




MOSMAN CLUB

ESTABLISHED 1975

Sports Bar
MOSMAN

EST. 2024

THE WHALERS


THE
FERNERY
MOSMAN

ANNUAL REPORT

2024



MOSMAN CLUB
ESTABLISHED 1975



MOSMAN RETURNED SERVICEMEN'S CLUB LTD

ABN 15 000 613 785

(A COMPANY LIMITED BY GUARANTEE)

**2024 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 2024 we were delighted to be able to support to the tune of \$43,127 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 High The Raise Foundation	The Shepherd Centre for Deaf Children	Uniting NSW The Garrison Independent Living
RSL & Services Clubs	Mosman Public School	Beauty Point Public School	Mosman RSL Sub- branch	The Northern Nursery School
Middle Harbour Public	Wenona School	1 st Mosman 1908 Scout Group	Mosman Football Club	Mosman Camera Club
Fighting Chance Australia	Lions Club of Manly	Mini Mos Community	Mosman Cricket Club	Singing and Meditation for Inner Peace

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 CEO

VALE JAMES MALLOCH PRESIDENT 2013 – 2024.



It is only fitting that I begin my report speaking of Life Member and Club President Jim Malloch, who sadly passed away on Sunday 10 November 2024.

Jim was elected President in 2013 and led the reshaping and resurgence of the Club. In his time as President the Club has undergone numerous improvements and creations, including our award-winning rooftop bar and restaurant The Fernery, and Sydney's newest Live Music venue The Whalers.

Jim loved our Club. It was a massive part of his life. Fiercely loyal and ambitious about the Club's success, Jim was determined to ensure his legacy of overseeing the successful previous 11 years would live long after he had departed. Further, Jim actively stood with the Club's staff, was engaged and interested in their well-being, and was universally respected and cherished by our entire team.

Jim had many personal challenges over the past decade as he dutifully and diligently nursed his darling wife Dianne through her illness, before sadly losing her in 2022. It was at this time he developed his own health battle, and he fought it with great determination and humour until the end. None of this interfered with his commitment to the Club and his role as President.

Jim led the Board when I was recruited a decade ago, and we formed a close bond and friendship through our shared ambitions for the Club and mutual enjoyment of sport, most notably golf. Jim was a great friend to many, including me.

After Jim's passing, the Board resolved to leave the President's seat vacant until the 2025 Annual General Meeting. This sign of respect to Jim, allowing The President's role to remain his for his final full term, exemplifies the esteem in which he was held. He is greatly missed.

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

From a trading perspective it is a pleasure to submit to our members the 2024 Annual Report and Financial Statements, on behalf of the Board. Despite cost-of-living pressures, external political factors and significant increases to utilities, wages and COGS, it is pleasing to report another solid performance, recording an operating profit of \$853,708, and after non-operating expenses, tax and book adjustments a total comprehensive loss of \$206,002.

While we have been committed to providing live music entertainment weekly to our members for many years, with twice weekly performers a regular fixture in The Fernery, this year we were able to bring live music back to the Auditorium and utilise the stage and space for 500 revellers. With this new beginning we launched The Whalers live entertainment brand, hosting touring acts and tribute shows, with expansion to other forms of entertainment such as comedy shows in the pipeline. Keep an eye on our gig guides displayed prominently in the Club and on our digital assets.

This year also saw a major change to our entry requirements with the abolition of the antiquated 5km radius rule, which effectively put up a barrier to entry to our local residents. Clubs have for many

years been forced to abide by a rule no longer relevant in modern times, and your Board resolved to remove this pointless barrier the day the revocation received Royal Assent. I commend ClubsNSW for lobbying the State Government effectively to achieve this and other vibrancy measures to support the industry and reward people who enjoy visiting hospitality venues.

No longer do you need to become a member of the club to visit, regardless of where you live. However, we have daily members' only beverage discounts and specials in both The Fernery and Sports Bar, along with other members' only promotions and at only \$5 for one year I encourage all members to renew and all visitors to join and enjoy the perks of membership.



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 Whalers we are function specialists, so I encourage members to consider us for your next get together.

I thank our members and guests for your ongoing support. 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.

