Jim Gibson (Wagga Wagga Legacy) and staff; Nicole Hayes (CEO, Townsville), Peter Lawley (the then Chief Executive, LA Inc.), Katrina Hagerty (Executive Officer, LA Inc.) and Patrick Lee (Manager Advocacy, Policy and Projects, LA Inc.).

During the reporting period, **Governance Committee** met in March 2018 and communicated regularly via email. The role of the Governance Committee is to assist the Board of Directors to develop plans, policies and procedures which enables the Board to comply with legislative and regulatory requirements and ensures that the Constitution and Bylaws of Legacy Australia Inc. are regularly reviewed for practicality and effectiveness.

NATIONAL PROGRAMS

Program **NATIONAL SUPPORT / LEGAL COMPLIANCE**

Object **To protect the good name and reputation of Legacy**

The activities undertaken in this Program through 2017-2018 have included:

- Ongoing development and maintenance of a Risk Register. A Risk Assessment template has also been established and industry professionals have been engaged to assist.
- A standing 'risk' agenda item for the Finance, Audit and Risk Management (FARM) Committee, reviewed and updated regularly.
- Ongoing development of policies and procedures to ensure legal compliance and reduce risk for Legacy Clubs
- Clubs have been encouraged to adopt the policies and procedures through communications such as the Chairman's Message, Memoranda and at Club President Changeover functions.
- Maintenance of an Issues Register reviewed by the LA Inc. Board
- Maintenance of a Marketing Register reviewed by the National Marketing Committee
- Oversight and assistance to Legacy Clubs with issues to prevent escalation
- 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 \$14,876 in legal fees. \$6,389 less than in 2016-2017
- Monitoring of the outcomes of the Royal Commission into Institutional Responses to Child Sexual Abuse
- Monitoring of the compliance expectations of the Australian Charities and Not for Profit Commission
- Monitoring of the compliance expectations of the Privacy Commissioner
- Monitoring of the developments in compliance requirements of the fundraising industry

Policies and procedures updated in the last financial year include:

- POL-09 Legacy Media Communications Policy
- POL-10 LA Inc. Delegations Policy
- PROC-01 LA Inc. Travel Expenses Procedure
- PROC-08 Accessing Westpac Education and Development Funds Procedure
- POL-PROC-15 LA Inc. Third Party Fundraising Policy & Procedure

Others that were developed in the last financial year include:

- POL-16 Conflict of Interest Policy
- POL-PROC-17 Whistleblower Policy & Procedure
- Annual Compliance Checklist for Legacy Clubs

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 2017-2018 have included:

- Chairman's participation in Ex Service Organisation Round Table (ESORT) consultation with DVA
- Participation in Working groups and Committees to improve support systems
 - Younger Veterans – Contemporary Needs Forum (YVF)
 - Female Veterans and Families Forum (FVFF)
 - Memorial for Families at the War Memorial
 - National Aged Care Alliance
 - National Aged & Community Care Forum
 - Female Veterans and Families Forum
 - Operational Working Party (OWP)
 - Strategic Governance Board (SGB) of Advocacy Training and Development Program
 - Australian Military Covenant Committee
- Participation in joint committees for Advocacy development
- Making submissions to Government for policy and budget considerations
- Submission to the Productivity Commission's inquiry into Compensation and Rehabilitation for Veterans
- Submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's Inquiry into transition from the Australian Defence Force (ADF)
- Active lobbying to Government decision-makers in relation to benefits for widows and children of veterans
- Canvass pensions and welfare officers for information on emerging issues
- Convening of National Advocacy Forum to provide professional development for Legatees and paid staff, and an opportunity to engage with senior DVA officials.
- 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

Our advocacy task continues to primarily focus on ensuring that our beneficiaries receive all of their entitlements, including both pensions AND welfare entitlements. In accordance with clause 3.3.8 of Bylaws of Legacy Australia Incorporated, 41 Clubs submitted the following pension's statistics for 2017:

- 980 primary claims lodged with 787 accepted (80%)
- 147 section 31 claims made with 10 accepted (7%)
- 146 VRB claims made with 96 accepted (65%)
- 24 AAT cases with 9 accepted (37%)

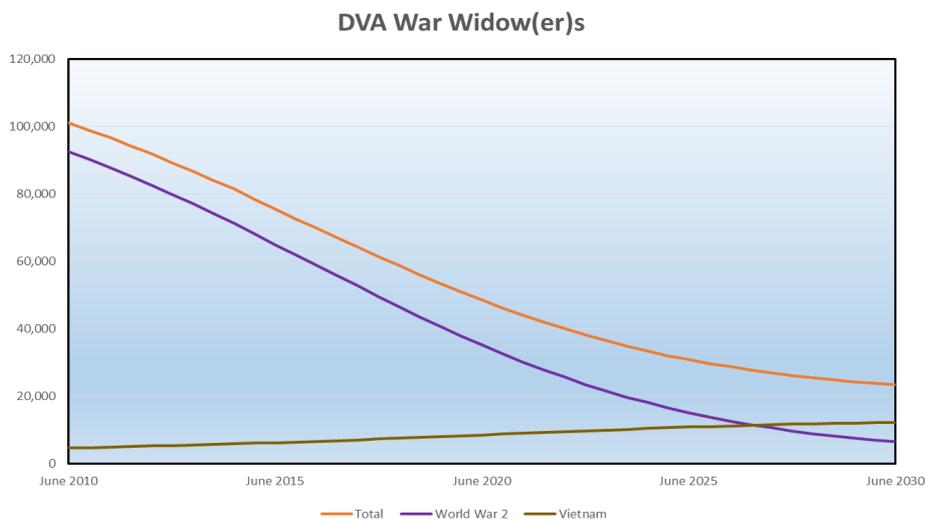
We currently have 25,839 of our widows on War Widows' Pensions under the VEA. That's 44.41% of all widows (total widows for 2017 – 58,178) registered with Legacy. Last year there were 37,872 or 57.73%. The drop would be largely due to the decline in WWII widows as they pass on. 86% of our beneficiaries are aged over 75. Changes to aged care policy, including 'My Aged Care' and the shift to 'ageing in place' 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. Bolton Clarke (formerly RSL Care Qld and RDNS) continue to support Legacy by providing a dedicated telephone 'Navigator' service to provide a one-stop shop for information on home care packages and aged care from all Government programs.

