



**WAR WIDOWS' GUILD OF AUSTRALIA
NSW LIMITED
*ABN 24 083 075 914***

**ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2011**

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2011

CONTENTS

	Page
President's Message	2
Chair and Chief Executive Officer's Report	3
Directors' Report	6
Auditor's Independence Declaration	12
Discussion and Analysis of the Financial Statements	13
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18
Directors' Declaration	29
Independent Auditor's Report	30

GUILD MOTTO

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

(King George VI, Extract from Christmas Message 1941)

President's Message

I am pleased to report that our advocacy on your behalf continues and is a major and continuing part of our work where we believe further concessions should be granted to war widows and to ensure that existing benefits and concessions are maintained.

I have been appointed to the Premier's Centenary of ANZAC Committee and a submission has been forwarded to the National Committee with proposals for this Centenary in 2015 to be celebrated in NSW metropolitan and regional areas. Also, I have been appointed to the Remembrance Driveway Committee which runs between Sydney and Canberra and commemorates those who served in World War II and later conflicts and also honours the Australian recipients of the Victoria Cross. A heritage assessment of the Driveway is being undertaken.

I attend the DVA Deputy Commissioner's Consultative Forum, where representatives of the ex-service communities are kept up-to-date of any changes and new initiatives in the Department of Veterans' Affairs and we can also ensure that the necessary services continue to be provided. I also participate in the Australian Veterans' & Defence Force Service Council where we put forward our ongoing issues for presentation to the Government.

Our involvement in commemorations, including our own ANZAC Field of Remembrance, is important to the Guild and its members and we represent war widows at many commemorative services.

I sincerely thank my President's Representatives, Heather McNaughton, Dot Haines and Wendy Thompson who have attended many commemorative services with me and on my behalf when I have been attending elsewhere. Their help and co-operation has been much appreciated.

We have a very hard working board of Directors, led by Dagmar Schmidmaier AM. In the past year we have been joined by two other non-member Directors Helen Wiseman and Naida Isenberg. The expertise provided by our non-member directors is invaluable to the Guild and I am very grateful for their input.

I also sincerely thank Eve Bosak and the Hon Mahla Pearlman AO for their work over the past six years as Directors and their service as Chair. Our five current member Directors work hard on behalf of the Guild's membership and their willing support is also invaluable. I thank past Director, Heather Peetz for her six years work as Director.

This year I have again had the pleasure of visiting quite a number of Guild & Social Clubs to talk with the members about their issues. This enables us to keep abreast of their concerns and consider any further services we may be able to provide.

Several field trips have been undertaken in 2010 to visit our country members and to consider whether new Social Clubs should be established. Further trips will be made in 2011 as they are a wonderful opportunity to see first hand the different issues which face our country members.

I have had a great deal of support from the Guild staff during my time as President for which I am extremely grateful. Our members also tell me that they appreciate our staff members for their extra efforts. I thank them on your behalf.



Anne Bonner
State President

CHAIR AND CHIEF EXECUTIVE OFFICER'S REPORT

*Dagmar Schmidmaier AM, Chair and
Patricia Campbell, Chief Executive Officer*

The Guild's Achievements – 2010/11

The Year in Review

The Guild has had a successful year and continues to provide a full range of services for our members. Our advocacy on behalf of war widows continues at all levels of government and in the broader community.

We are pleased to report that the impact of the global financial crisis has continued to diminish over the past year. However, our overall financial position at year end has decreased from last year, as we continue to use our reserves to support our members.

Advocacy

The past year has again been successful for the Guild in issues of advocacy, with State Government mobility parking permits being provided without charge to all eligible war widows. We are continuing our discussions with government to extend all State Government concessions to all war widows, especially council rates.

We continue to write the 'Widows' News' page for *Vetaffairs*, the quarterly publication of the Department of Veterans' Affairs. This provides relevant information of direct interest to all war widows.

The Guild's State President attends the Department of Veterans' Affairs NSW Consultative Forum for Ex-service organisations. This Forum keeps the ex-service community up to date with changes in the Department and its services and allows ex-service organisations to raise issues of concern.

State President Anne Bonner was appointed by the Premier to the NSW Committee for the Centenary of ANZAC and a submission was forwarded to the National Commission outlining proposed NSW activities and ideas for the Centenary.

Meetings with Ministers and Shadow Ministers and senior officials of relevant government Departments have been held during the year to pursue issues of relevance to war widows.

The Guild through the State President, CEO and staff is actively involved in representing and advocating for war widows on a range of government, ex-service and community bodies. We also continue to work in close co-operation with other ex-service organisations.

The NSW Guild also works closely with the National Guild and provides assistance to the National Office-bearers, who are also involved in a range of advocacy issues.

Friendship

Clubs: Our network of 33 Guild Clubs and 69 Social Clubs provides information, friendship and social activities for around 3000 members across NSW. A group of younger members meets regularly in Sydney for lunch and social occasions.

We again ran a successful Guild and Social Club Forum in October 2010 in association with our War Widows' Walk. The Forum provides information to our office-bearers and gives them the opportunity to meet other office-bearers and hear ideas from other Clubs. The Forum was timed to co-incide with the Guild's National Conference to enable our club office-bearers to attend the Conference.

Friendship Line: The Guild's telephone Friendship Line provides friendship and support to many Guild members: 574 members are registered to receive regular friendly calls from 24 member volunteers. A further 170 members receive more frequent telephone support because of illness or for other reasons. Birthday calls to members 90 years and over average around 135 per month.

Member Activities and Groups: The Friendship Room, the monthly Guest Speaker Day and weekly Bridge Group held at head office, offer social contact, stimulation and information to members. The Guild also ran 10 (last year 12) "Fun Food and Friendship" days over the past year, 7 in regional areas.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

New Members: During the year the Guild held New Member Welcomes, providing information and an opportunity for new members to meet other members and find out about the Guild.

