



MOSMAN CLUB

ESTABLISHED 1975

Sports Bar
MOSMAN

THE
FERNERY
MOSMAN

ANNUAL REPORT

2023



MOSMAN CLUB

ESTABLISHED 1975

Sports Bar
MOSMAN


THE FERNERY
MOSMAN

MOSMAN RETURNED SERVICEMEN'S CLUB LTD

ABN 15 000 613 785

(A COMPANY LIMITED BY GUARANTEE)

**2023 ANNUAL REPORT
AND FINANCIAL
STATEMENTS**

THE COMMUNITY



Supporting the community remains at the forefront of our consciousness and is a vital part of what we do. In 2023 we were delighted to be able to support to the tune of \$62,964 in cash and in-kind donations to the local community groups and charities through ClubGrants.

This year the Club supported the following organisations:

Seaforth Netball Club	Northern Suburbs Basketball	Mosman RSL Sub-branch	The Shepherd Centre	Uniting NSW The Garrison Independent Living	Learning Links
RSL & Services Clubs	Sydney Catholic Schools Trust	Beauty Point Public School	Mosman High The Raise Foundation	The Northern Nursery School	Mosman Cricket Club
Middle Harbour Public	Wenona School	1 st Mosman 1908 Scout Group	SCECGS Redlands	1 st Balmoral Sea Scout Group	The Humour Foundation

If you represent or are involved in a local community group or charity who may require funding assistance, please contact the Club, we would love to hear from you.

FROM THE PRESIDENT



On behalf of the Board of Directors it is a pleasure to submit to my fellow members the 2023 Annual Report and Financial Statements. It is pleasing to report another strong performance despite the year having its challenges, both externally and internally. I acknowledge my fellow members and the visitors to the Club for your patience and loyalty throughout the year.

The year began with a State election and the Government of the day focusing on the industry, giving rise to increased compliance obligations for all Clubs. Interest rate and inflationary pressure continues to influence discretionary spend.

The Board approved an upgrade to the ageing lift, bringing it up to a standard befitting The Fernery and the rest of the Club, and we also replaced the roof in The Fernery, along with other repair and maintenance requirements. This necessitated in The Fernery being closed for almost 8 weeks, significantly impacting trade, but I'm sure members will appreciate the improvements.

Despite these setbacks, the Board are happy to report the financial result, recording an EBITDA of \$935,645. Gerard discusses the trading results further in his report.

The Club has supported several local and nearby charities and sporting groups and encourage our members to seek out these groups if you are interested in joining or helping their organisations.

I thank you, our members, for your continued support of the Club. The Club continues to navigate challenges in the form of Government indecision regarding industry compliance requirements, inflation, and interest rate pressures, as well as recruitment of experienced staff. I thank you for your loyalty and patronage.

I thank our CEO Gerard Boyle and senior management team in guiding the Club through another challenging year and recording such a meritorious result. There are plenty of new faces in the team. I welcome them and also extend

warm praise to all of our wonderful staff for their friendliness and professionalism.

To my fellow directors I thank you for your ongoing commitment, friendship, service, and support.

Sadly, we have lost some loved ones and close friends this past year. To all of our members and their loved ones who have suffered bereavement this past year, you remain in our thoughts.

**Jim Malloch MAICD
President**



FROM THE CEO



In what has been a challenging year for hospitality venues in NSW, I am pleased to present another solid financial performance. Mindful of ensuring we remain a second home for our members, by offering a comfortable, affordable, safe, and friendly service-driven Club, the result is underpinned by sound business processes and strategies to meet and exceed our budgetary goals.

As always, we couldn't do it without this wonderful community we are homed in. I thank our members and visitors for your ongoing support and loyalty. Our vision of being "The Best Social Experience in Mosman" drives what we do, and without you, everything we do would be meaningless.

In the face of rising costs across utilities, wages, COGS and services, and acknowledging our members' increased costs at home, we remain committed to being the venue of choice for Mosmanites.

We have daily food and beverage specials in both The Fernery and Sports Bar along with regular events and live music. We are the only local choice when it comes to cheering on your favourite team with our massive LED Sports Screen, and in The Fernery or the Auditorium we are function specialists, so I encourage members to consider us for your next get together.

The Club was required to stare down several challenges over the year. As Jim has already mentioned, The Fernery was closed for the best part of two months as we installed a new lift and replaced the existing old leaking roof in The Fernery, which negatively impacted the overall trading result.