NATIONAL PROGRAMS

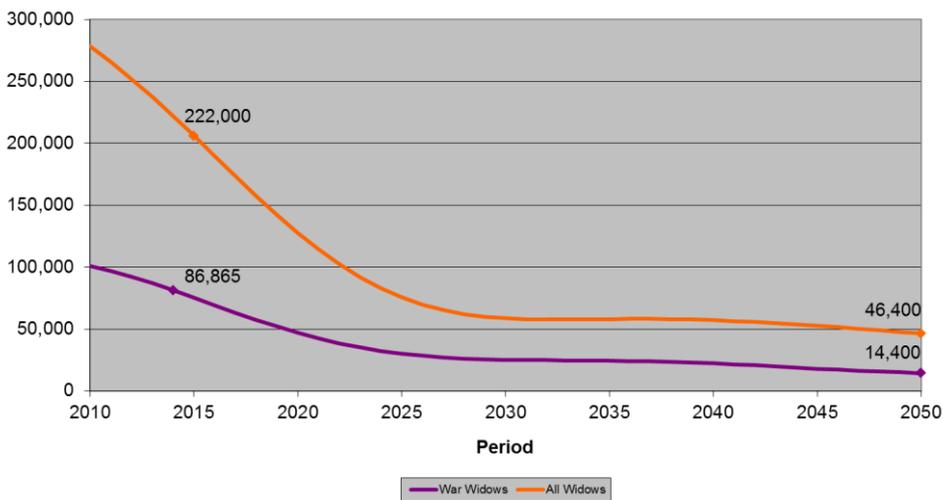
Chairman of Legacy Australia Inc. continued to participate in the ESO Round Table (ESORT) Consultative Forum convened by the Secretary of DVA. Updates on the ESORT deliberations are summarised on the DVA website.

The Legacy Australia Inc. Chairman’s Message was disseminated regularly with updates on Legacy Australia matters as well as information from the Department of Veterans’ Affairs. 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.

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



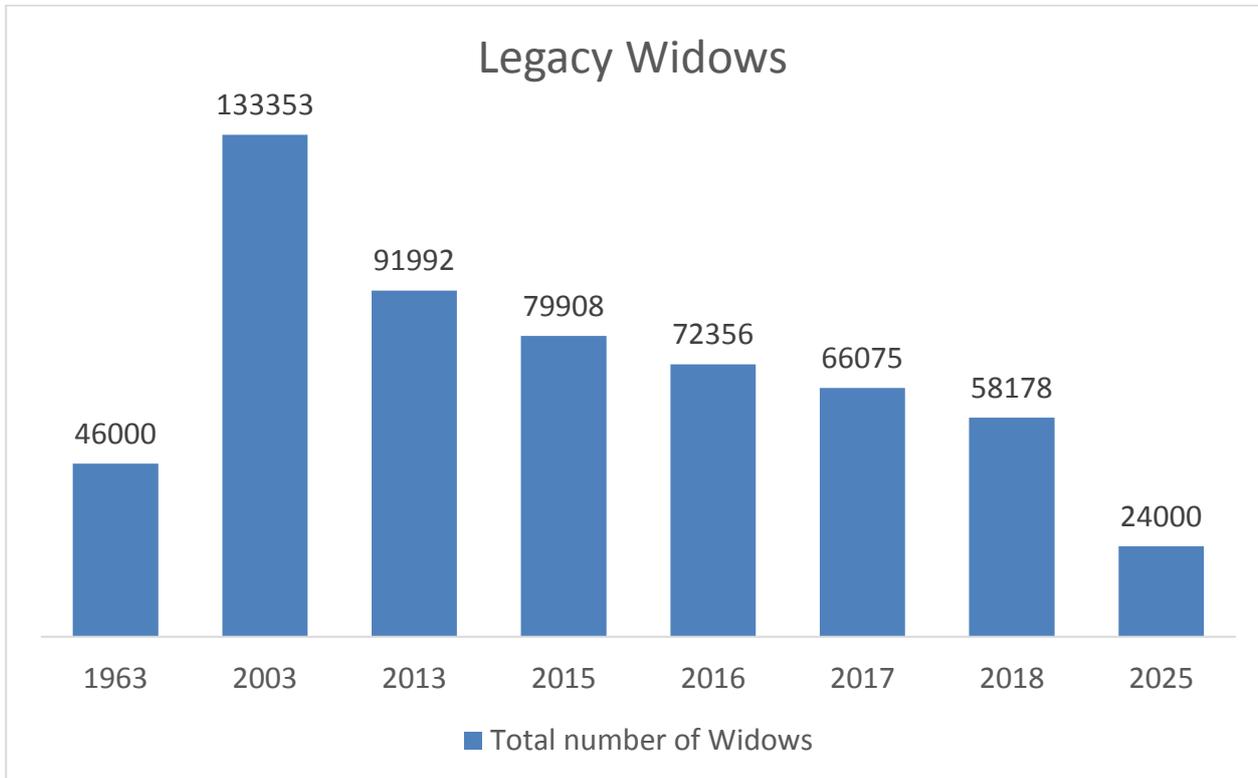
DVA War Widows & All Widows Population



Note: The DVA actual figure for War Widows at 30 June 2018 was 59,001.

NATIONAL PROGRAMS

- The downward trend of widows has continued as a result of our WWII widows passing on at a rate of around 21 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 no more than 35,800 widows registered nationally in our centenary year of 2023 and around 24,000 by 2025



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 2017-2018 have included assisting Legacy Clubs in delivery of their social support through:

- Exposure of Legacy youth to commemorative activities and ceremonies through continuation of Australian War Memorial Legacy Youth ANZAC Visit to Canberra (previously Florance Foundation). Culminating in Legacy Youth laying wreaths with the National Chairman at the Anzac Ceremony at the Australian War Memorial
- Allocation of the \$100,000 Australia Post funds raised in 2015 to continue the program into the future
- Involvement of youth in personal development activities such as Operation Legacy Australia Kokoda Challenge 2017
- Identifying other developmental opportunities for Legacy Youth including the partnership with ADF mentors taking Legacy youth up the Kokoda Track
- Continuation of providing funds for the final of the Legacy Junior Public Speaking Competition
- Launceston Legacy hosted the 2017 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.

In April 2018 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 (aged between 15 and 19 years) from all over the country visiting Canberra for six days, concluding on the day after ANZAC Day.

Under the leadership of Legatees Ellicott, Maddock, Lehmann and Salmon, the trip was a tremendous success thanks to the financial support of both LA Inc. (through Australia Post's 2015 fundraising donation) and the Australian War Memorial who continue to fund the airfare expenses, this year providing \$3,500 for that purpose. Overall, the expense to LA Inc. this year was \$17,771 (from an allocated budget of \$15,000), which is considered very reasonable considering the positive public exposure and Junior/Guardian feedback that was received.

