

**Gosford RSL Club Limited**  
(a Company Limited by Guarantee)  
**ABN 34 002 772 910**

**General Purpose (SDS) Financial Report**

**For The Year Ended  
31 December 2023**

**Gosford RSL Club Limited**  
**ABN 34 002 772 910**  
**(A Company Limited By Guarantee)**

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**Financial Report**  
**For The Year Ended 31 December 2023**

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**Gosford RSL Club Limited**  
**ABN 34 002 772 910**

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**Directors' Report**

The directors of Gosford RSL Club Limited (the "Club") present their report together with the financial report of the Club for the year ended 31 December 2023 and the auditor's report thereon.

**Directors**

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

<b>Name</b>	<b>Qualifications</b>
G R Young JP	President. Appointed 10 April 2017. Retired. Director from 5 September 2000, Vice President from 25 March 2001 to 15 April 2013, President from 15 April 2013 to 18 May 2015, Director from 18 May 2015 to 10 April 2017.
C L Rennie JP	Vice President. Appointed 15 April 2019. Semi-retired Business Manager. Director from 10 April 2017 to 15 April 2019 and from 1 May 2012 to 18 May 2015.
P L Edwards OAM JP	Director. Appointed 15 April 2019. Retired Endorsed Enrolled Nurse. Director from 21 April 2002 to 15 April 2013 and from 10 April 2017 to 16 April 2018. Vice President from 15 April 2013 to 10 April 2017 and from 16 April 2018 to 15 April 2019.
K J Spencer OAM	Director. Appointed 16 April 2018. Retired Contract Electrician. Director from 13 April 2003, Vice President from 20 March 2007 to 16 April 2018.
C R Chiofalo	Director. Appointed 18 May 2015. Retired Telecommunications Supervisor. Resigned as director on 20 April 2023.
R W Miller	Director. Appointed 10 April 2017. Retired Small Business Manager. Director from 15 April 2013 to 18 May 2015. Resigned as director on 20 April 2023.
C J Hobson	Director. Appointed 10 April 2017. Retired Small Business Manager.
K L Rennie	Director. Appointed 20 April 2023. Mathematics Teacher.
E-J C Mylan	Director. Appointed 20 April 2023. Customer Service Consultant with TAFE NSW.

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

**Gosford RSL Club Limited**  
**ABN 34 002 772 910**

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**Directors' Report**

**Directors' meetings**

The number of directors' meetings held and the number of meetings attended by each of the directors of the Club during the financial year are:

	Board Meetings	
	Number Attended	Number Held
G R Young	12	12
P L Edwards	11	12
K J Spencer	12	12
C R Chiofalo (resigned on 20 April 2023)	4	4
R W Miller (resigned on 20 April 2023)	4	4
C L Rennie	12	12
C J Hobson	12	12
K L Rennie (appointed on 20 April 2023)	7	8
E-J C Mylan (appointed on 20 April 2023)	8	8

**Membership**

The Club is a company limited by guarantee and is without share capital. The number of members as at 31 December 2023 was 29,969 (2022: 27,630).

**Operating result**

The net loss for the year before income tax amounted to \$2,808,984 compared with a net loss for the year before income tax of \$2,834,942 for the prior year. This resulted after charging \$6,910,286 (2022: \$7,241,720) for depreciation which is largely attributable to accelerated depreciation on the existing club facilities that are expected to be replaced in 2024.

**Objectives**

**Short term**

The Club's short-term objectives are to:

- Provide a high standard of facilities and services that meet the diverse needs of members and guests;
- Connect with the local community through ongoing support of sporting groups, youth development and disadvantaged segments of the community;
- Continue to focus on our employer of choice philosophy; and
- Continue to promote objectives of Returned and Services League of Australia.
- Provide Responsible Service of Alcohol (RSA) and Responsible Conduct of Gaming (RCG).
- Complete construction of new club facilities and transition operations in 2024

**Gosford RSL Club Limited**  
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**Directors' Report**

**Long term**

The Club's long term objectives are to:

- Develop a strong, positive brand image amongst members and the local community;
- Develop long term commercial and community partnerships;
- Invest in a long term sustainable model for the club; and
- Continue to promote the objects of the Returned and Services League of Australia.

**Strategy for achieving the objectives**

To achieve these objectives, the Club has adopted the following strategies:

- Effective short and long term strategy mapping including the development of employee, customer, community and financial objectives and key performance indicators (KPIs);
- Implementing relevant operational KPIs and controls that provide timely measurement of the Club's ongoing financial and operational performance;
- Continuous reviewing of KPIs and taking corrective action when required;
- Develop and implement a suitable investment policy, reviewed and updated annually;
- Continuing Professional Development and training for Directors;
- Develop, implement and review operational business plans that match key outcomes contained in the strategy map; and
- Develop a long-term master plan, revised annually to assist in the development and implementation of appropriate capital investment.