However, the improvements are noticeable, and the works were considerable. We were also pleasingly still able to pay down a decent chunk of the bank loan.

The industry as a whole has been under attack by certain sections of the government and media. We pride ourselves on being a safe and responsible venue where people come to enjoy themselves. Our staff are highly trained, experienced, and professional.

I thank our whole employee team. They work tirelessly with a friendliness that is

infectious. I say it every year – I'm very proud of our team.

I again especially thank my fellow management team whose commitment and selflessness are an absolute godsend. It's been a very trying few years with uncertainty around positive covid tests and other illnesses. With shift swapping regularly required, the support you show each other, and the Club, is highly commendable. Your professionalism and your loyalty are acknowledged and greatly appreciated.

This year would not have been possible without the guidance, support, and counsel of the Club's Board. Culture flows from the top, and the exceptional organisational culture is a credit to the Board. To Jim and all of our Directors, I thank you for your service to the Membership and for your comradery.

From a trading position the Club enjoyed solid results. The Statement of Profit or Loss shows an operating profit of \$935,645, with a property revaluation due and undertaken by independent valuers to deliver an overall comprehensive income profit of \$7,401,443.

The 2024 Annual General Meeting will be held in the Club's Auditorium on Wednesday 22 May 2024 at 6:30pm. As occurs from time to time the Club's constitution requires modernisation and updating. This can only happen via Special Resolutions at the AGM. The Club's solicitors Piggot Stinson have prepared the recommended upgrade to

the Constitution, and The Board recommends members' approval.

Only financial members will be admitted and be eligible to vote if an election is required. Light refreshments will be provided following the meeting.

I look forward to seeing you in the Club.

Gerard Boyle
Chief Executive Officer



Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Financial Statements

For the Year Ended 31 December 2023

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

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For the Year Ended 31 December 2023

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Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Directors' Report 31 December 2023

The directors present their report on Mosman Returned Servicemen's Club Limited for the financial year ended 31 December 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

James Anthony Malloch
Andrew Bernard Clancy
Robert Armand Maul
Roy David Bendall
Malcolm John Munday
Jacqueline Erika Willoughby
Ian Cameron Chisholm

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Gerard Boyle MAICD, ACCM

Gerard Boyle is a Member of the Australian Institute of Company Directors (MAICD), the Club Directors Institute and the Club Managers Association Australia where he is an Active Certified Club Manager. Gerard has over 25 years' management experience in the Club Industry and holds a Master of Business Administration, along with numerous industry related qualifications. Gerard completed the Club Secretary Manager's Course on 23 March 2010, the ClubsNSW Governance Program for Club Directors on 25 September 2015 and the AICD Company Directors Course on 29 March 2019. Gerard has been Chief Executive Officer and Company Secretary since 6 July 2015 and continued to hold those positions at the end of the reporting period.

Strategic objectives

The Company's strategic objectives are:

- Leadership and Culture – we are leading and delivering within our community by developing an exceptional customer service culture and focusing on core competencies and innovation, so our key stakeholders are engaged with our vision to be the happiest community destination for everyone.
- Community – we are recognised as an outstanding contributor and are integral to our community.
- People – Our people are delivering our vision through ownership of our culture driven by professional development.
- Operations – our areas of operation are driven by innovation to provide leading competitive edge and unique customer experience by aligning our offering to our market needs and diversifying to minimise the gaming concentration risk of our business. We are effectively utilising technology within our available resources to add value to our business.

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Directors' Report

31 December 2023

Strategic objectives (Cont'd)

- Financial management – is transparent, precise, measurable and timely to ensure the Club will remain profitable, and secure its long term viability to continue its primary objectives as enumerated in the Club's Constitution. Our assets are generating an appropriate commercial rate of return.
- Governance – our governance exceeds industry best practice by continually reviewing our strategic plan and aligned annual business plan. We also ensure mandatory and voluntary industry training is undertaken by our Directors and management so our Board is fully conversant with the financial and compliance related obligations under the legislation, and we have an effective succession plan in place.

Principal activities

The principal activity of the Company during the financial year were those of a licensed Club, providing:

- Social facilities; and
- Food, beverage, entertainment, event and gaming facilities.

No significant changes in the nature of the Company's activity occurred during the financial year.