NATIONAL PROGRAMS

Activities the youth participated in during the week included: early morning flight in the RAAF Hot Air Balloon, a tour of New Parliament House with Channel 7 Political Editor Mark Riley; a swim at the Australia Defence Force Academy; motivational speech by Kate Munari, the first operational female helicopter pilot to fly combat missions in Afghanistan about failure and overcoming adversity; attendance at the Brumbies vs Jaguars and being part of the cheer squad to welcome the Brumbies onto the ground; an emotional visit to the War Memorial (AWM) where a wreath was laid at the tomb of the Unknown Soldier, tours through the galleries, Discovery Zone and attendance at the last post ceremony; a talk with DCJOPS Major General Gregory Bilton AM, CSC about leadership, resilience and teamwork; tours at the Australian Institute of Sport; 34 Squadron at RAAF Fairbairn; Australian Federal Police National Canine Operations unit; Questacon; a Segway tour around Lake Burley Griffin as well as attendance and participation during the ANZAC Day at the dawn service and national ceremony. Media coverage included a report by Seven News political editor Mark Riley who gave the Junior Legatees a special behind-the-scenes tour of Parliament House.

Thanks also to Canberra Legacy staff, Bob Cox, Heather Pietsch and Cathy Clifford who also supported the activity.

Operation Legacy Australia Kokoda Challenge 2017 (OP LAKC 17)

Operation Legacy Australia Kokoda Challenge 2017 (OP LAKC 17) was a great success both financially and as a rewarding life experience for the Junior Legatees and Australian Defence Force (ADF) members who participated in the activity.

Following the success of the Pozières Project in 2016-2017, OP LAKC 17 has been yet another effective engagement of one of Legacy's most important stakeholders, the ADF. Major General Stuart Smith AO, DSC, the then Deputy Chief of Joint Operations, provided tremendous support for the activity by raising a Head Quarters within Joint Operations Command (JOC), with representatives from all three Services. General Smith appointed Colonel Christopher Austin to coordinate ADF's engagement in OP LAKC 17.

23 Junior Legatees were accompanied by 17 serving ADF veterans who walked the Kokoda Trail during Legacy Week (August/September) 2017, and to commemorate the 75th Anniversary of the Kokoda Campaign. 21 corporate trekkers from QinetiQ Australia also participated in OP LAKC 17. They raised over \$109K for Legacy Australia. The total fundraising recorded for OP LAKC 17 by Everyday Hero was \$131,459.

This project could not have been undertaken without the support of sponsors and key supporters including:

- Australian Defence Force
- Air Chief Marshal Mark Binskin AC, Chief of the Defence Force
- Lieutenant General Angus J. Campbell, AO, DSC, Chief of Army
- Air Marshal Leo Davies, AO, CSC, Chief of Air Force
- Vice Admiral Tim Barrett, AO, CSC, RAN, Chief of Navy
- Thales
- QinetiQ Australia
- Peet Limited
- AFA Association of Financial Advisers
- Defence Health
- Brandnet

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 2017-2018 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 donation from Westpac

This year there are 18 young people undertaking university degrees through the various scholarship schemes provided by Legacy Australia and administered through the Australian Veterans' Children Assistance Trust (AVCAT). This scholarship is limited to tertiary study. In 2017-2018 we disbursed \$76,570 to these bursaries through the Legacy Westpac Fund and the John Gough Memorial Fund. We have also committed \$84,000 for these beneficiaries to complete their courses.

The Legacy Westpac Fund continues to provide assistance to families of those affected by war in education and development. Such a generous donation has been put to helping all Legacy beneficiaries to realise their full potential once they have left school. In 2017-2018 we disbursed a further \$86,245 to 28 beneficiaries and have committed another \$190,493 to the finalisation of courses for many of these beneficiaries.

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 REPRESENTATION**

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 former 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 strategic marketing plans
- Development and oversight of National Campaigns
- Consultation on creative concepts and approval processes
- Oversight of National projects to ensure all Clubs benefit from a co-ordinated approach
- Maximised unpaid media during campaign times including TV appearances and special programs
- Ongoing digital media management (website, social media and other)

Legacy Ambassadors Program

Legacy is honoured to have as our Patron, the Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd). His Excellency takes his Patronage of Legacy very seriously and is active in promoting Legacy's work.

Legacy is also honoured to have six Legacy Ambassadors. They are:

- The Hon Brendan Nelson AO
- Ms Leesa Kwok
- Major General Stuart Smith AO DSC (Retd)
- Mr Ben Roberts-Smith VC MG
- Ms Christine Simpson Stokes
- Mr Chris Jenkins, CEO Thales Australia and New Zealand

Each Ambassador is personally active in promoting Legacy's work while at the same time supporting and promoting Legacy to those with whom they interact.

Australia has four living VC recipients. They are:

- Daniel Keighran VC
- Mark Donaldson VC
- Keith Payne VC AM
- Ben Roberts-Smith VC MG

Ben Roberts-Smith is a Legacy Ambassador. The remaining three are willing to support Legacy in any way they can provided they are available. All three have attended and championed Legacy activities in the past few years. Keith Payne's wife Flo is active in Mackay Legacy where Keith serves as Patron.

2017 Brand Audit

Under Melbourne Legacy's project lead, the 2017 Legacy Brand Audit was endorsed by the LA Inc. Board in July and finalised in December 2017.

The Brand audit indicated a drop in awareness across all age groups, notably the decrease is more prominent in the younger and middle-aged. Amongst those aware of Legacy, brand trust and respect measures were strong and indicated that they have a clear understanding and knowledge of Legacy charitable purposes.

Legacy Week National Launch 2017

The Legacy Week National Launch was held on Monday 28 August 2017 in the Reg Saunders Courtyard of the Australian War Memorial (AWM), Canberra.

Attended by Legacy Australia's Patron, Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd) and Lady Cosgrove, who were Legacy's Guests of Honour.

The Launch included subtle references to the 75th Anniversary of the Kokoda Campaign. Both the Governor-General and Chairman, Legacy Australia, Legatee Tony Ralph included some commentary on the Operation Legacy Australia Kokoda Challenge 2017 and noted that the group were in fact in the air, on their way to Papua New Guinea as they spoke.

We were honoured to join by two Kokoda Campaign veterans, Len Griffiths (95 y/o) and Les Cook (94 y/o).

Other VIP's in attendance included:

- Daniel Keighran VC
- The Hon. Zed Seselja MP – Representing the Prime Minister of Australia
- Ms Gai Brodtmann MP – Representing the Leader of the Opposition
- Minister Gordon Ramsay MLA – Representing the Chief Minister, ACT
- Air Marshal Leo Davies, AO, CSC – Chief of Air Force – Representing the Chief of the Defence Force
- Brigadier Chris Mills – Representing the Chief of Army
- Rear Admiral Bruce Kafer, Representing the Chief of Navy
- The Hon. Dr Brendan Nelson AO – Director, Australian War Memorial and Legacy Australia Ambassador

2017 Legacy Week Campaign

Firstly, in contrast to previous years, there was no paid media spend for Legacy Week 2017.

Capital city Legacy Clubs worked collaboratively through the Development Working Group to deliver the national Legacy Week campaign. Brisbane Legacy also generously offered the services of their PR agency to assist with this effort.