Friends on Line: "Hands on" computer classes were held in the first half of 2010 by member Director Heather Peetz. Lessons are now available by mail. The column in the *Guild Digest* continues to offer advice and information about computers, with a newsletter emailed to interested users. A computer is available at head office for the use of members.

The Guild now has a presence on Facebook and Twitter. The Guild's website is being upgraded and will soon include a members' only section.

Guild Digest: Our quarterly magazine keeps our members informed and provides articles of particular interest to war widows. Our June lift-out supplement details the benefits and concessions available.

Special Events: Our regular events were again held: the 59th ANZAC Field of Remembrance was held in April, the AGM was held in June, the War Widows' Walk in October and the members' Christmas Party in December. These events are well supported by members. The Functions Advisory Group of members provides input and advice about Guild events.

The National Conference of the War Widows' Guild was held in Sydney for the second time in the 65 year history of the Guild. A number of members attended the conference, the commemorative ceremony at the ANZAC War Memorial in Hyde Park and a reception hosted by our Patron, Her Excellency Professor Marie Bashir AC CVO, Governor of New South Wales.

Helping Members

Transport: Our Transport Project helps members access Guild activities with 729 (last year 600) individual members regularly using the project. Guild and Social Clubs enjoyed club outings with the support of the Guild transport grant. The Transport Project also helped members to participate in our major events.

Guild Housing: The Guild continues to operate two villages in Drummoyne and one at Dolls Point,

providing 72 self-care units for war widows. The average age of our residents in housing at March 2011 was 80 years, and the average length of stay was 8.3 years.

We set up a second holiday unit at Drummoyne during the year and we also have the holiday unit at Dolls Point.

Advice and Information: Our four community services workers provide advice, information and support to members relating to their health and aged care needs, housing, transport and a range of other issues. They also visit our Guild and Social Clubs to meet and talk with members. Our community services workers received an average of 45 calls per week from members during 2010-11 (last year's average was 43 per week).

Hospital Visiting: Hospital visiting is undertaken by member volunteers at a number of the larger hospitals, providing friendship and comfort to war widows. Many of our Guild Clubs also provide support to their members when they are in hospital.

Future – Maintaining A Strong Guild

Celebrating Milestones: Our Murwillumbah Guild Club celebrated its 25th anniversary in August and published a history of the Club.

Guild Membership: The number of members decreased by 644 (6%) from 10,172 to 9,528. We lost 1,076 members during the year, but we gained 432 new members. Life membership (granted after 50 years of membership) was awarded to a further 16 members in 2010 and was also extended to 7 past State Presidents taking the total number of life memberships awarded to 133 since 1998. There were 62 current life members at 31 March 2011.

Directors: In 2010 Mesdames Eve Bosak, Heather Peetz, Shirley Hancock and Dagmar Schmidmaier AM retired as directors. Mesdames Margaret Green, Shirley Hancock and Dagmar Schmidmaier AM were elected as directors. Ms Helen Wiseman was appointed to the position of non-member director vacated by Mrs Bosak, and Mrs Naida Isenberg was appointed to the vacancy resulting from the retirement of the Hon Mahla Pearlman AO in February 2011.

In 2010 Mrs Anne Bonner was re-appointed as State President. Mrs Eve Bosak was the Chair of

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

the board of directors until June 2010 followed by the Hon Mahla Pearlman AO until February 2011. Mrs Dagmar Schmidmaier AM was elected as Chair in February 2011. Deputy Chair and Chair of the Finance Audit and Compliance Committee was the Hon Mahla Pearlman AO until June 2010, followed by Ms Dagmar Schmidmaier AM until February 2011. Mrs Naida Isenberg was appointed Board Deputy Chair and Ms Helen Wiseman Chair of the Finance Audit and Compliance Committee in February 2011.

Finances: This year the Guild again received an unqualified audit report. Guild assets, comprising housing, our investment portfolio and cash, are valued at \$16.3 million and liabilities are \$1.0m. The Guild made a loss for the year of \$1.2m as reserves continue to be utilised to provide services to members in accordance with our strategy.

The main variances from last year's revenue include higher profit on sale of investments and housing income offset by lower membership subscriptions and investment income. Expense variances were lower losses on the sale of investments and unit refurbishment costs being more than off-set by higher impairment losses on investments and Guild/Social Club support costs. Detailed comments and analysis are contained in our Annual Report.

Guild Staff: The Guild currently has 17 staff (equivalent to 15.0 full-time staff, including one part-time vacancy at year end). The staff work diligently to support our members and their commitment is greatly appreciated.

Outlook for 2011/2012

The Board continues to plan for the Guild's changing future resulting from a declining and ageing membership, although we are now seeing younger war widows again and we need to ensure that the Guild is relevant to their needs.

We will keep the need for our housing under review, develop appropriate partnerships with like organisations and provide services which are appropriate for both our older and less mobile members, and the younger members now joining the Guild.

We foreshadow a number of significant milestones in 2011/12: our 60th Field of Remembrance and our first Guild Clubs celebrating their 60th anniversaries.

One of the key initiatives for the next year is to complete the development of the new website with member only access which will offer increased support to and training for the increasing number of members using modern technology, especially when they cannot reach our services due to distance or inability to travel.

We also aim to complete the review of and amendments to the Guild's Constitution.

We will continue to monitor our investments carefully to ensure that the Guild remains able to provide the quality of services our members expect.

Thanks

Volunteers: Our Guild volunteers provide invaluable assistance to the Guild and its members. We thank the hundreds of volunteers who help and support their fellow members: the Friendship Line volunteers, our Club office-bearers and co-ordinators, convenors of our special interest groups, President's Representatives, Friendship Room hostesses, hospital visitors and all those assisting at Guild events.