Members' guarantee

Mosman Returned Servicemen's Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the club, the constitution states that each members and any person or association who ceased to be a member in the year prior to the winding up is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Club.

At 31 December 2023 the collective liability of members was \$11,942 (2022: \$14,086).

Information on directors

James Anthony Malloch

Qualifications

Experience

President

Retired Stock Market Analyst, MAICD

11 years

Jim Malloch is a Member of the Australian Institute of Company Directors and the Club Directors Institute. Jim completed the mandatory training requirement for the ClubsNSW Governance Program for Club Directors on 1 July 2015 and completed the AICD Company Directors Course on 29 March 2019. Jim is a retired Stock Market Analyst with the ASX and has served as President of the Club since 2013.

Andrew Bernard Clancy

Qualifications

Experience

Vice President

Hospitality Manager

12 years

Andrew Clancy is a member of the Club Directors Institute and completed the mandatory training requirement for the ClubsNSW Governance Program for Club Directors on 27 June 2018. Andrew is a Hospitality Manager and has served as Vice President of the Club since 2012.

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Directors' Report

31 December 2023

Information on directors (Cont'd)

Robert Armand Maul

Qualifications

Experience

Treasurer

Company Secretary/ Director, LFAIES, JP

16 years

Bob Maul is a member of the Club Directors Institute and completed the mandatory training requirement for the ClubsNSW Governance Program for Club Directors on 10 March 2013. Bob has served in the Emergency Services and Police Force, as well as acting as a Director on several Boards over 50 years. Bob is a Life Member of the Club and he continues to serve on several for-purpose boards including Treasurer of the club since 2008.

Roy David Bendall

Qualifications

Experience

Director

Lawyer, Councillor, GAICD

11 years

Roy Bendall is a Graduate Member of the Australian Institute of Company Directors (GAICD) and the Club Directors Institute. Roy completed the mandatory training requirement for the ClubsNSW Governance Program for Club Directors on 19 February 2014 and completed the AICD Company Directors Course on 29 March 2019. Roy is a Lawyer and Mosman Councillor, with expertise in international finance and project management, trade and maritime issues. Roy serves on several Boards as a Director, both in the for-profit and for-purpose sectors and has served as a Director of the Club since 2013.

Ian Cameron Chisholm

Qualifications

Experience

Director

Taronga Zoo Manager (retired)

7 years

Ian Chisholm is a member of the Club Directors Institute and completed the mandatory training requirement for the ClubsNSW Governance Program for Club Directors on 14 October 2017. Ian is a retired Manager of Taronga Zoo, a Life Member of the Club and has served as a Director since 2017.

Malcolm John Munday

Qualifications

Experience

Director

Company Director, JP

9 years

Malcolm Munday is a member of the Club Directors Institute and completed the mandatory training requirement for the ClubsNSW Governance Program for Club Directors on 20 July 2015. Malcolm is a retired Sheriff's Officer in the Attorney General's Department and has served as a Director since 2015.

Jacqueline Erika Willoughby

Qualifications

Experience

Director

Company Director

3 years

Jacqui is a member of the Club Directors Institute and completed the mandatory training requirement for the ClubsNSW Governance Program for Club Directors on 30 March 2021. Jacqui is a former registered nurse, currently involved in allied health and community services, and is a former Mosman Councillor. Jacqui serves on several for-purpose committees and Boards.

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Directors' Report 31 December 2023

Information on directors (Cont'd)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating results

The loss of the Company after providing for income tax amounted to \$ 44,958 (2022: Profit of \$ 45,024).

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Meetings of directors

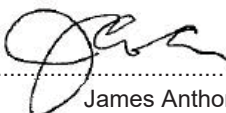
During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
James Anthony Malloch	12
Andrew Bernard Clancy	11
Robert Armand Maul	12
Roy David Bendall	11
Ian Cameron Chisholm	12
Malcolm John Munday	11
Jacqueline Erika Willoughby	8

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2023 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
James Anthony Malloch

Director: 
Roy David Bendall

Dated 18 April 2024



PKF(NS) Audit & Assurance Limited Partnership

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Mosman Returned Servicemen's Club Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten version of the PKF logo in black ink.

PKF

A handwritten signature in black ink, appearing to read 'Kym Reilly'.