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 loyalty, commitment and selflessness are incredible. Most of our management team have been with us for many years now. This stability and professionalism up the top underpin the amazing culture we experience as an organisation.

This year would not have been possible without the guidance, support, and counsel of the Club’s Board. To all our Directors, I thank you for your service to the Membership and for your comradery.

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.

The 2025 Annual General Meeting will be held in the Club’s Auditorium on Wednesday 28 May 2025 at 6:30pm. This year we are asking members to formally recognise our 50-year members in the constitution with free perpetual membership, via a special resolution.

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 2024

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

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Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Directors' Report 31 December 2024

The directors present their report on Mosman Returned Servicemen's Club Limited for the financial year ended 31 December 2024.

Directors

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

Names

James Anthony Malloch	Deceased 10-11-2024
Andrew Bernard Clancy	
Robert Armand Maul OAM	
Roy David Bendall	
Malcolm John Munday	Resigned on 22-05-2024
Jacqueline Erika Willoughby	
Ian Cameron Chisholm	
Dean Dosen	Appointed on 22-05-2024

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 2024

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 member 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 2024 the collective liability of members was \$11,656 (2023: \$11,942).

Information on directors

James Anthony Malloch	President
Qualifications	Retired Stock Market Analyst, MAICD
Experience	12 years

Jim Malloch was 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 served as President of the Club between the 2013 AGM and his death on 10 November 2024.

Andrew Bernard Clancy	Vice President
Qualifications	Hospitality Manager
Experience	13 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

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Directors' Report 31 December 2024

Information on directors (cont'd)

Robert Armand Maul OAM	Treasurer
Qualifications	Company Director, LFAIES, JP
Experience	17 years

Bob Maul OAM 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 Medal of The Order of Australia recipient, 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	Director
Qualifications	Councillor, GAICD
Experience	12 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 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	Director
Qualifications	Taronga Zoo Manager (retired)
Experience	8 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	Director
Qualifications	Company Director, JP
Experience	10 years

Malcolm Munday was 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 served as a Director between the AGMs in 2015 and 2024.

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Directors' Report 31 December 2024

Information on directors (cont'd)

Jacqueline Erika Willoughby	Director
Qualifications	Company Director
Experience	4 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.

Dean Dosen	Director
Qualifications	Hospitality Management, Real Estate
Experience	1 year

Dean Dosen is a member of the Club Directors Institute and completed the mandatory training requirements for the ClubNSW Governance Program for Club Directors on 10 April 2025. Dean has a Bachelor of Commerce, a background in Hospitality Management and is currently a Leasing Consultant with Raine & Horne Mosman and has been a Director since 2024.

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

Mosman Returned Servicemen's Club Limited

ABN: 15 000 613 785

Directors' Report 31 December 2024

Operating results

The loss of the Company after providing for income tax amounted to \$102,626 (2023 loss of: \$44,958)

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, 9 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	4
Andrew Bernard Clancy	8
Robert Armand Maul OAM	8
Roy David Bendall	8
Ian Cameron Chisholm	8
Malcolm John Munday	3
Jacqueline Erika Willoughby	9
Dean Dosen	6

Mosman Returned Servicemen's Club Limited

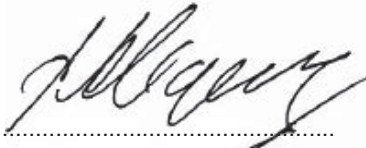
ABN: 15 000 613 785


Directors' Report
31 December 2024

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 2024 has been received and can be found on page 6 of the financial report.

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

Director:

Andrew Bernard Clancy

Director:

Robert Armand Maul OAM

Dated 29 April 2025



PKF(NS) Audit & Assurance Limited Partnership

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Mosman Returned Servicemen's Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, 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 signature in black ink that reads 'PKF'.