Board of Directors: Your Directors work extremely hard on the members' behalf and we thank them for their commitment and participation. They carry out their responsibilities with great diligence, always ensuring that the interests of members are foremost. The significant interest and involvement of Mrs Eve Bosak and the Hon Mahla Pearlman AO both as Chair and as Directors for six years has been greatly appreciated by the Board and the members. Mrs Anne Bonner has contributed in a major way as a Director and as State President, representing the Guild in the community. Thanks also go to outgoing Director, Mrs Heather Peetz, for her valuable contribution.



Dagmar Schmidmaier AM
Chair

Patricia Campbell
Chief Executive Officer

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

DIRECTORS' REPORT

The directors present their report together with the financial statements of the War Widows' Guild of Australia NSW Limited ("the company") for the year ended 31 March 2011 and the auditors' report thereon.

1 Directors

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

	Special Responsibilities	Period as Director
Mrs Anne Bonner	State President	31 July 2008 to present
Mrs Shirley Drysdale		10 July 2009 to present
Mrs Meg Green		30 June 2010 to present
Mrs Shirley Hancock		12 July 2007 to present
Mrs Heather Peetz		8 July 2004 to 30 June 2010
Mrs Dawn Wellfare		13 July 2006 to present
Mrs Kaye Yallop		30 June 2009 to present
Mrs Eve Bosak		23 July 2004 to 30 June 2010
Mrs Naida Isenberg	Deputy Chair - Board	3 February 2011 to present
The Hon Mahla Pearlman AO		3 February 2005 to 2 February 2011
Mrs Dagmar Schmidmaier AM	Chair - Board	29 July 2009 to present
Ms Helen Wiseman	Chair - Finance Committee	9 August 2010 to present

2 Objectives and Strategies

As contained in the Guild's "Plan 2010 – 2012" document, the four key objectives and associated strategies of the company are:

i) Friendship

We will provide friendship and support to our members in the following ways:

- (a) continuing initiatives such as the Friendship Line, Friendship Room and Friends Online
- (b) continuing support and social activity through Guild and Social Clubs and special interest groups
- (c) informing our members and enabling them to keep in touch with the activities of the Guild by a range of measures including through our publication, the *Guild Digest*
- (d) organising social, special interest and commemorative events.

ii) Help

We will help our members to access the assistance available to them in the following ways:

- (a) maintenance of independence through welfare advice and information
- (b) encouragement of healthy lifestyle and healthy ageing
- (c) assistance to members to access a range of community services in changing circumstances, to assist with their health needs, care, housing, welfare support and other services
- (d) provision or resourcing of services, such as Guild housing and transport to Guild Clubs and activities.

iii) Advocacy

We will continue to advocate on behalf of war widows in the following areas:

- (a) entitlements and concessions
- (b) lobbying on issues of concern to war widows
- (c) maintaining and enhancing existing benefits
- (d) developing and maintaining strategic alliances
- (e) participating in relevant forums to promote the interests of war widows.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

iv) **Guild Future**

We will maintain the strength of the Guild and promote its future by:

- (a) maximising our membership by providing value to members
- (b) good financial management
- (c) effective corporate governance, including succession planning for directors
- (d) supporting our State President
- (e) sustaining Guild and Social Clubs as long as possible by providing support where it is needed
- (f) supporting and working with the National and other State Guilds
- (g) celebrating Guild achievements and the milestones of the Guild
- (h) promoting the Guild and its work to the community
- (i) continuing to examine the issues which will arise in the future relating to declining numbers of war widows and an ageing membership, including the development of an enduring project.

3 **Principal Activity and Achievement of Objectives**

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

4 **Performance Measures - Review and Results of Operations**

The company continued to engage in its principal activity during the financial year, leading to a loss for the year ended 31 March 2011 of \$1,226,560 (2010: loss of \$1,371,862) – an improvement on last year mainly due to the diminished impact of the global financial crisis on the Guild's diversified investment portfolio. In accordance with the Board's strategy, reserves continued to be utilised to provide services to members.

5 **Dividends**

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

6 **State of Affairs**

As required under Australian Accounting Standards, the Guild's investment portfolio must be reported in the accounts at market value as at the balance date. Further, any change in this value from the previous year is recorded in the available-for-sale investments revaluation reserve in the Statement of Financial Position, unless an investment is deemed to be impaired, in which case any reduction in value is recorded as an impairment loss on investments in the Statement of Comprehensive Income. Accordingly, an unrealised gain of \$861,819 has been recorded in the available-for-sale investments revaluation reserve (2010: gain of \$978,544) and investments to the value of \$98,972 (2010: \$33,134) have been deemed impaired and the amount recorded as a loss in the Statement of Comprehensive Income.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

DIRECTORS' REPORT (CONTINUED)

7 Events Subsequent to Balance Date

No matters of significance have come to the attention of the Board since the end of the financial year.

8 Likely Developments

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

9 Indemnification and Insurance of Directors

The company renewed its Directors' and Officers' Liability insurance policy to cover the company, and to indemnify all directors for any claim in relation to the company's business for which they may be held personally liable. The policy provides for the payment of an amount not exceeding \$10,000,000 for any one occurrence where:

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

During or since the financial year, the company has paid premiums of \$7,513 in respect of a contract insuring all the directors of the War Widows' Guild of Australia NSW Limited against costs incurred in defending proceedings in relation to their position as directors.

10 Environmental Regulations

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

11 Information on Directors: Qualifications and Experience

Mrs Anne Bonner Past: 38 years experience in clerical, accounting & computer work; Private Secretary, Personal Assistant, Personnel Manager, Office Manager; employed for 5 years as Administration Assistant War Widows' Guild of Australia NSW Ltd; 5 years as President's Representative War Widows' Guild of Australia NSW Ltd; President & Secretary Rockdale War Widows' Guild Club; Secretary & Treasurer for local voluntary organisations. Current: Member Director War Widows' Guild of Australia NSW Ltd; member NSW Guild's Finance Audit & Compliance Committee; State President War Widows' Guild of Australia NSW Ltd; National Vice-President War Widows' Guild of Australia Inc; Co-ordinator Younger NSW War Widows' Social Group; member Centenary of ANZAC Commemoration Committee; member Remembrance Driveway Committee.