KYM REILLY
PARTNER

18 APRIL 2024
SYDNEY, NSW

Mosman Returned Servicemen's Club Limited 2023

ABN: 15 000 613 785

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2023

		2023	2022
	Note	\$	\$
Revenue	4	5,583,605	5,416,783
Finance income	5	219	255
Other income	4	116,407	168,337
Raw materials and consumables used		(583,837)	(666,165)
Advertising, promotions and prizes		(254,801)	(231,948)
Consulting and professional fees		(191,902)	(204,114)
Cleaning expense		(177,997)	(194,773)
Security expense		(47,942)	(65,576)
Employee benefits expense		(1,958,498)	(1,951,428)
Entertainment expense		(49,360)	(36,471)
Insurance expense		(112,201)	(103,865)
Poker machine duty		(615,217)	(493,899)
Rates and utilities expense		(183,458)	(190,242)
Repairs and maintenance expense		(204,339)	(176,127)
Other operating expenses		(385,034)	(314,259)
Profit before income tax, interest, depreciation and community development		935,645	956,508
Interest expense	5	(261,345)	(174,677)
Depreciation and amortisation expense		(637,347)	(656,956)
Fixed asset write offs		(24,079)	(17,688)
Community development and support expenditure		(62,964)	(55,391)
(Loss)/profit before income tax		(50,090)	51,796
Income tax expense	6	5,132	(6,772)
(Loss)/profit from continuing operations		(44,958)	45,024
Other comprehensive income			
Revaluation changes for property, plant and equipment (net of tax)		7,446,401	-
Effect of changes in tax rate on prior revaluations		-	179,189
Other comprehensive income for the year		7,446,401	179,189
Total comprehensive income for the year		7,401,443	224,213

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2023

ABN: 15 000 613 785

Statement of Financial Position

As At 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	287,992	689,537
Trade and other receivables	8	8,104	6,576
Inventories	9	59,173	78,279
Other assets	10	129,542	154,269
TOTAL CURRENT ASSETS		<u>484,811</u>	<u>928,661</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	23,291,354	15,606,176
Deferred tax assets	12	27,627	468,412
Right-of-use assets	16	362,647	113,804
TOTAL NON-CURRENT ASSETS		<u>23,681,628</u>	<u>16,188,392</u>
TOTAL ASSETS		<u>24,166,439</u>	<u>17,117,053</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	579,058	522,780
Contract liabilities	14	77,468	83,591
Borrowings	15	97,636	-
Employee benefits	17	188,295	194,325
Lease liabilities	16	371,887	347,020
TOTAL CURRENT LIABILITIES		<u>1,314,344</u>	<u>1,147,716</u>
NON-CURRENT LIABILITIES			
Borrowings	15	3,602,364	3,908,527
Deferred tax liabilities	12	346,901	445,917
Lease liabilities	16	159,386	338,231
Employee benefits	17	65,339	-
TOTAL NON-CURRENT LIABILITIES		<u>4,173,990</u>	<u>4,692,675</u>
TOTAL LIABILITIES		<u>5,488,334</u>	<u>5,840,391</u>
NET ASSETS		<u>18,678,105</u>	<u>11,276,662</u>
EQUITY			
Reserves	19	15,371,862	7,925,461
Retained earnings		3,306,243	3,351,201
TOTAL EQUITY		<u>18,678,105</u>	<u>11,276,662</u>

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2023

ABN: 15 000 613 785

Statement of Changes in Equity For the Year Ended 31 December 2023

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2023	3,351,201	7,925,461	11,276,662
Loss for the year	(44,958)	-	(44,958)
Revaluation increment	-	7,446,401	7,446,401
Balance at 31 December 2023	3,306,243	15,371,862	18,678,105
Balance at 1 January 2022	3,306,177	7,746,272	11,052,449
Profit for the year	45,024	-	45,024
Effect of changes in tax rate on prior revaluations	-	179,189	179,189
Balance at 31 December 2022	3,351,201	7,925,461	11,276,662

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2023

ABN: 15 000 613 785

Statement of Cash Flows For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and customers	5,894,707	5,732,412
Payments to suppliers and employees	(4,777,977)	(5,057,055)
Finance costs	(261,345)	(176,684)
Net cash provided by operating activities	<u>855,385</u>	<u>498,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(655,757)	(746,484)
Net cash used in investing activities	<u>(655,757)</u>	<u>(746,484)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(392,646)	(71,760)
Net proceeds/(repayment) of borrowings	(208,527)	164,920
Net cash provided by/(used in) financing activities	<u>(601,173)</u>	<u>93,160</u>
Net (decrease)/increase in cash and cash equivalents held	(401,545)	(154,651)
Cash and cash equivalents at beginning of year	689,537	844,188
Cash and cash equivalents at end of financial year	7 <u>287,992</u>	<u>689,537</u>