PKF

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

KYM REILLY
PARTNER

29 APRIL 2025
SYDNEY, NSW

Mosman Returned Servicemen's Club Limited 2024

ABN: 15 000 613 785

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2024

		2024	2023
	Note	\$	\$
Revenue	4	5,725,546	5,583,605
Other income	4	129,921	116,626
Raw materials and consumables used		(617,998)	(583,837)
Advertising, promotions and prizes		(281,615)	(254,801)
Consulting and professional fees		(188,579)	(191,902)
Cleaning expense		(183,236)	(177,997)
Security expense		(68,843)	(47,942)
Employee benefits expense		(2,104,373)	(1,958,498)
Entertainment expense		(53,640)	(49,360)
Insurance expense		(123,742)	(112,201)
Poker machine duty		(578,597)	(615,217)
Rates and utilities expense		(200,728)	(183,458)
Repairs and maintenance expense		(245,026)	(204,339)
Other operating expenses		(355,382)	(385,034)
Profit before income tax, interest, depreciation and community development		853,708	935,645
Interest expense	5	(295,155)	(261,345)
Depreciation and amortisation expense		(614,424)	(637,347)
Fixed asset write offs		(29,142)	(24,079)
Community development and support expenditure		(43,127)	(62,964)
Loss before income tax		(128,140)	(50,090)
Income tax benefit	6	25,514	5,132
Loss from continuing operations		(102,626)	(44,958)
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		(103,376)	-
Other comprehensive income for the year		(103,376)	7,446,401
Total comprehensive income/(loss) for the year		(206,002)	7,401,443

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2024

ABN: 15 000 613 785

Statement of Financial Position As At 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	549,568	287,992
Trade and other receivables		10,132	8,104
Inventories		72,541	59,173
Other assets	8	145,496	129,542
TOTAL CURRENT ASSETS		777,737	484,811
NON-CURRENT ASSETS			
Property, plant and equipment	9	23,488,278	23,654,001
Deferred tax assets	10	53,141	27,627
TOTAL NON-CURRENT ASSETS		23,541,419	23,681,628
TOTAL ASSETS		24,319,156	24,166,439
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	650,708	579,058
Contract liabilities	12	54,932	77,468
Borrowings	13	482,128	469,523
Employee benefits	14	211,597	188,295
TOTAL CURRENT LIABILITIES		1,399,365	1,314,344
NON-CURRENT LIABILITIES			
Borrowings	13	3,892,907	3,761,750
Deferred tax liabilities	10	450,277	346,901
Employee benefits	14	104,504	65,339
TOTAL NON-CURRENT LIABILITIES		4,447,688	4,173,990
TOTAL LIABILITIES		5,847,053	5,488,334
NET ASSETS		18,472,103	18,678,105
EQUITY			
Reserves		15,268,486	15,371,862
Retained earnings		3,203,617	3,306,243
TOTAL EQUITY		18,472,103	18,678,105

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2024

ABN: 15 000 613 785

Statement of Changes in Equity For the Year Ended 31 December 2024

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2024	3,306,243	15,371,862	18,678,105
Loss for the year	(102,626)	-	(102,626)
Effect of change in tax rate on prior revaluations	-	(103,376)	(103,376)
Balance at 31 December 2024	3,203,617	15,268,486	18,472,103
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

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2024

ABN: 15 000 613 785

Statement of Cash Flows For the Year Ended 31 December 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and customers	6,048,145	5,894,707
Payments to suppliers and employees	(5,165,803)	(4,777,977)
Finance costs	(295,155)	(261,345)
Net cash provided by operating activities	<u>587,187</u>	<u>855,385</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(52,380)	(655,757)
Net cash used in investing activities	<u>(52,380)</u>	<u>(655,757)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of finance lease liabilities	(498,576)	(392,646)
Net proceeds/(repayment) of borrowings	225,345	(208,527)
Net cash used in financing activities	<u>(273,231)</u>	<u>(601,173)</u>
Net (decrease)/increase in cash and cash equivalents held	261,576	(401,545)
Cash and cash equivalents at beginning of year	287,992	689,537
Cash and cash equivalents at end of financial year	7 <u>549,568</u>	<u>287,992</u>

The accompanying notes form part of these financial statements.

Mosman Returned Servicemen's Club Limited 2024

ABN: 15 000 613 785

Notes to the Financial Statements For the Year Ended 31 December 2024

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 29 April 2025.

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.

Prior year comparative

Where necessary, comparative information has been adjusted to achieve consistency of disclosure. The impact of these classifications is not material and has not resulted in any material changes to the Financial Statements.

2 Material Accounting Policies

(a) Going concern

Notwithstanding the Club's net current liability position of \$621,628 at 31 December 2024, 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.