Mrs Shirley Drysdale Past: extensive experience in various office positions for 30 years, including setting up bookkeeping systems for small businesses, self-employed as an electrolysist for 10 years, & sales agent with Qantas for 10 years. Current: Member Director War Widows' Guild of Australia NSW Ltd; Councillor Wellington Council; Co-ordinator Wellington War Widows' Social Club; Director & Vice President Wellington Soldiers Memorial Club; President Wellington Legacy Laurel Club; member Wellington Hospital Auxiliary.

Mrs Margaret (Meg) Green RN RM MN Orth Cert Past: extensive experience in public health system for 34 years, including NUM, Nurse Manager & Bed Manager/Waiting List Manager; President & Vice President Orthopaedic Nurses Association. Current: Member Director War Widows' Guild of Australia NSW Ltd; member Younger NSW War Widows' Social Group; member NSW Nurses Association & Secretary New Horizons Aged Care Branch; employed part-time in aged care sector.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

DIRECTORS' REPORT (CONTINUED)

11 Information on Directors: Qualifications and Experience (Continued)

Mrs Shirley Hancock	<p><u>Past:</u> extensive experience in public sector and retail including 31 years at Grace Bros (Miranda) with 20 years as Department Manager.</p> <p><u>Current:</u> Member Director War Widows' Guild of Australia NSW Ltd; member NSW Guild's Finance Audit & Compliance Committee; President Cronulla/Sutherland War Widows' Guild Club; local hospital visiting; member Port Hacking Rosemary Legacy Club; member Staying Safe and Connected Advisory Committee.</p>
Mrs Heather Peetz	<p><u>Past:</u> extensive computer and clerical skills; managed own business; Hon Treasurer Belmore Boys High School P&C Assoc for 11 years; Co-ordinator Brentwood Village Kincumber Neighbourhood Watch area; Diploma in Nurse Education; Midwifery Nurse Educator & Examiner NSW Midwifery Board; member NSW College of Nursing; National Sales Co-ordinator/Manager of party plan organisations; Club President, National Councillor & Development Co-ordinator VIEW Clubs Of Aust, - 40 years membership; Secretary & President Gosford War Widows' Guild Club; State Councillor War Widows' Guild of Aust NSW Inc.; Member Director War Widows' Guild of Australia NSW Ltd for 6 years; Honorary Writer of Guild Club histories. <u>Current:</u> co-ordinator Friends-On-Line Computer Club for NSW Guild members; provide computer training classes for NSW Guild members; member Westside VIEW Club.</p>
Mrs Dawn Wellfare	<p><u>Past:</u> extensive experience in public sector and retail industry, including 20 years with NSW Public Service, 8 years with Grace Bros & 15 years with St George Bank; member Korea & South East Asia Forces Association. <u>Current:</u> Member Director War Widows' Guild of Australia NSW Ltd; member NSW Guild's Finance Audit & Compliance Committee; volunteer NSW Guild's hospital visitation program; NSW Guild's Friendship Line volunteer; President Petersham Guild Club; member City Saturday Guild Club; member Western Suburbs Legacy; member Korean War Veterans' Association.</p>
Mrs Kaye Yallop	<p><u>Past:</u> experience in retail, communication, clerical & computer work in private & public sector; volunteer Red Cross Brisbane; Secretary Batemans Bay Patchwork & Quilting Guild; Legatee Batemans Bay; member Parish Council Anglican Church Batemans Bay; Treasurer Anglican Church Batemans Bay & Community <i>Life</i> Batemans Bay. <u>Current:</u> Member Director War Widows' Guild of Australia NSW Ltd; Co-ordinator Batemans Bay War Widows' Social Club; Member Director Batemans Bay Soldiers Club; Administrative Assistant Dept of Education & Training; member RSL Sub-Branch Batemans Bay; member Batemans Bay Youth Foundation; member Community <i>Life</i> Batemans Bay.</p>
Mrs Eve Bosak BA (Acc) FCPA CA ACIS ACIP	<p><u>Past:</u> professional experience in accounting, finance, corporate strategy & governance with the University of Canberra, Australian Treasury & Lend Lease Corporation (CFO, Lend Lease Corporate Services, & CEO and Director BII Lend Lease Jakarta); Trustee University of Canberra Superannuation Fund; Director CIM Pty Ltd, CIS Pty Ltd and Cool Savings (Inc) USA; Chair, International Committee of the Board CPA Australia; CFO South Asia Region World Bank, Washington DC; Chair & Non-Member Director War Widows' Guild of Australia NSW Ltd; Chair NSW Guild's Finance Audit & Compliance Committee. <u>Current:</u> Director ANZAC Health & Medical Research Foundation and Chair of Finance and Compliance Committee; member Federal Dept of Environment Audit Committee and Chair of Financial Statements Committee; CEO Governance Asia Pty Ltd.; Fellow CPA Australia and Chartered Accountant in Australia.</p>

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

DIRECTORS' REPORT (CONTINUED)