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2023

ABN: 15 000 613 785

Notes to the Financial Statements For the Year Ended 31 December 2023

The financial report covers Mosman Returned Servicemen's Club Limited as an individual entity. Mosman Returned Servicemen's Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Mosman Returned Servicemen's Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 18 April 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Going concern

Notwithstanding the Club's net current liability position of \$829,533 at 31 December 2023, the Director's believe the going concern basis of preparation remains appropriate and have prepared the financial statement on this basis.

The Club's ability to continue its normal operations into the foreseeable future is dependent on:

- Forecast revenue targets and cash flow generation being achieved; and
- Successful refinance of loan facilities in place.

If the Club is not successful in achieving the above, the going concern basis may not be appropriate. With the result that the Club may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business, with amounts realised being different from those disclosed in the financial report.

No allowance for such circumstance have been made in the financial report.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (Cont'd)

(b) Revenue and other income (Cont'd)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time where the performance obligations have been met and transfer of control have been completed. Revenue is recognised net of any discounts given to members/patrons.

Provision of services

Revenue from rendering of services comprises revenue from memberships together with other services and events to members and other patrons of the club and is recognised when the services are provided.

Revenue from the provision of membership subscriptions and events is recognised on a straight-line basis over the financial year. Where payments are received in advance, these are recorded as contract liabilities.

Gaming machine revenue is recognised on an accrual basis calculated as net of gaming machine collections and payout's, less any costs associated with future jackpot contributions.

Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(c) Property, plant and equipment

Classes of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least 3-5 years, valuations by external independent valuer's, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve directly in equity; all other decreases are charged to the statement of profit and loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Mosman Returned Servicemen's Club Limited 2023

ABN: 15 000 613 785

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on either a straight-line basis or diminishing value basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Land is not depreciated.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2% - 2.5%
Building improvements	2.5% - 10%
Plant and Equipment	7.5% - 40%
Leased plant and equipment	5% - 20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Income tax

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rebates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (Cont'd)

(e) Financial instruments

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

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

Financial assets

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

Classification

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

- amortised cost

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (Cont'd)

(e) Financial instruments (Cont'd)

Financial assets (Cont'd)

based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable contract assets and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

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

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

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (Cont'd)

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(i) Leases

At inception of a contract, the Club assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset through the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (Cont'd)

(i) Leases (Cont'd)

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Mosman Returned Servicemen's Club Limited 2023

ABN: 15 000 613 785

Notes to the Financial Statements For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies (Cont'd)

(k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - fair value of land and buildings

The Club carries its land and buildings at fair value with changes in the fair value recognised in the revaluation reserve. Independent valuations are obtained at least 3-5 years and at the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

An independent valuation of freehold land and buildings was undertaken on the 19 December 2023, resulting in a fair value adjustment of \$7,446,401 (net of tax) being recognised in other comprehensive income. The independent valuation was carried out by an independent valuer, CIVIC MJD and based on market evidence and current zoning restrictions to determine the highest and best use of the Club's land and building.

Key estimates - impairment of assets

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available.

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

3 Critical Accounting Estimates and Judgments (Cont'd)

Key estimates - Useful life of assets

The Directors determine the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
Operating activities		
- Gaming revenue	3,691,834	3,130,070
- Sale of goods - beverages and functions	1,584,373	1,993,745
- Other income	307,398	292,968
	<u>5,583,605</u>	<u>5,416,783</u>

Other revenue

- Rental income	<u>116,407</u>	168,337
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Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated and the following table shows this breakdown:

Timing of revenue recognition

- At a point in time	5,528,008	5,345,979
- Over time	172,223	239,396
	<u>5,700,231</u>	<u>5,585,375</u>

5 Finance Income and Expenses

Finance income

Interest income		
Assets measured at amortised cost	<u>219</u>	255

Finance expenses

Interest expense	235,334	157,308
Other finance expenses	26,011	17,369
Total finance expenses	<u>261,345</u>	<u>174,677</u>