NATIONAL PROGRAMS

2017 was the 75th Anniversary of the Kokoda Campaign, and 75 years since the first Legacy Week Street appeal. To mark this, 23 Legacy Youth, accompanied by 17 serving Australian Defence Force veterans trekked the Kokoda Trail in Papua New Guinea during Legacy Week.

Operation Legacy Australia Kokoda Challenge 2017 (OP LAKC 17) story angles were pitched to media to secure promotional support and media coverage for Legacy in the lead up to and during Legacy Week.

Some key coverage included editorial features across News Corp Australia's State newspapers, radio interviews with LA Inc. Chairman and Kokoda participants featured on Today Tonight WA and on The Daily Edition.

News Corp Coin Campaign supported by Westpac

To commemorate 100 years of ANZAC (2015-2018), News Corp's official coin collection series from the Royal Australian Mint was initially released on the 11 April 2015. News Corp / Westpac Anzac Coin Campaign generates extensive PR and provides increased awareness and exposure for Legacy through editorial opportunities available to Legacy across their mastheads during the campaign.

The 2018 campaign timings moved away from Anzac Day to Remembrance Day 2018, marking the official end of WWI and therefore the end of 4 years of commemorating 100 years of Anzac.

Website Rebuild Project

The last refresh of the Legacy Australia national website was conducted in 2011. Given the site's limitations an extensive upgrade is long overdue.

Legacy NSW Associated Clubs (LNAC) was engaged to support the Board in scoping the Legacy website rebuild and developing an initial business case for a new national website.

Legacy Clubs provided feedback on the document, which will inform the Terms of Reference for the new website project. The website tender process and updating of the legacy.com.au website will take place in 2018/19.

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 LA Inc. office tries to ensure that there is 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 donations and third party fundraising
- Corporate partnership programs
- Approval of 3rd party fundraisers
- Provision of support to 3rd party fundraisers
- Corporate partner liaison

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. The various activities of LA Inc. provided benefits to Clubs in 2017/2018 in the order of \$642,481 through:

\$300,737	Legacy Westpac Funds awarded and committed including AVCAT admin fees
\$17,771	Supporting the Junior Legatees' visit to the Australian War Memorial on ANZAC day
\$16,489	Supporting the Legacy Junior Public Speaking Award (LJPSA)
\$136,570	Scholarships awarded and committed through the John Gough Fund including AVCAT admin fees
\$119,000	Disbursement of online donations and 3 rd party fundraising proceeds
\$51,914	Trademark protection, TVC talent costs, website licences and fundraising platform fees
\$642,481	Benefits to Legacy beneficiaries and clubs 2017/18

Support to Website Donations Management

LA Inc. centrally managed Legacy's online donation portal and related disbursements to clubs under the administration of Legacy Clubs Services on behalf of LA Inc. This enabled clubs who participated in the automated system of disbursements, to receive donations directly into their respective bank accounts in a timely manner. In 2017/18, a total of \$502,154 was donated to Legacy through Legacy's National website donate portal.

Support to 3rd Party Fundraising

LA Inc. centrally managed Legacy's support to 3rd party fundraisers and related disbursements to clubs. The Net 3rd party fundraising income disbursed to clubs in FY 2017/18 was \$110,088. LA Inc. paid the \$6,749 in associated 3rd party platform licences this Financial Year. These costs were not passed on to clubs but absorbed by LA Inc.

NATIONAL PROGRAMS

Merchandise

LA Inc. supports Legacy Clubs with the fulfilment of their Legacy Week merchandise requirements with merchandise supplier Premium Merchandise Group (PMG). As expected the Legacy bears proved to be very popular with many Clubs selling out during Legacy Week. Legacy Club Collateral orders were 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

Legacy Rosemary and Poppy Seeds

Following on from previous fundraising with Mr Fothergill's a selection of rosemary and poppy seed items (designed to fit in the Legacy Week volunteer tray) can now be purchased for any Club's fundraising opportunities. Mr Fothergill's donation in this financial year to Legacy Australia was \$5,416 from this promotion.

Legacy Christmas Puddings

LA Inc. continues to coordinate the supply of Legacy Christmas puddings for Legacy Clubs to order through Traditional Foods Pty Ltd.

Thales

In addition to the event sponsorship of Legacy Week, Thales continued their generous sponsorship of \$110,000 to Legacy Australia in this financial year.

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.

Westpac

Westpac pledged a donation of \$250,000 in conjunction with the 2018 News Corp Anzac Coin Campaign. The Legacy Westpac Fund assists Legacy in supporting families with educational and development grants. These grants have supported those who have been thrust into the role of being the single income earner, with many needing assistance in 'upskilling' to attract better job prospects to support their families. The grants also help reduce the financial burden of Legacy youth pursuing tertiary studies whilst living away from home.

NATIONAL PROGRAMS

Carlton United Breweries

CUB donated a final \$125,000 to Legacy Australia as part of the “Raise A Glass” initiative. The CUB donation has helped Legacy Week marketing since the Legacy Week marketing levy was cancelled in 2014. The collateral produced with this investment directly helps Legacy clubs in their fundraising by raising the public’s awareness of the plight of our beneficiaries.

Downies

Downies continues to support Legacy from the part proceeds of their ongoing World War I and World War II medallion sales with a \$34,954 donation to Legacy Australia for the financial year.

Scentsy

Legacy has received \$17,076 from the part proceeds of the Scentsy Remembrance Warmer.

Reece

LA Inc. was again successful in its submission for funding through the 2017 Reece Group Australia’s Philanthropic Program, resulting in a \$35,000 donation to Legacy Australia.

Australian Military Bank

Australian Military Bank donated \$14,432 to Legacy Australia through their Military Rewards cents rounding program for this financial year.

Australian Outdoor Spectacular

Lee Kernaghan’s donation of the royalties from his song ‘Spirit of the Anzacs’ to Legacy and Soldier On continued its success from the previous year. The Australian Outback Spectacular show featuring the ‘Spirit of Anzacs’ raised \$28,620 in the FY 2017/2018 due to the royalty agreement that Kernaghan’s management entered into for the use of the song, pledging fifty cents of every ticket sold to Legacy Australia.

Defence Industry Studies Group

Defence Industry Studies Course conducted fundraising in support of Legacy and Soldier On with \$19,030 donated to Legacy Australia. The course delivers Defence and industry executives an intimate understanding of Defence business while improving the collective knowledge of Australia’s defence industry. DISC Students have raised over \$180,000 for Legacy since 2010.

Australian Livestock & Property Agents Association (ALPA)

In 2018 the ALPA Board nominated Legacy Australia as their preferred charity for the year. In FY 2017/18, ALPA has raised \$ 30,720 for Legacy Australia through their various charity auctions.