11 Information on Directors: Qualifications and Experience (Continued)

- Mrs Naida Isenberg LLB FCIS
Past: extensive experience in public sector as solicitor, including as Deputy Director (Commercial) Australian Government Solicitor & Director Crown Legal Services for NSW; General Counsel/Company Secretary MMI Ltd (now Allianz); Legal Management Consultant; Senior Member Veterans' Review Board; District Court Arbitrator. Current: Non-Member Director War Widows' Guild of Australia NSW Ltd; member NSW Guilds' Finance Audit & Compliance Committee; Judicial Member Administrative Decisions Tribunal; Senior Member Administrative Appeals Tribunal; Accredited Mediator - Law Society, Dust Diseases Tribunal, District Court & Defence Force; Lieutenant Colonel Army Reserve (Legal Corps); Fellow Institute of Chartered Secretaries.
- The Honourable Mahla Pearlman AO BA LLB (Honours) *Syd* Hon LL.D *Newc*
Past: Chief Judge Land & Environment Court of NSW (1992-2003); President Library Council of NSW (State Library) (1996-2004); President Law Society of NSW (1981-1982); President Law Council of Aust (1989-1990); Partner Sly & Weigall solicitors (1970-1992); awarded AM in 1985 for services to legal profession; awarded Centenary Medal 2003; awarded AO in 2004 for services to the judiciary, legal profession & community; Chair & Non-Member Director War Widows' Guild of Australia NSW Ltd; Chair NSW Guild's Finance Audit & Compliance Committee. Current: Chairman Legal Information Access Centre Advisory Board; member Alzheimers Association Advisory Council; Member of Council University of Newcastle; Deputy President Mental Health Review Tribunal.
- Mrs Dagmar Schmidmaier AM FALIA BA *Syd* Dip Lib UNSW M Lib UNSW
Past: State Librarian & Chief Executive State Library of NSW (1995-2006); Director Open Training & Education Network NSW Dept of Education & Training (1990-1999); Director CLANN Ltd (1978-1991); Director Board of Australian Digital Alliance Ltd (ADA) (1997-2006); Chairman Council of Australian State Libraries (1997-2004); Chair ALIA Board (2004-2006); member Board of Studies NSW (1998-2001); member Board of Governors College of Law (1985-1988); member Council Ku-ring-gai CAE (1985-1989); Judge Miles Franklin Literary Award (1995-2006); member Australian Libraries Copyright committee (1999-2006); Alumni Award for Achievement in Arts/Law from UNSW (2006); Member of the Order of Australia (2004); Centenary of Federation Medal (2003); Doctor of Letters UNSW (1999); Fulbright Scholarship (1988-89). Current: Chair & Non-Member Director War Widows' Guild of Australia NSW Ltd; member NSW Guild's Finance Audit & Compliance Committee; Director Talent Development Program; Chief Executive Women Inc; Chair Aurora Foundation Ltd; member Alzheimers NSW Advisory Committee.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

DIRECTORS' REPORT (CONTINUED)

11 Information on Directors: Qualifications and Experience (Continued)

Ms Helen Wiseman BSc European Studies BSc Psychology CA GAICD
Past: Partner KPMG; 23 years experience as a Chartered Accountant, auditor & tax adviser; volunteer telephone counsellor. **Current:** Non-Member Director War Widows' Guild of Australia NSW Ltd; Chair NSW Guild's Finance Audit & Compliance Committee; Principal Executive Central; Chairman of Board SHINE for Kids; Director Sydney Community Foundation & Chair of Audit Committee & member of Investment Committee; Director Melanoma Institute of Australia & member of Finance Committee; Advisory Board Member Australian Patients Association.

12 Directors' Meetings	Number of Meetings the Director was in attendance	Number of Meetings held since 1 April 2010 to 31 March 2011 *
Mrs Anne Bonner	9	9
Mrs Shirley Drysdale	9	9
Mrs Meg Green	6	6
Mrs Shirley Hancock	8	9
Mrs Heather Peetz	3	3
Mrs Dawn Wellfare	8	9
Mrs Kaye Yallop	9	9
Mrs Eve Bosak	3	3
Mrs Naida Isenberg	1	1
The Hon Mahla Pearlman AO	8	8
Mrs Dagmar Schmidmaier AM	8	9
Ms Helen Wiseman	5	5

* Reflects the number of meetings held during the time the director held office during the year. A Board Finance Audit and Compliance Committee was formed in 2001 and during the year included: The Hon Mahla Pearlman as Chair for 1 meeting (attended 3 out of 3 meetings), Mrs Schmidmaier as Chair for 2 meetings (4 out of 4), Ms Wiseman as Chair for 1 meeting (3 out of 3), Mrs Bonner (4 out of 4), Mrs Hancock (3 out of 4), Mrs Wellfare (4 out of 4), Mrs Bosak (1 out of 1) and Mrs Isenberg (1 out of 1). It met 4 times during the year.

13 Membership

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

14 Auditors' Independence Declaration

A copy of the Auditor's independence declaration, as required under section 307c of the *Corporations Act 2001*, is set out on page 12.

Signed in accordance with a resolution of the directors:



Director



Director



Director

Sydney 5 May 2011



Accountants | Business and Financial Advisers

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED
AUDITOR'S INDEPENDENCE DECLARATION

To the directors of War Widows' Guild of Australia NSW Limited:

As lead auditor for the audit of War Widows' Guild of Australia NSW Limited for the year ended 31 March 2011, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'M. Muller'.

M D Muller
Partner

A handwritten signature in black ink, appearing to read 'HLB Mann Judd'.

HLB MANN JUDD
Chartered Accountants

Sydney
5 May 2011

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

This discussion & analysis aims to assist readers in understanding the financial statements.

Statement of Comprehensive Income

The loss for the year was \$1,226,560. This compares to a loss of \$1,371,862 last year. This reduction of \$145,302 is primarily due to the causes set out below.

Revenues from continuing operations were \$181,077 higher, the main variations from last year being:

- The continuing impact of the global economic contraction together with drawings against the investment portfolio (to finance the Guild's operations) resulted in investment income (comprising interest, dividends and imputation credits) declining in comparison with last year by \$49,198 to \$444,226. Please note that any unrealised change in investment values (unless for impaired assets) has not been brought to account in the Statement of Comprehensive Income.
- Guild housing income was \$49,960 higher due to fewer vacancies in the past year.
- Donations, bequests and grants were \$32,681 higher with more donations received from members.
- Members' subscriptions decreased by \$10,027 due to fewer members (down 644 or 6% to 9,528).
- Profits from the sale of investments flowing from portfolio re-balancing during the year generated \$312,957 of income due to some improvement in market values during the year – the previous year was \$167,232.