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

6 Income Tax Expense

(a) The major components of tax expense/(income) comprise:

	2023	2022
	\$	\$
Deferred tax expense/ (income)	<u>(5,132)</u>	<u>6,772</u>
 (b) Reconciliation of income tax to accounting profit:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 26%)	(12,523)	12,949
Add/(less):		
Tax effect of:		
- Net income and expenditure items relating to member activity	11,613	(6,867)
- Change in income tax rate	-	(5,757)
- Other items	<u>(4,222)</u>	<u>6,447</u>
Income tax expense /(income)	<u><u>(5,132)</u></u>	<u><u>6,772</u></u>

The Income Tax Assessment Act 1997 (amended) provides that under the concept of mutuality, Clubs are only liable for income derived from non-members and from outside entities. In view of these special circumstances, it is not appropriate to compare income tax payable with the net profit disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

7 Cash and Cash Equivalents

Cash on hand	195,000	195,000
Cash at bank	<u>92,992</u>	<u>494,537</u>
	<u><u>287,992</u></u>	<u><u>689,537</u></u>

8 Trade and Other Receivables

CURRENT		
Trade receivables	<u>8,104</u>	<u>6,576</u>

9 Inventories

CURRENT		
Inventories at cost	<u>59,173</u>	<u>78,279</u>

10 Other Assets

CURRENT		
Prepayments	<u>129,542</u>	<u>154,269</u>

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

11 Property, Plant and Equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At independent valuation	<u>14,000,000</u>	8,500,000
Buildings		
At valuation	7,600,000	6,727,864
Accumulated depreciation	-	(1,461,311)
	<u>7,600,000</u>	5,266,553
Total land and buildings	<u>21,600,000</u>	13,766,553
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	2,426,894	3,601,932
Accumulated depreciation	(890,926)	(2,035,491)
	<u>1,535,968</u>	1,566,441
Leased assets		
At cost	167,023	362,784
Accumulated depreciation	(11,637)	(89,602)
	<u>155,386</u>	273,182
Total plant and equipment	<u>1,691,354</u>	1,839,623
Total property, plant and equipment	<u>23,291,354</u>	<u>15,606,176</u>

Pursuant to Section 41J of the Registered Clubs Act 1976 ("the Act"), the Board has approved the classification of the following property as core or non-core as defined by the Act.

Core property: Specified as the land and buildings situated at 719 Military Road, Mosman. They are classified as land and buildings in the balance sheet.

Non-core property: The Club does not hold non-core property.

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

11 Property, Plant and Equipment (Cont'd)

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2023					
Balance at the beginning of year	8,500,000	5,266,553	1,566,441	273,182	15,606,176
Additions	-	218,680	437,077	-	655,757
Disposals - written down value	-	-	(168,846)	-	(168,846)
Transfers	-	-	35,395	(88,643)	(53,248)
Depreciation expense	-	(178,535)	(334,099)	(29,153)	(541,787)
Revaluations	5,500,000	2,293,302	-	-	7,793,302
Balance at the end of the year	14,000,000	7,600,000	1,535,968	155,386	23,291,354

(b) Fair value measurement

An independent valuation of freehold land and buildings held at situated at 719 Military Road, Mosman NSW 2088 was undertaken on the 19 December 2023, resulting in a fair value adjustment of \$7,446,401 (net of tax) being recognised in other comprehensive income. The independent valuation was carried out by an independent valuer, CIVIC MJD and based on market evidence and current zoning restrictions to determine the highest and best use of the Club's land and building.

12 Tax Assets and Liabilities

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
Deferred tax assets				
Deferred tax assets attributable to tax losses	483,939	6,324	-	490,263
Prepayments	(9,419)	1,899	-	(7,520)
Accruals	1,253	802	-	2,055
Provisions	14,834	(3,893)	-	10,941
Property, plant and equipment	(468,112)	-	-	(468,112)
Balance at 31 December 2022	22,495	5,132	-	27,627
Deferred tax liabilities				
Revaluation of land and buildings	-	-	346,901	346,901
Balance at 31 December 2023	-	-	346,901	346,901

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

13 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	288,887	324,764
Other creditors and accruals	290,171	198,016
	<u>579,058</u>	<u>522,780</u>

14 Contract liabilities

	2023	2022
CURRENT		
Membership in advance	39,051	38,991
Event income in advance	38,417	44,600
	<u>77,468</u>	<u>83,591</u>

These amounts are expected to be recorded as revenue in the next reporting period.