Australian Defence Force

The ADF continues to support Legacy Australia through their various fundraising initiatives overseas. \$44,003 has been raised for Legacy Australia in this financial year.

NATIONAL PROGRAMS

Woolworths BWS

During the reporting period LA Inc. received \$47,704.26 from BWS. The funds are from the national BWS Collection Tins program implemented in 2015.

Stakeholder Engagement

Legacy Australia continues to engage effectively with corporate stakeholders. Upon his appointment and in the lead up to Christmas 2017, the Legacy Australia Chairman engaged with approximately 120 corporate stakeholders to promote the good work of Legacy. Throughout the year the Chairman has engaged with numerous supporters and stakeholders for the benefit of Legacy and its beneficiaries including the Minister for Veterans' Affairs, Department of Veterans' Affairs, Department of Defence and Defence Chiefs, Legacy Ambassadors and Corporate partners.

CHAIRS OF LEGACY AUSTRALIA INCORPORATED

2015	David Gray
2016	Tony Ralph
2017	Tony Ralph
2018	Rick Cranna

MEMBER CLUBS AS AT 30 JUNE 2018

LEGACY CLUB OF ADELAIDE INC
ALBURY LEGACY CLUB
ARARAT LEGACY CLUB
THE LEGACY CLUB OF ARMIDALE INC
BALLARAT LEGACY CLUB
BENDIGO LEGACY CLUB
THE LEGACY CLUB OF BRISBANE INC
BRISBANE WATER (NSW) LEGACY CLUB
BUNDABERG LEGACY CLUB
CAIRNS LEGACY CLUB INC
THE LEGACY CLUB OF CANBERRA INC
COFFS COAST LEGACY
COLAC LEGACY CLUB
LEGACY CLUB OF COOLANGATTA/TWEED HEADS
FAR NORTH COAST LEGACY CLUB
LEGACY CLUB OF FRASER COAST AND COUNTRY BURNETT INC
FREMANTLE LEGACY CLUB INC
GEELONG LEGACY CLUB INC
GOLD COAST LEGACY CLUB
GOULBURN LEGACY
GRAFTON LEGACY CLUB
HAMILTON & DISTRICT LEGACY CLUB
HOBART LEGACY INC
HUNTER LEGACY CLUB
THE LEGACY CLUB OF INVERELL INC
LEGACY CLUB OF IPSWICH
LACHLAN LEGACY CLUB INCORPORATED
LAUNCESTON LEGACY INC
LONDON LEGACY CLUB
LEGACY CLUB OF MACKAY
LEGACY CLUB OF MELBOURNE
MILDURA LEGACY CLUB
MORNINGTON PENINSULA LEGACY CLUB INC
NEWCASTLE LEGACY CLUB
LEGACY CLUB OF THE NORTHERN TERRITORY INC
ORANGE LEGACY CLUB
PERTH LEGACY INCORPORATED
PORT MACQUARIE HASTINGS LEGACY CLUB LTD
QUEANBEYAN EDEN MONARO LEGACY
SHEPPARTON LEGACY CLUB
SYDNEY LEGACY
TAMWORTH LEGACY CLUB
TAREE LEGACY CLUB INCORPORATED
TOOWOOMBA LEGACY INC
TOWNSVILLE LEGACY CLUB
THE LEGACY CLUB OF WAGGA WAGGA INC
WARRNAMBOOL LEGACY CLUB
WIMMERA LEGACY CLUB
THE LEGACY CLUB OF WOLLONGONG AND SOUTH COAST INC

NATIONAL SPONSORS



NATIONAL SUPPORTERS



OPERATION LEGACY AUSTRALIA KOKODA CHALLENGE 2017 SUPPORTERS





Legacy Australia Incorporated

ABN 59 203 621 448

FINANCIAL STATEMENTS & STATUTORY REPORTS

30 JUNE 2018

Legacy Australia Incorporated

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LEGACY AUSTRALIA INCORPORATED FINANCE REPORT

The Financial Statements and Auditor's Report for the financial year ended 30 June 2018 are submitted for review by Legacy Australia Incorporated and Member Clubs.

EXECUTIVE SUMMARY

- LA Inc.'s revenue from donations, bequests and fundraising activities for Financial Year 2017/18 totalled \$959,951 compared to \$1,244,361 for the previous year, a decrease of \$284,410. This drop is mainly due to the impact of the first full year of the automation of the Legacy online donation portal, a decrease of \$215,745, whereby Legacy Clubs receive donations directly into their respective bank accounts. There was also a decrease of \$62,855 from the sale of merchandise in FY 2017/18 resulting from a reduced amount of merchandise stock available in the LA Inc. office compared with the previous year.
- Significant amounts included in the donations figure this financial year were the generous Westpac Donation of \$250,000 as part of the News Corp Anzac Coin Campaign, and the last of the funds received from CUB of \$125,000 from the VB Raise A Glass Appeal.
- Distribution of donations and sponsorship proceeds to Member Clubs totalled \$119,000 in cash disbursements, plus \$220,528 in scholarships together with support to the National Social programs i.e. LJPSA and the AWM Legacy Youth ANZAC visit of \$34,261, giving a total of \$373,789. The distribution of the same items last year was \$656,313 (adjusted to \$873,094 - see Note 1h in the audited accounts and also dot point below drawing attention to this accounting policy change). The distributions were down due to the automation of the website donations and the drop in the payouts of the scholarships/grants this financial year.
- Two significant changes in expenses were the Marketing expenses and the Employee Benefit expenses that saw a decrease of \$317,121 and \$151,085 respectively compared to last financial year. The drop in Marketing expenses was mainly due to LA Inc. not committing to paid media during this financial year.
- There is also \$823,651 available in reserved funds for disbursement in the Westpac Education and Development Fund as well as other existing special purpose funds. Retained earnings are now \$1,927,647.

MAJOR ACCOUNTING ITEMS AND TRANSACTIONS OF NOTE

- In this financial year, the policy for the recognition of committed scholarships and grants was revised. In prior years such items had been recognised on a cash basis. The directors consider that the formal process of awarding grants and the expectation this process creates, results in a constructive obligation and that the unpaid value of grants should therefore be regarded as a provision. The policy has been applied retrospectively with adjustments made to the 30 June 2017 comparatives. (This policy change is reflected in Note 1h in the audited Accounts).
- LA Inc.'s overall annual accounting outcome reflects a surplus of \$16,987 for the 12 months to 30 June 2018 compared with the previous year's deficit of \$856,943 (but see Note 1h in the audited accounts and the dot point above). The operations of LA Inc. resulted in a deficit of \$103,564 before the net project funds are taken into account.
- The LA Inc. Balance Sheet details that net assets as at 30 June 2018 were \$2,751,398. This compares with \$2,734,411 as at 30 June 2017 (see Note 1h) and reflects the surplus recorded for the year.