Expenses were higher than last year by \$35,775. The main factors contributing to this increase were:

- Losses from the sale of investments flowing from the funding of the Guild's operations and portfolio re-balancing were \$222,254 due to some improvement in market values during the year – the previous year's losses were \$273,818.
- A significant or prolonged decline in the market value of a small number of investments in our diversified portfolio caused an impairment loss of \$98,972 to be recognised in the Statement of Comprehensive Income – last year was a loss of \$33,134.
- Guild housing expenses were lower by \$30,945 due to a smaller number of unit refurbishments required for long-term and incoming residents.
- Guild & Social Club support costs were \$22,282 higher as a result of the introduction of two new club subsidies during the year.

Statement of Financial Position

At 31 March 2011 the net value of the Guild was \$15,304,494, consisting of total assets of \$16,290,225 partly offset by total liabilities of \$985,731.

Total assets decreased by \$1,386,403, which was mainly due to a decline in cash and financial assets to fund the loss for the year.

Total liabilities decreased by \$43,118 following the repayment of an entry contribution loan to a departing Guild housing resident.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 \$	2010 \$
REVENUE from continuing operations			
Investment income		444,226	493,424
Guild housing income		402,477	352,517
Profit on sale of investments		312,957	167,232
Member subscriptions		195,488	205,515
Donations, bequests and grants		97,111	64,430
Activities and events income		38,332	33,433
Other income from continuing operations		19,768	12,731
Total revenue from continuing operations		1,510,359	1,329,282
EXPENSES from continuing operations			
Employee expenses		(1,088,576)	(1,066,995)
Guild housing expenses		(232,935)	(263,880)
Loss on sale of investments		(222,254)	(273,818)
Office rent		(193,647)	(175,901)
Transport assistance expenses		(165,948)	(174,730)
Guild & Social Club support & attendance		(101,826)	(79,544)
Impairment loss on investments		(98,972)	(33,134)
Guild Digest printing & postage expenses		(98,690)	(98,838)
Corporate governance expenses (incl AGM)		(95,659)	(112,949)
Membership support expenses		(67,144)	(61,065)
Event expenses		(65,930)	(65,707)
Investment manager & professional fees		(55,034)	(54,933)
Depreciation expense		(45,242)	(59,215)
NSW Guild history publication expenses		(32,663)	(33,434)
Other expenses from continuing operations		(172,399)	(147,001)
Total expenses from continuing operations		(2,736,919)	(2,701,144)
LOSS FOR THE YEAR	11, 12	(1,226,560)	(1,371,862)
OTHER COMPREHENSIVE INCOME			
Unrealised (loss)/gain on revaluation of available for sale financial assets		(116,725)	1,779,205
Total other comprehensive income for the year		(116,725)	1,779,205
TOTAL COMPREHENSIVE INCOME		(1,343,285)	407,343

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	2	635,215	1,109,460
Inventories	4	15,570	47,496
Trade and other receivables	5	107,348	102,437
TOTAL CURRENT ASSETS		758,133	1,259,393
NON-CURRENT ASSETS			
Available-for-sale financial assets	3	6,747,436	7,608,669
Property, plant and equipment	6	8,784,656	8,808,566
TOTAL NON-CURRENT ASSETS		15,532,092	16,417,235
TOTAL ASSETS		16,290,225	17,676,628
CURRENT LIABILITIES			
Trade and other payables	7	373,477	389,390
Other liabilities	8	297,000	337,000
Provisions	9	310,282	286,605
TOTAL CURRENT LIABILITIES		980,759	1,012,995
NON-CURRENT LIABILITIES			
Provisions	9	4,372	15,414
Other liabilities	8	600	440
TOTAL NON-CURRENT LIABILITIES		4,972	15,854
TOTAL LIABILITIES		985,731	1,028,849
NET ASSETS		15,304,494	16,647,779
EQUITY			
Reserves	10	8,202,419	8,319,144
Retained profits	11	7,102,075	8,328,635
TOTAL EQUITY	12	15,304,494	16,647,779

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

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 \$	2010 \$
Total equity at the beginning of the financial year		<u>16,647,779</u>	<u>16,240,436</u>
Total comprehensive income for the year		<u>(1,343,285)</u>	<u>407,343</u>
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	12	<u>15,304,494</u>	<u>16,647,779</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,068,007	835,192
Interest and dividends received	444,226	493,424
Payments to suppliers and employees	(2,661,383)	(2,559,937)
	<u>(1,149,150)</u>	<u>(1,231,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,848,293	3,586,705
Loan repayments to departed housing entry contribution residents	(40,000)	(41,000)
Payments for property, plant & equipment	(21,332)	(15,558)
Acquisition of investments	(1,112,056)	(3,079,110)
	<u>674,905</u>	<u>451,037</u>
NET INCREASE/(DECREASE) IN CASH HELD	(474,245)	(780,284)
Cash and cash equivalents at the beginning of year	1,109,460	1,889,744
	<u>635,215</u>	<u>1,109,460</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

a Basis of Preparation

These general purposes financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and property.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements except for the assessment of Available-for-sale financial assets impairment (refer Note 1h).

Financial statement presentation

The company has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a Statement of Comprehensive Income and a Statement of Changes in Equity. All non-owner changes in equity are now presented in the Statement of Comprehensive Income.

Financial statements

The financial statements cover the War Widows' Guild of Australia NSW Limited as an individual entity. The financial statements are presented in Australian currency.

The financial statements were authorised for issue by directors on 5 May 2011. The company has the power to amend and reissue the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b Revenue Recognition

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

Subscriptions

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

Donations

Donation income is taken into profit when received.

Retained Entry Contributions

The proportion of entry contributions paid by new residents that is designated as a "Retained Amount" is included as income but spread over five years in equal monthly instalments (the unallocated portion of the "Retained Amount" is refundable to the resident should she vacate the property within five years). The remainder of these entry contributions is treated as interest free loans (liability) from the resident repayable on departure.