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

Mosman Returned Servicemen's Club Limited 2024

ABN: 15 000 613 785

Notes to the Financial Statements For the Year Ended 31 December 2024

2 Material Accounting Policies (Cont'd)

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

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.

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.

Notes to the Financial Statements For the Year Ended 31 December 2024

2 Material Accounting Policies (Cont'd)

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

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.

(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

Financial assets are initially measured at fair value. Transactions costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Notes to the Financial Statements For the Year Ended 31 December 2024

2 Material Accounting Policies (Cont'd)

(e) Financial instruments (cont'd)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risk and rewards of ownership. When there is not reasonable expectation of recovering part or all of a financial asset, its carrying value is written off. 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.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

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.

(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.

Notes to the Financial Statements For the Year Ended 31 December 2024

2 Material Accounting Policies (Cont'd)

(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

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.

(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.

Mosman Returned Servicemen's Club Limited 2024

ABN: 15 000 613 785

Notes to the Financial Statements For the Year Ended 31 December 2024

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. An independent valuation of freehold land and buildings was undertaken on the 19 December 2023. 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.

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.

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 2024

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Notes to the Financial Statements For the Year Ended 31 December 2024

4 Revenue and Other Income

Revenue from continuing operations

	2024	2023
	\$	\$
Operating activities		
- Gaming revenue	3,682,997	3,691,834
- Sale of goods - beverages and functions	1,758,902	1,584,373
- Other income	283,647	307,398
	<u>5,725,546</u>	<u>5,583,605</u>

Other revenue

- Rental income	129,916	116,407
- Finance income	5	219
	<u>129,921</u>	<u>116,845</u>

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	5,662,288	5,528,008
- Over time	193,179	172,223
	<u>5,855,467</u>	<u>5,700,231</u>

5 Finance expenses

Interest expense	270,784	235,334
Other finance expenses	24,371	26,011
Total finance expenses	<u>295,155</u>	<u>261,345</u>

Mosman Returned Servicemen's Club Limited 2024

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Notes to the Financial Statements For the Year Ended 31 December 2024

6 Income Tax Benefit

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

	2024	2023
	\$	\$
Deferred tax expense/ (income)	<u>(25,514)</u>	<u>(5,132)</u>

(b) Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	(26,765)	(12,523)
Add/(less):		
Tax effect of:		
- Net income and expenditure items relating to member activity	(22,503)	(11,613)
- Other items	23,754	(4,222)
Income tax expense /(income)	<u>(25,514)</u>	<u>(5,132)</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>354,568</u>	<u>92,992</u>
	<u>549,568</u>	<u>287,992</u>

8 Other Assets

CURRENT		
Prepayments	<u>145,496</u>	<u>129,542</u>

Mosman Returned Servicemen's Club Limited 2024

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Notes to the Financial Statements For the Year Ended 31 December 2024

9 Property, Plant and Equipment

	2024	2023
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At independent valuation	14,000,000	14,000,000
Buildings		
At valuation	7,614,391	7,600,000
Accumulated depreciation	(161,270)	-
	7,453,121	7,600,000
Total land and buildings	21,453,121	21,600,000
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	3,872,078	3,459,275
Accumulated depreciation	(2,074,715)	(1,709,670)
	1,797,363	1,749,606
Leased assets		
At cost	754,944	662,751
Accumulated depreciation	(517,150)	(358,356)
	237,794	304,395
Total plant and equipment	2,035,157	2,054,001
Total property, plant and equipment	23,488,278	23,654,001

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.