15 Borrowings

CURRENT		
Secured liabilities:		
Bank loans	97,636	-
NON-CURRENT		
Secured liabilities:		
Bank loans	3,602,364	3,908,527

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

The loan facility from the Commonwealth Bank of Australia is also secured over 719 - 729 Military Road Mosman, NSW along with a registered equitable mortgage over whole of its assets and undertakings including uncalled capital.

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

16 Leases

Company as a lessee

The Company has leases over a range plant and equipment assets.

Right-of-use assets

	Plant and Equipment \$	Total \$
Year ended 31 December 2023		
Balance at beginning of year	113,804	113,804
Depreciation charge	(95,558)	(95,558)
Additions to right-of-use assets	291,153	291,153
Transfers from property, plant and equipment	53,248	53,248
Balance at end of year	362,647	362,647

Lease liabilities

The maturity analysis of lease liabilities is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Lease liabilities included in this Statement Of Financial Position \$
2023				
Lease liabilities (AASB 16)	416,970	159,386	-	531,273
	416,970	159,386	-	531,273

17 Employee Benefits

	2023 \$	2022 \$
CURRENT		
Provision for long service leave	-	36,894
Provision for annual leave	188,295	157,431
	188,295	194,325
NON-CURRENT		
Provision for long service leave	65,339	-
	65,339	-

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

18 Financial Risk Management

	2023	2022
	\$	\$
Financial assets		
<i>Held at amortised cost</i>		
Cash and cash equivalents	287,992	689,537
Trade and other receivables	8,104	6,576
Other assets	129,542	154,269
Total financial assets	425,638	850,382
Financial liabilities		
<i>Held at amortised cost</i>		
Trade and other payables	579,058	522,780
Lease liabilities	531,273	685,251
Borrowings	3,602,364	3,908,527
Total financial liabilities	4,712,695	5,116,558

19 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model, refer to note 11(b).

20 Contingent Liabilities

(a) Mortality Scheme

The Club operates a Mortality Scheme which provides a mortality payment of \$200 on behalf of certain members. The current class of membership entitled to make such applications under the scheme is all members registered prior to 28 August 1965.

The total number of eligible members as at 31 December 2023 was 1 (2022: 1). The estimated maximum liability as at 31 December 2023 is \$200 (2022: \$200).

(b) Security deposit

The Club has a security deposit of \$5,000 (2022: \$5,000) held with the Commonwealth Bank of Australia with respect to their TAB Limited account.

21 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 23.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Mosman Returned Servicemen's Club Limited 2023

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Notes to the Financial Statements For the Year Ended 31 December 2023

21 Related Parties (Cont'd)

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

22 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Company. At 31 December 2023 the number of members was 5,971 (2022: 7,043).

23 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 380,558 (2022: \$ 364,812).

24 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements	30,550	29,100
- other services	2,100	3,500
	<u>32,650</u>	<u>32,600</u>

25 Events After the End of the Reporting Period

The financial report was authorised for issue on 18 April 2024 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

26 Statutory Information

The registered office of the company is:

BDO
Level 11, 1 Margaret Street
Sydney NSW 2000

The principal place of business is:

Mosman Returned Servicemen's Club Limited
719-729 Military Road
Mosman NSW 2088

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

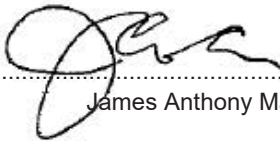
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

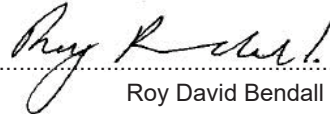
This declaration is made in accordance with a resolution of the Board of Directors.

Director



James Anthony Malloch

Director



Roy David Bendall

Dated 18 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOSMAN RETURNED SERVICEMEN'S CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mosman Returned Servicemen's Club Limited (the Club), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Mosman Returned Servicemen's Club Limited, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the Club's financial position as at 31 December 2023, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and Corporations Regulations 2001.

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

Independence

We are independent of the Club in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Club, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 December 2023, 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, 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 Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Club or to cease operations, or has 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

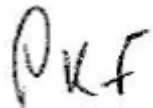
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY
PARTNER

18 APRIL 2024
SYDNEY, NSW