**Risk management processes**

The Club manages its risks by adhering to a yearly program that is overseen by the Audit and Compliance Committee. The Club adheres to a comprehensive risk management plan, which was developed in 2016 and is reviewed annually.

**Principal activities**

The principal activities of the Club were the operation of a licensed club and two motels. There was no change in the principal activities during the financial year.

**Gosford RSL Club Limited**  
**ABN 34 002 772 910**

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**Directors' Report**

**Liability of members on winding up**

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Club during the time that he/she is a member or within one year thereafter. At 31 December 2023 there were 29,969 members.

**Proceedings on behalf of the Club**

No person has applied for leave of the Court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is party for the purposes of taking responsibility on behalf of the Club for all or any part of those proceedings.

The Club was not a party to any such proceedings during the year.

**Environmental issues**

The directors believe the Club has complied with all significant environmental regulations under the Law of the Commonwealth or of a State or Territory.

**Indemnifying officer or auditor**

To the extent permitted by law, the Club has agreed to indemnify its auditor Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to Ernst & Young (Australia) during or since the financial period in relation to indemnification matters.

**Significant changes in the state of affairs**

Construction of new club facilities at 26 Central Coast Hwy, West Gosford are underway and expected to be completed and open for trading in early 2024. The old club facilities will be demolished shortly thereafter.

No other significant changes in the Club's state of affairs occurred during the financial year.

**Subsequent events**

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

**Gosford RSL Club Limited**  
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**Directors' Report**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Signed in accordance with a resolution of the directors.

Dated at Gosford this 27th day of February 2024



**G R Young**  
Director

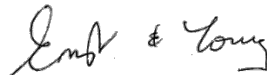


**C L Rennie**  
Director

## Auditor's independence declaration to the directors of Gosford RSL Club Limited

As lead auditor for the audit of the financial report of Gosford RSL Club Limited for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) No contraventions of any applicable code of professional conduct in relation to the review;  
and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.



Ernst & Young



Daniel Cunningham  
Partner  
27 February 2024



**Gosford RSL Club Limited**  
**ABN 34 002 772 910**

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

	Note	2023 \$	2022 \$
<b>Revenue from contracts with customers</b>			
Rendering of services revenue		19,450,154	19,572,985
Sale of goods revenue		7,707,692	7,805,046
<b>Total revenue from contracts with customers</b>	3.1	27,157,846	27,378,031
<b>Other income</b>			
Others	3.2	541,753	489,612
<b>Total other income</b>		541,753	489,612
<b>Expenses</b>			
Cost of goods sold		(2,523,120)	(2,491,623)
Employee benefits expense		(10,492,912)	(9,818,480)
Poker machine licences & taxes and donations		(4,305,277)	(4,350,103)
Entertainment, marketing and promotions		(2,119,463)	(2,294,996)
Occupancy and property costs		(641,754)	(796,756)
Motel costs		(720,928)	(782,251)
Other expenses from operating activities		(2,794,843)	(1,922,915)
Loss on disposal of property, plant & equipment		-	(765,798)
Loss on fair value of investment portfolio		-	(216,443)
Amortisation and depreciation		(6,910,286)	(7,241,720)
Finance costs		-	(21,500)
Loss before income tax		(2,808,984)	(2,834,942)
Income tax benefit	4	131,920	361,777
<b>Net loss after income tax</b>		(2,677,064)	(2,473,165)
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		(2,677,064)	(2,473,165)

The accompanying notes form part of these financial statements.

**Gosford RSL Club Limited**  
**ABN 34 002 772 910**

**Statement of Financial Position**  
**as at 31 December 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	3,212,300	3,842,820
Trade and other receivables	7	759,661	160,275
Inventories	8	256,711	259,494
Other assets	9	419,585	311,008
Financial assets	10	-	3,325,247
Income tax refundable	15	-	86,082
<b>Total Current Assets</b>		<u>4,648,257</u>	<u>7,984,926</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	11	62,956,643	39,446,733
Financial assets	10	29,601	29,601
Intangible assets	12	2,144,173	2,144,173
<b>Total Non-Current Assets</b>		<u>65,130,417</u>	<u>41,620,507</u>
<b>Total Assets</b>		<u>69,778,674</u>	<u>49,605,433</u>
<b>Current Liabilities</b>			
Trade and other payables	13	2,098,881	1,497,156
Employee benefits	14	1,375,661	1,311,309
Provision for income tax	15	187,656	-
Borrowings	16	275,347	-
<b>Total Current Liabilities</b>		<u>3,937,545</u>	<u>2,808,465</u>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	15	1,128,354	1,484,339
Employee benefits	14	130,981	85,707
Borrowings	16	22,031,936	-
<b>Total Non-Current Liabilities</b>		<u>23,291,271</u>	<u>1,570,046</u>
<b>Total Liabilities</b>		<u>27,228,816</u>	<u>4,378,511</u>
<b>Net Assets</b>		<u>42,549,858</u>	<u>45,226,922</u>