Investment Income

Investment income includes interest, dividends and imputation credits. Interest income is recognised as it is received.

Profit on Sale of Property, Investments and Assets

The net profit from non-current asset sales is included as revenue at the date control of the asset passes to the buyer.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Guild Housing Income

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

Other Income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c Income Tax

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

d Impairment of Assets

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

e Cash and Cash Equivalents

For statement of cash flows purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement within 30 days. The collectability of debts is assessed at balance date. Debts that are known to be uncollectible are written off. A provision for impairment of trade receivables is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of the discounting is immaterial. The amount of the provision is recognised in the Statement of Comprehensive Income in other expenses.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Comprehensive Income within 'other expenses'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g Inventories

Inventories are stated at the lower of cost or net realisable value, using the specific identification basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion less the estimated costs necessary to make the sale.

h Investments and Other Financial Assets

The company classifies its investments as available-for-sale financial assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. These are investments held in the Guild's diversified portfolio excluding the investment cash management account, which is included in the cash and cash equivalents category of current assets (refer note 2).

Fair value

The fair values of quoted investments are based on closing market prices at balance date.

Impairment

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the balance date fair value, less any impairment loss on that financial asset previously recognised in profit and loss) is removed from the available-for-sale investments revaluation reserve and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments are not reversed through the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i Property, Plant and Equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers and reviewed by the directors each balance date, less subsequent depreciation for buildings. The last independent valuation was 31 March 2009. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

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

Increases in the carrying amounts arising on the revaluation of land and buildings are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit and loss, the increase is first recognised in the profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Statement of Comprehensive Income.

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

Buildings	50 years
Plant and Equipment	3 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and Losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

k Employee Benefits

(i) Wages and salaries and annual leave

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

(ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

l Goods and Services Tax

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

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

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

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
	\$	\$
2 CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	850	750
Cash at bank (incl investment cash management a/c)	634,365	1,108,710
	<u>635,215</u>	<u>1,109,460</u>
3 AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Non-Current		
Other interest instruments and funds – Australian	2,711,139	2,376,860
Shares in other corporations – listed Australian	2,461,923	3,299,150
Units in property trusts – listed Australian	661,338	777,600
Managed fund investments - International	913,036	1,155,059
	<u>6,747,436</u>	<u>7,608,669</u>
4 INVENTORIES Current		
Stock on hand – at cost	15,570	14,834
Stock of book <i>No Peacetime Cinderellas</i> – at net realisable value	-	32,662
	<u>15,570</u>	<u>47,496</u>
5 TRADE AND OTHER RECEIVABLES		
Current		
Prepayments & other receivables	24,837	25,889
Dividend imputation credits receivable	57,791	49,954
GST receivable	24,720	26,594
	<u>107,348</u>	<u>102,437</u>
6 PROPERTY, PLANT AND EQUIPMENT		
Non-Current		
Freehold land:		
. at directors' valuation - March 2010	-	7,600,000
. at directors' valuation - March 2011	7,600,000	-
	<u>7,600,000</u>	<u>-</u>
Buildings on freehold land:		
. at directors' valuation - March 2010	-	1,200,000
. at directors' valuation - March 2011	1,200,000	-
Less: accumulated depreciation	(48,000)	(24,000)
	<u>1,152,000</u>	<u>1,176,000</u>
Total land and buildings	<u>8,752,000</u>	<u>8,776,000</u>

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 \$	2010 \$
6 PROPERTY, PLANT AND EQUIPMENT (Continued)		
Plant and equipment - at cost	559,576	551,397
Less: accumulated depreciation	(526,920)	(518,831)
Total plant and equipment	<u>32,656</u>	<u>32,566</u>
Total property, plant and equipment	<u>8,784,656</u>	<u>8,808,566</u>
Cost	559,576	551,397
Directors' valuation – March 2010	-	8,800,000
Directors' valuation – March 2011	8,800,000	-
	<u>9,359,576</u>	<u>9,351,397</u>
Less: accumulated depreciation	(574,920)	(542,831)
Total written down amount	<u>8,784,656</u>	<u>8,808,566</u>
Revaluations		
Land and Buildings were independently valued as at 31 March 2009 by Mr B Coad, Certified Practising Valuer, Registered Valuer No. 2634 (NSW) of David Nelson & Partners Pty Limited. The revalued amounts for Land and Buildings are based upon the “market value for existing use” which is defined as the value of an asset based on its continued use, assuming the asset could be sold as part of a continuing business.		
7 TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	76,439	70,529
Petersham Soldiers' Memorial Hall Fund proceeds	176,543	180,112
Subscriptions in advance	90,955	90,908
Prepaid housing recurrent charge surplus	29,540	47,841
	<u>373,477</u>	<u>389,390</u>
8 OTHER LIABILITIES		
Current		
Refundable housing entry contributions	<u>297,000</u>	<u>337,000</u>
Non-Current		
Subscriptions in advance	<u>600</u>	<u>440</u>

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
	\$	\$
9 PROVISIONS		
Current		
Housing maintenance fund	85,075	79,851
Employee benefits	225,207	206,754
	<u>310,282</u>	<u>286,605</u>
Non-Current		
Employee benefits	<u>4,372</u>	<u>15,414</u>
10 RESERVES		
Asset revaluation	7,340,600	7,340,600
Available-for-sale investments revaluation	861,819	978,544
	<u>8,202,419</u>	<u>8,319,144</u>

Nature and Purpose of Reserves

Asset Revaluation

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

Available-for-Sale Investments Revaluation

The Available-for-Sale Investment Reserve represents the net increments and decrements arising from the revaluation of investments in accordance with AASB 139.