**LEGACY AUSTRALIA INCORPORATED
FINANCE REPORT (CONT'D)**

AUDITORS: BDO EAST COAST PARTNERSHIP

Under the auspices of Richard Dean, the Audit Partner of BDO East Coast Partnership (BDO), Legacy Australia Incorporated continues to receive a professional standard audit. Richard's accounting practice provides this service on a pro bono basis and LA Inc. is pleased to publicly express our continuing sincere appreciation of BDO's direct support to the Legacy Family.

The Financial Statements and Auditor's Report for the financial year ended 30 June 2018 are submitted for review by LA Inc. and Member Clubs.



**Legatee Donald Stewart
Treasurer**

15 October 2018

LEGACY AUSTRALIA INCORPORATED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	Restated (Note 1(h)) 2017 \$
INCOME			
Revenue from Ordinary Activities			
Donations, bequests and fundraising		959,951	1,244,361
Club levies		197,147	155,835
Grants		9,091	9,091
Sponsorship		105,000	110,000
Other income		12,573	67,657
Interest received		52,270	65,360
Pozieres project		-	7,000
Kokoda project		75,827	183,894
Gain on disposal of fixed assets		166	-
Total Revenue		1,412,025	1,843,198
EXPENSES			
Employee benefits expense	2	591,285	742,370
Conference and travel expenses		25,163	8,664
Board and committee expenses		91,068	99,437
Insurance premiums		5,279	4,077
Depreciation expense	6	1,865	7,500
Loss on disposal of fixed assets		-	241
Office rental	2	122,380	97,951
Other occupancy expenses		56,803	59,925
Marketing expenses		74,226	391,347
Distribution of donations and sponsorship proceeds to clubs		119,000	283,418
Scholarships/grants		220,528	560,051
National support programs		34,261	29,625
Project expenses		10,796	360,093
Legal and trademark fees		14,876	21,265
Other expenses		27,508	34,177
Total Expenses		1,395,038	2,700,141
Surplus/(deficit)		16,987	(856,943)
Other comprehensive income		-	-
Total Comprehensive Income		16,987	(856,943)

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 2018

	Note	2018 \$	Restated (Note 1(h)) 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	3	334,071	374,039
Other receivables	4	42,473	71,002
Other financial assets	5	2,779,320	2,627,407
TOTAL CURRENT ASSETS		<u>3,155,864</u>	<u>3,072,448</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	16,316	2,451
TOTAL NON-CURRENT ASSETS		<u>16,316</u>	<u>2,451</u>
TOTAL ASSETS		<u>3,172,180</u>	<u>3,074,899</u>
CURRENT LIABILITIES			
Payables and other liabilities	7	56,623	28,544
Accrued distributions		26,485	8,820
Provisions	8	322,434	279,644
TOTAL CURRENT LIABILITIES		<u>405,542</u>	<u>317,008</u>
NON-CURRENT LIABILITIES			
Provisions	8	15,240	23,480
TOTAL NON-CURRENT LIABILITIES		<u>15,240</u>	<u>23,480</u>
TOTAL LIABILITIES		<u>420,782</u>	<u>340,488</u>
NET ASSETS		<u>2,751,398</u>	<u>2,734,411</u>
EQUITY			
Settled sum		100	100
Reserves	10	823,651	742,320
Retained earnings	9	1,927,647	1,991,991
TOTAL EQUITY		<u>2,751,398</u>	<u>2,734,411</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 2018

	Settled Sum \$	(Restated Note 1h) Reserves \$	Retained Earnings \$	Total \$
Balance at 1 July 2016	100	1,438,342	2,152,912	3,591,354
Deficit	-	-	(856,943)	(856,943)
Net transfer of income to reserves (Note 10)	-	297,739	(297,739)	-
Net transfer of expenses from reserves (Note 10)	-	(993,761)	993,761	-
Balance at 30 June 2017	100	742,320	1,991,991	2,734,411
Balance at 1 July 2017	100	742,320	1,991,991	2,734,411
Surplus	-	-	16,987	16,987
Net transfer of income to reserves (Note 10)	-	386,136	(386,136)	-
Net transfer of expenses from reserves (Note 10)	-	(304,805)	304,805	-
Balance at 30 June 2018	100	823,651	1,927,647	2,751,398

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 2018**

	Note	2018 \$	2017 \$
Cash Flows from Operating Activities			
Receipts from operations		412,358	554,282
Donations, grants, bequests and fundraising received		975,760	1,744,888
Interest received		60,199	63,707
Payments to beneficiaries, suppliers and employees		(1,320,808)	(2,604,593)
Net cash provided by/(used in) operating activities	13	<u>127,509</u>	<u>(241,716)</u>
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		672	-
Payments for property, plant and equipment		(16,236)	(610)
Net (payments for)/redemption of other financial assets		(151,913)	361,562
Net cash (used in)/provided by investing activities		<u>(167,477)</u>	<u>360,952</u>
Net (decrease)/increase in cash and cash equivalents		(39,968)	119,236
Cash and cash equivalents at 1 July		<u>374,039</u>	<u>254,803</u>
Cash and cash equivalents at 30 June	3	<u>334,071</u>	<u>374,039</u>

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

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. SIGNIFICANT ACCOUNTING POLICIES

Legacy Australia Incorporated is an association incorporated under the Victorian Associations Incorporation Reform Act 2012 and domiciled in Australia. The principal place of business is Level 7, 47 York Street, Sydney, New South Wales.

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 and the Charitable Fundraising Act 1991 (NSW). The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Legacy Australia Incorporated.

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 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.

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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 Legacy Australia Incorporated 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. Legacy Australia Incorporated owns 100% of Legacy Australia Pty Ltd, a dormant company that has not undertaken any activity since it was incorporated. Legacy Australia Incorporated is the trustee of and controls the activities of Legacy Australia Inc Welfare Patriotic Fund (No. W573).

The assets, liabilities and results of all controlled entities 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.

LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 2018**

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) Change in Accounting Policies

The directors have reviewed the policy for recognition of scholarships/grants to beneficiaries. In prior years such items have been recognised on a cash basis. The directors now consider that the formal process of awarding grants and the expectation the process creates with the recipients results in a constructive obligation and that the unpaid value of grants should therefore be recorded as a provision. The policy has been applied retrospectively with the following adjustments made to 30 June 2017 comparatives.