The accompanying notes form part of these financial statements.

**Gosford RSL Club Limited**  
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**Statement of Financial Position**  
**as at 31 December 2023**

	Note	2023	2022
		\$	\$
<b>Members' Funds</b>			
Asset revaluation reserve		21,498,170	21,498,170
Retained earnings		21,051,688	23,728,752
<b>Total Members' Funds</b>		<u>42,549,858</u>	<u>45,226,922</u>

The accompanying notes form part of these financial statements.

**Gosford RSL Club Limited**  
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**Statement of Changes in Members' Funds**  
**For The Year Ended 31 December 2023**

	Note	Revaluation Reserves \$	Retained Earnings \$	Total \$
Balance 1 January 2022		21,498,170	26,201,917	47,700,087
Loss for the year		-	(2,473,165)	(2,473,165)
Balance 31 December 2022		<u>21,498,170</u>	<u>23,728,752</u>	<u>45,226,922</u>
Loss for the year		-	(2,677,064)	(2,677,064)
Balance 31 December 2023		<u><u>21,498,170</u></u>	<u><u>21,051,688</u></u>	<u><u>42,549,858</u></u>

The accompanying notes form part of these financial statements.

**Gosford RSL Club Limited**  
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**Statement of Cash Flows**  
**For The Year Ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	29,767,193	29,790,728
Receipts of government grants	-	550,000
Payments to suppliers and employees	(25,524,990)	(24,605,938)
Interest and other costs of finance paid	(407,851)	(21,500)
Interest received	16,938	19,936
Income tax paid	(49,673)	(40,199)
<b>Net cash provided by operating activities</b>	<b>3,801,617</b>	<b>5,693,027</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant & equipment		
- Land & buildings	(29,239,770)	(11,079,348)
- General plant	(382,857)	(374,516)
- Poker machines	(403,159)	(758,441)
Proceeds from the sale of property, plant & equipment	30,880	61,199
Proceeds from the sale of investments	3,327,419	41,618
<b>Net cash used in investing activities</b>	<b>(26,667,487)</b>	<b>(12,109,488)</b>
<b>Cash flows from financing activities</b>		
Funds from borrowings	22,764,253	-
Repayments of borrowings	(528,903)	-
<b>Net cash provided by financing activities</b>	<b>22,235,350</b>	<b>-</b>
<b>Net decrease in cash held</b>	<b>(630,520)</b>	<b>(6,416,461)</b>
Cash at 1 January	3,842,820	10,259,281
<b>Cash at 31 December</b>	<b>3,212,300</b>	<b>3,842,820</b>

The accompanying notes form part of these financial statements.

**Gosford RSL Club Limited**  
**ABN 34 002 772 910**

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

This financial report is for Gosford RSL Club Limited (the "Club") as an individual entity, incorporated and domiciled in Australia. Gosford RSL Club Limited is a company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2024. The directors have the power to amend and reissue the financial statements.

**Note 1. Material Accounting Policy Information**

**Basis of preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board. The Club is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policy information adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

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.

**New, revised or amending Accounting Standards and Interpretations adopted**

The Club has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 1. Material Accounting Policy Information (cont'd)**

**(a) Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or substantially enacted by the balance date and adjusted to take into account the principal of mutuality.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Club will derive future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**(c) Impairment of assets**

At each reporting date, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 1. Material Accounting Policy Information (cont'd)**

**(d) Property, plant and equipment**

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

All fixed assets excluding freehold land are depreciated on a straight-line basis over the useful life of the asset. The depreciation rates used for each class of depreciable asset are:

- Buildings – 2.5% to 35%
- Plant & Equipment – 10% to 33%
- Motor Vehicles – 20% to 25%
- Poker Machines – 20% to 50%

**Property**

Freehold land and buildings are measured using the revaluation model in accordance with AASB 116 *Property plant and equipment*, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Management obtains an independent external valuation every three to five years. The most recent valuation was performed in 2021 and was adopted for the 2021 Financial Report.