(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 assets	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2024					
Balance at the beginning of year	14,000,000	7,600,000	1,749,606	304,395	23,654,001
Additions		4,862	443,033	21,540	469,435
Disposals - written down value			(20,734)		(20,734)
Depreciation expense		(151,741)	(374,543)	(88,141)	(614,424)
Balance at the end of the year	14,000,000	7,453,121	1,797,363	237,794	23,488,278

Mosman Returned Servicemen's Club Limited 2024

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Notes to the Financial Statements For the Year Ended 31 December 2024

10 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	490,263	52,715	-	542,978
Prepayments	(7,520)	7,077	-	(443)
Accruals	2,055	(6,012)	-	(3,957)
Provisions	10,941	5,647	-	16,588
Property, plant and equipment	(468,112)	(33,914)	-	(502,026)
Balance at 31 December 2024	27,627	25,514	-	53,141
Deferred tax liabilities				
Revaluation of land and buildings	346,901	-	-	346,901
Change in mutuality rate	-	-	103,376	103,376
Balance at 31 December 2024	346,901	-	103,376	450,277

11 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	358,679	288,887
Other creditors and accruals	292,029	290,171
	650,708	579,058

12 Contract liabilities

	2024	2023
CURRENT		
Membership in advance	30,227	39,051
Event income in advance	24,705	38,417
	54,932	77,468

13 Borrowings

CURRENT		
Bank loans	164,962	97,636
Lease Liabilities (Finance lease obligation)	317,166	371,887
	482,128	469,523
NON-CURRENT		
Bank loans	3,760,383	3,602,364
Lease Liabilities (Finance lease obligation)	132,524	159,386
	3,892,907	3,761,750

Mosman Returned Servicemen's Club Limited 2024

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Notes to the Financial Statements For the Year Ended 31 December 2024

13 Borrowings (cont'd)

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 was renewed on 26 September 2024 for a period of 3 years. The loan is secured over 719 - 729 Military Road Mosman, NSW along with a registered equitable mortgage over the whole of its assets and undertakings including uncalled capital.

14 Employee Benefits

	2024	2023
	\$	\$
CURRENT		
Provision for annual leave	211,597	188,295
	<u>211,597</u>	<u>188,295</u>
NON-CURRENT		
Provision for long service leave	104,504	65,339
	<u>104,504</u>	<u>65,339</u>

15 Financial Risk Management

Financial assets

Held at amortised cost

Cash and cash equivalents	549,568	287,992
Trade and other receivables	10,132	8,104
Other assets	145,496	129,542

Total financial assets

	<u>705,196</u>	<u>425,638</u>
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Financial liabilities

Held at amortised cost

Trade and other payables	650,708	579,058
Borrowings	3,925,345	3,700,000
Lease Liabilities (Finance lease obligation)	449,690	531,273

Total financial liabilities

	<u>5,025,743</u>	<u>4,810,331</u>
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16 Contingent Liabilities

Security deposit

The Club has a security deposit of \$5,000 (2023: \$5,000) held with the Commonwealth Bank of Australia with respect to their TAB Limited account.

Mosman Returned Servicemen's Club Limited 2024

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Notes to the Financial Statements For the Year Ended 31 December 2024

17 Related Parties

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

Key management personnel - refer to Note 19.

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.

(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.

18 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 2024 the number of members was 5828 (2023: 5,971).

19 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$417,132 (2023: \$380,558).

20 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements	32,080	30,550
- other services	2,200	2,100
	<u>34,280</u>	<u>32,650</u>

21 Events After the End of the Reporting Period

The financial report was authorised for issue on 29 April 2025 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.

Mosman Returned Servicemen's Club Limited 2024

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Notes to the Financial Statements For the Year Ended 31 December 2024

22 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

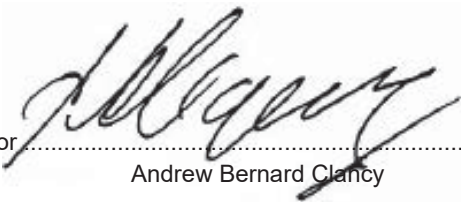
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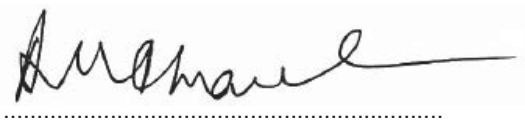
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 25, 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 2024 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

Andrew Bernard Clancy

Director

Robert Armand Maul OAM

Dated 29 April 2025

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 2024, 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 material accounting policy information, 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 company's financial position as at 31 December 2024, 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 Company 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 Company, 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 Company's annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

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 Company 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 Company'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 Company 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:

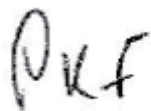
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

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

- 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 Company'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 Company 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

29 APRIL 2025
SYDNEY, NSW