	Original \$	Adjustment \$	Restated \$
Balance Sheet			
Current provision	-	216,780	216,780
Reserves	959,100	(216,780)	742,320
Retained Earnings	1,991,991	-	1,991,991
Statement of Profit or Loss			
Scholarship/grants expenditure	343,271	216,780	560,051
Deficit	640,163	216,780	856,943

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
2. EXPENSES		
Wages and salaries	535,809	634,719
Contributions to approved superannuation funds	49,496	59,755
Other employee benefits expenses	5,980	47,896
	<u>591,285</u>	<u>742,370</u>
Office rental for 2018	102,319	97,951
Committed rental due post moving office expensed	20,511	-
	<u>122,830</u>	<u>97,951</u>
The auditors acted in an honorary capacity. BDO East Coast Partnership provided other services of \$Nil (2017: \$Nil).		
3. CASH AND CASH EQUIVALENTS		
Operating bank balances:		
- Cash at bank	333,571	373,539
- Petty cash	500	500
	<u>334,071</u>	<u>374,039</u>
4. OTHER RECEIVABLES		
Accounts receivable	1,846	8,564
GST recoverable	12,187	7,449
Other receivables and prepayments	28,440	54,989
	<u>42,473</u>	<u>71,002</u>
5. OTHER FINANCIAL ASSETS		
At call interest bearing deposit accounts	624,509	526,137
Term deposits	2,154,811	2,101,270
	<u>2,779,320</u>	<u>2,627,407</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Office equipment - at cost	45,331	73,560
Less accumulated depreciation	(39,124)	(71,109)
	<u>6,207</u>	<u>2,451</u>
Leasehold improvements - at cost	10,109	-
Less accumulated depreciation	-	-
	<u>10,109</u>	<u>-</u>
Total Property, Plant and Equipment	<u>16,316</u>	<u>2,451</u>
	OFFICE EQUIPMENT	
Opening Balance	2,451	9,583
Additions	6,127	610
Disposals	(506)	(242)
Depreciation	(1,865)	(7,500)
Closing Balance	<u>6,207</u>	<u>2,451</u>

LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
	LEASEHOLD IMPROVEMENTS	
Opening Balance	-	-
Additions	10,109	-
Disposals	-	-
Depreciation	-	-
Closing Balance	10,109	-
7. PAYABLES AND OTHER LIABILITIES		
Current		
Trade and other creditors	56,623	28,544
8. PROVISIONS		
Current		
Liability for long-service leave	12,608	10,545
Liability for annual leave	35,333	52,319
Provision for scholarships/grants	274,493	216,780
	<u>322,434</u>	<u>279,644</u>
Provision for scholarships/grants		
Opening balance	216,780	-
Scholarships/grants awarded	220,528	560,051
Scholarships/grants paid	(162,815)	(343,271)
Closing balance	<u>274,493</u>	<u>216,780</u>
Non-Current		
Liability for long-service leave	15,240	23,480
9. RETAINED EARNINGS		
Balance at 1 July	1,991,991	2,152,912
Surplus/(deficit) attributable to the association	16,987	(856,943)
Net transfer from/(to) reserves	(81,331)	696,022
Balance at 30 June	1,927,647	1,991,991

**LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

10. RESERVES

In order to assist members to understand the future activities that the retained surplus of Legacy Australia Incorporated 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.

	2018 \$	2017 \$
Total Reserve Movement		
Balance at 1 July	742,320	1,438,342
Income allocated to reserves	386,136	297,739
Expenditure allocated to reserves	(304,805)	(993,761)
Balance at 30 June	823,651	742,320

These movements occurred through the following reserves:

(a) National Programs - Educational Support

Westpac Banking Corporation

Balance as at 1 July	407,464	877,398
Westpac Donation recognised as income received	250,000	-
Legacy Westpac Fund Bursaries to various beneficiaries in Legacy Clubs with the approval of the Advocacy Committee	(199,804)	(442,766)
Legacy Bursaries administered through AVCAT	(5,954)	(7,168)
Administrative support costs allocated to the distribution of the bursaries	(20,000)	(20,000)
Funds Retained in reserve for future financial years	431,706	407,464

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

John Gough Memorial Fund

Balance as at 1 July	163,848	273,965
Bursaries & Administration Fees paid to AVCAT	(14,770)	(110,117)
Funds Retained in reserve for future financial years	149,078	163,848

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.

(b) National Programs - Social Support

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

Balance as at 1 July	69,222	88,821
Expenses to Legacy Junior Public Speaking Award (LJPSA) paid out	(16,488)	(14,599)
Administrative support costs allocated to the program	(5,000)	(5,000)
Funds Retained in reserve for future financial years	47,734	69,222

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

LEGACY AUSTRALIA INCORPORATED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
10. RESERVES (CONT'D)		
(b) National Programs - Social Support (Cont'd)		
Australia Post/AWM Legacy Youth ANZAC Visit (formerly Florance Foundation)		
Balance as at 1 July	50,751	66,769
2018 AWM Legacy Youth Visits to AWM paid out	(17,772)	(11,018)
Administrative support costs allocated to the program	(5,000)	(5,000)
Funds Retained in reserve for future Financial Years	<u>27,979</u>	<u>50,751</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 received on 1 July 2015 from the Australia Post Fundraiser for the extension of the AWM Legacy Youth ANZAC Visit 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 is used to fund the participation of Victorian beneficiaries.

(c) National Programs - Projects

Pozieres

Balance 1 July	-	131,389
Pozieres Project Income received	-	7,000
Pozieres Project Expenses incurred	-	(61,343)
Transfer of surplus funds to Project Kokoda	-	(77,046)
Funds Retained in reserve for future financial years	<u>-</u>	<u>-</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 Pozieres.

Kokoda

Balance 1 July	(55,810)	-
Kokoda Project Income Received	75,827	183,894
Expenses incurred	(10,796)	(316,750)
Transfer of surplus funds from Project Pozieres	-	77,046
Transfer to retained earnings on finalisation of project	(9,221)	-
Funds Retained in reserves for future financial years	<u>-</u>	<u>(55,810)</u>

This is comprised of funds to be used to commemorate the 75th Anniversary of the Kokoda Campaign by providing a leadership development opportunity for junior legatees centred on trekking the Kokoda Trail, whilst simultaneously giving a select group of combat veterans the opportunity to explore their own stories post deployment. This project was completed in 2018 with the small surplus transferred to retained earnings to offset administrative costs.

LEGACY AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
10. RESERVES (CONT'D)		
(d) National Programs - General		
<i>Bequests</i>		
Balance 1 July	106,845	-
Income received from bequests	60,309	106,845
Expenses incurred	-	-
Funds Retained in reserve for future financial years	<u>167,154</u>	<u>106,845</u>

The funds were derived as bequests to the Legacy Clubs of Australia for general usage as stipulated in the Will.

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:

Within one year	-	101,756
Between one and five years	-	25,899
	<u>-</u>	<u>127,655</u>

12. RELATED PARTIES

No members of the Board or director related entities transacted with Legacy Australia Incorporated during the year.