	2011	2010
	\$	\$
<i>Asset Revaluation</i>		
Balance 1 April	<u>7,340,600</u>	<u>7,340,600</u>
Balance 31 March	<u>7,340,600</u>	<u>7,340,600</u>

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

10	RESERVES (Continued)	2011 \$	2010 \$
	<i>Available-for-Sale Investments Revaluation</i>		
	Balance 1 April	978,544	(800,661)
	Net revaluation (decrement)/increment	(116,725)	1,779,205
	Balance 31 March	<u>861,819</u>	<u>978,544</u>
11	RETAINED EARNINGS		
	Balance 1 April	8,328,635	(479,158)
	Result for the year	(1,226,560)	(1,371,862)
	Transfers from war widows' support reserve	-	10,179,655
	Balance 31 March	<u>7,102,075</u>	<u>8,328,635</u>
12	TOTAL EQUITY RECONCILIATION		
	Balance 1 April	16,647,779	16,240,436
	Result for the year	(1,226,560)	(1,371,862)
	(Decrease)/increase in available-for-sale investments reserve	(116,725)	1,779,205
	Balance 31 March	<u>15,304,494</u>	<u>16,647,779</u>
13	KEY MANAGEMENT PERSONNEL DISCLOSURES		
	Directors		
	The names of persons who were directors of the company at any time during the financial year are as follows:		
	Mrs Anne Bonner	Mrs Kaye Yallop	
	Mrs Shirley Drysdale	Mrs Eve Bosak	
	Mrs Meg Green	Mrs Naida Isenberg	
	Mrs Shirley Hancock	The Hon Mahla Pearlman AO	
	Mrs Heather Peetz	Mrs Dagmar Schmidmaier AM	
	Mrs Dawn Wellfare	Ms Helen Wiseman	
	Total compensation paid or payable, or otherwise made available to all directors of the company from the company. Directors' honoraria are paid on a pro-rata basis for the period served during the financial year.		
	Short-term employee benefits (honoraria)	<u>49,020</u>	<u>49,852</u>
14	SUPERANNUATION COMMITMENTS		
	The company has a legal obligation to contribute superannuation for all employees under the age of 70 years. The company contributes to 'employee choice' complying superannuation funds.		

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

15 INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991. DETAILS OF AGGREGATE GROSS INCOME AND TOTAL EXPENSES OF FUNDRAISING APPEALS

a Fundraising Appeals

Fundraising appeals conducted during the period consisted of donations received by the Guild at its annual Field of Remembrance.

b Information on any material occurrence

There was no material occurrence relating to the Charitable Fundraising Act 1991 during the year.

c Details of Aggregate Gross Income and Total Expenses of Fundraising Appeals

	2011	2010
	\$	\$
Gross proceeds from fundraising appeals	4,205	3,533
<i>Less:</i> Total costs of fundraising appeals	-	-
Net surplus obtained from fundraising appeals	4,205	3,533

d Statement showing how funds received were applied to Charitable purposes

Net surplus obtained from fundraising appeals	4,205	3,533
---	-------	-------

This is applied to the charitable purposes in the following manner:

<ul style="list-style-type: none"> • Services and benefits provided to Guild members 	4,205	3,533
---	-------	-------

e Comparisons of certain monetary figures and percentages

	2011	2011	2010	2010
	\$	%	\$	%
Total cost of fundraising/gross income from fundraising	0/4,205	0	0/3,533	0
Net surplus from fundraising/gross income from fundraising	4,205/4,205	100	3,533/3,533	100

16 EVENTS OCCURRING AFTER BALANCE DATE

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

DIRECTORS' DECLARATION

In the directors' opinion:

- a** the financial statements and notes, set out on pages 13 to 28 are in accordance with the *Corporations Act 2001*, including:
 - i** complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - ii** giving a true and fair view of the company's financial position as at 31 March 2011 and of its performance for the financial year ended on that date; and
- b** there is reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- c** the provisions of the *Charitable Fundraising Act 1991*, the Regulations under that Act and the conditions attaching to the fundraising authority have been complied with; and
 - i** the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals;
 - ii** the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeals;
 - iii** the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied from fundraising appeals.

This declaration is made in accordance with a resolution of the directors:



Director



Director



Director

Sydney 5 May 2011

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

INDEPENDENT AUDITOR'S REPORT

To the members of War Widows' Guild of Australia NSW Limited:

We have audited the accompanying financial report of War Widows' Guild of Australia NSW Limited, which comprises the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of War Widows' Guild of Australia NSW Limited, as set out on pages 13 to 29.

Directors' Responsibility for the Financial Report

The directors of the company are preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of War Widows' Guild of Australia NSW Limited for the financial year ended 31 March 2011 included on War Widows' Guild of Australia NSW Limited's website. The company's directors are responsible for the integrity of the War Widows' Guild of Australia NSW Limited website. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

WAR WIDOWS' GUILD OF AUSTRALIA NSW LIMITED

ABN 24 083 075 914

**INDEPENDENT AUDITOR'S REPORT
(continued)**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of War Widows' Guild of Australia NSW Limited on 5 May 2011, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of War Widows' Guild of Australia NSW Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 March 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
- (b) in accordance with the provision of the *Charitable Fundraising Act 1991* and the regulations thereto, any money received as a result of fundraising appeals conducted during the financial year has been properly accounts for and applied with the following provisions:
 - (i) the financial report of War Widows' Guild of Australia NSW Limited is in accordance with the *Corporations Act 2001* including:
 - i) giving a true and fair view of the company's financial position as at 31 March 2011 and of its performance for the year ended on that date;
 - ii) the financial statements and associated records have been properly kept during the financial year in accordance with the provisions of the *Charitable Fundraising Act 1991* and Regulations thereto; and
 - iii) at the date of this settlement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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

**HLB MANN JUDD
Chartered Accountants**

A handwritten signature in black ink that reads 'M. Muller'.

**Mark D Muller
Partner**

**Sydney
5 May 2011**