	2018 \$	2017 \$
13. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Reconciliation of cash flow from operations with surplus/(deficit) from ordinary activities:		
Operating surplus/(deficit)	16,987	(856,943)
Adjustments for:		
- (Profit)/loss on disposal of property, plant and equipment	(166)	242
- Depreciation expense	1,865	7,500
Changes in assets and liabilities		
- Decrease/(increase) in other receivables	28,529	521,332
- Increase/(decrease) in payables and other liabilities and accrued distributions	45,744	(161,753)
- (Decrease)/increase in provisions	34,550	247,906
Cash flows provided by/(used in) operations	<u>127,509</u>	<u>(241,716)</u>

LEGACY AUSTRALIA INCORPORATED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2018

2018
 \$

14. ADDITIONAL DISCLOSURES REQUIRED BY THE CHARITABLE
 FUNDRAISING ACT 1991 (NSW) AND THE CHARITABLE
 FUNDRAISING REGULATIONS 1993

(a) *Fundraising Appeals conducted during the year*

Workplace giving programs, web based donations and general donations.

(b) *Information on any material occurrence*

Legacy Australia Incorporated earned an overall surplus of \$16,987 during the year.

(c) *Details of Aggregate Gross Income and Total Expenses of
 fundraising Appeals*

Gross proceeds	289,501
Less total costs	<u>(20,339)</u>
Net surplus from fundraising appeals	<u>269,162</u>

Gross income does not include corporate sponsorships as these are considered commercial arrangements rather than fundraising appeals.

Details of gross income and aggregate expenses of appeals conducted jointly with traders

No appeals were conducted jointly with traders during the year.

Statement showing how funds received were applied to Charitable Purposes

(i) Net surplus from fundraising appeals	<u>269,162</u>
(ii) This is applied to the charitable purposes in the following manner:	
Expenditure direct services	(384,585)
Expenditure on indirect services	<u>(1,010,453)</u>
Total Expenditure	<u>(1,395,038)</u>
Shortfall	<u><u>(1,125,876)</u></u>

The shortfall of \$1,125,876 was funded by corporate sponsorship, commercial operations, member club levies, bequests and investment income.

**LEGACY AUSTRALIA INCORPORATED
DECLARATION BY CHIEF EXECUTIVE OFFICER IN RESPECT OF FUNDRAISING APPEALS**

Declaration Opinion

I, Scott Warr, CEO of Legacy Australia Incorporated declare, in my opinion:

1. the statements of profit or loss and other comprehensive income give a true and fair view of all income and expenditure of the consolidated entity with respect to fundraising appeals;
2. the statements of financial position give a true and fair view of the state of affairs with respect to fundraising appeals;
3. the provisions of the Charitable Fundraising Act 1991(NSW), the regulations under the Act and the conditions attached to the fundraising authority have been complied with; and
4. the internal controls exercised by the consolidated entity are appropriate and effective in accounting for all income received and applied by Legacy Australia Incorporated from any of its fundraising appeals.



**Scott Warr
Chief Executive Officer**

15 October 2018
Sydney

**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 5 to 18 are in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW), including giving a true and fair view of the financial position of Legacy Australia Incorporated as at 30 June 2018 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 Richard Cranna
Chairman**



**Legatee Donald Stewart
Treasurer**

15 October 2018
Sydney



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AUSTRALIA

INDEPENDENT AUDITOR'S REPORT

To the members of Legacy Australia Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Legacy Australia Incorporated (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the director's declaration.

In our opinion the accompanying financial report of Legacy Australia Incorporated, 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 Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 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 registered entity 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.

Emphasis of matter - Basis of accounting

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 registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's finance report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors 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 ACNC Act and the needs of the members. The director's responsibility also includes such internal control as the directors 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.

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

We also report that:

- (a) the financial statements show a true and fair view of the financial result of fundraising appeals for the year ended 30 June 2018, as required by the Charitable Fundraising Act 1991(NSW);
- (b) the accounting and associated records of the Group have been kept in accordance with the Charitable Fundraising Act 1991(NSW) and the Regulations for the year ended 30 June 2018;
- (c) money received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991(NSW) and the Regulations; and
- (d) at the date of this report, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

BDO East Coast Partnership

Richard Dean
Partner

Melbourne, 15 October 2018



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DECLARATION OF INDEPENDENCE BY RICHARD DEAN TO THE DIRECTORS OF LEGACY AUSTRALIA INCORPORATED

As lead auditor of Legacy Australia Incorporated for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Richard Dean
Partner

BDO East Coast Partnership

Melbourne, 15 October 2018

**LEGACY AUSTRALIA INC
WELFARE PATRIOTIC FUND**

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2018**

LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND

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**LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND
INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018**

	2018 \$	2017 \$
INCOME		
Fundraising	549	-
Interest received	-	-
Total revenue	<u>549</u>	<u>-</u>
EXPENSES		
Support for AWM Legacy Youth ANZAC visit	5,721	7,104
Bank fees	3	-
Total expenditure	<u>5,724</u>	<u>7,104</u>
Deficit	<u>(5,175)</u>	<u>(7,104)</u>
Opening retained earnings	15,792	-
Closing retained earnings	<u>10,617</u>	<u>15,792</u>

The following notes form part of these financial statements.

LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2018

	2018 \$	2017 \$
ASSETS		
CURRENT ASSETS		
Cash at bank	10,717	15,892
TOTAL CURRENT ASSETS	<u>10,717</u>	<u>15,892</u>
NET ASSETS	<u>10,717</u>	<u>15,892</u>
EQUITY		
Settled sum	100	100
Retained earnings	10,617	15,792
TOTAL EQUITY	<u>10,717</u>	<u>15,892</u>

The following notes form part of these financial statements.

**LEGACY AUSTRALIA INC WELFARE PATRIOTIC FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR PERIOD 30 JUNE 2018**

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 Legacy Australia Incorporated. 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 of 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 registered with the Australian Charities and Not-for-profit Commissions (ACNC) as a Public Benevolent Institution and has 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 2018 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 Sydney in accordance with a resolution of the directors this 27th day of September 2018.



Legatee Richard Cranna
Chairman



Legatee Donald Stewart
Treasurer



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AUSTRALIA

INDEPENDENT AUDITOR'S REPORT

To the members of Legacy Australia Inc Welfare Patriotic Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Legacy Australia Inc Welfare Patriotic Fund (the Entity), which comprises the statement of financial position as at 30 June 2018, the income statement for the year then ended and notes to the financial report, including a summary of significant accounting policies, and the declaration by the Trustee.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2018 and of its financial performance for the year then ended in accordance with the basis of accounting described in note 2.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Entity in accordance with 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.

Emphasis of matter - Basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the trust deed. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the Financial Report

Management is 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 and for such internal control as management determines 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.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Richard Dean'. The signature is written in a cursive style and is positioned below the printed name.

Richard Dean
Partner

Melbourne, 27 September 2018