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses. 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 employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Club includes the cost of materials, direct labour and borrowing costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.



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

**Note 1. Material Accounting Policy Information (cont'd)**

**(e) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are classified as finance leases in accordance with AASB 16 *Leases*. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over their estimated useful lives.

**(f) Financial Instruments**

**Recognition**

Financial assets and financial liabilities are recognised when the Club becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Club's trade and most other receivables fall into this category of financial instruments.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss (FVTPL) include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 1. Material Accounting Policy Information (cont'd)**

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other bank accounts and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(h) Employee benefits**

**Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

**Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 1. Material Accounting Policy Information (cont'd)**

**(i) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

**(j) Members' subscriptions**

Members' subscriptions received in advance are amounts received from members in respect of subscriptions for 2023, and subsequent years, and are shown in the balance sheet as subscriptions in advance.

**(k) Limitation of members' liability**

In accordance with the Constitution of the Club, the liability of members in the event of the Club being wound up would not exceed \$2 per member.

**(l) Revenue and other income**

**Rendering of services**

Revenue is recognised in accordance with AASB 15 *Revenue from contracts with customers*. Revenue that is recognised over a period of time is recognised when the Club satisfies a performance obligation by transferring a good or service to a customer. Revenue is measured at the fair value of the consideration received or receivable.

**Sale of goods**

Revenues from the sale of goods, services and gaming are recognised at the point of sale, which is where the customer has taken delivery of the goods, received the service and the risks and rewards are transferred to the customer. Amounts disclosed as revenue are net of sales returns and trade discounts.

**Interest income**

Interest revenue is recognised on an accrual basis using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**(m) Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of an asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

**Note 1. Material Accounting Policy Information (cont'd)**

**(n) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(o) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

**(p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Club prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**(q) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 1. Material Accounting Policy Information (cont'd)**

**(r) Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful life of assets

The Club determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. 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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Club assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Club and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1(h), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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

**Note 1. Material Accounting Policy Information (cont'd)**

**(s) Critical accounting judgements, estimates and assumptions (cont'd)**

Deferred tax balances

Deferred tax assets are recognised for deductible temporary differences only if the Club considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. For the purpose of measuring deferred tax assets arising from property that is measured using the fair value model, the directors review and assess the Club's likely benefit or liability to taxation with reference to prevailing tax legislation and case law and with reference to the Club's strategic plan. Until such time as the strategic plan is enacted by the Club and claims against the capital losses for previous years are made by the Club and accepted by the ATO, the precise measurement of the deferred tax asset available for use by the Club cannot be made. Notwithstanding this, the directors are of the opinion that sufficient capital and revenue losses are available to minimise the Club's exposure to tax in the event there is a change in the nature or use of Club property in the foreseeable future.

Fair value of financial assets and liabilities

The Board of Directors and management consider that the carrying amount of financial assets and liabilities recognised in the financial statements approximate their fair values.

Changes in accounting estimates

The Club revised the estimated useful life of its club facilities buildings at 26 Central Coast Highway in response to a change in the planned completion date of the new club facilities which they will be replaced by. The club facilities were estimated in prior year to have a planned obsolescence date of November 2023, being the date trading was expected to transfer to the new club currently under construction. During the year, the Club further revised the estimated useful life to March 2024 due to construction delays. The revision was accounted for prospectively as a change in accounting estimate and as a result, the depreciation charge of the Club for the current year has decreased by approximately \$854k that would have otherwise been recognised in current year.

**(t) New and amended standards and interpretations**

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Club for the annual reporting year ended 31 December 2023.



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

**Note 2. Financial risk management**

Financial Risk Management Policies

The Club's financial instruments consist mainly of deposits with banks, managed investments, accounts receivable and payable, loans and hire purchase agreements.

The Club does not have derivative instruments at 31 December 2023.

(i) Treasury Risk Management

The Audit and Compliance Committee meet on a regular basis to analyse financial risk exposure.

The Committee's overall risk management strategy seeks to assist the Club whilst minimising potential adverse effects on financial performance. The Audit and Compliance Committee operates under policies approved by the Board of Directors.

(ii) Financial Risk Exposure and Management

The main risks the club is exposed to through its financial instruments are interest rate risk and liquidity risk.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Foreign Currency Risk

The Club is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The Club manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 3. Revenue**

**Note 3.1. Revenue from contracts with customers**

	2023 \$	2022 \$
Rendering of services revenue		
- Net clearances	16,099,163	16,083,057
- Keno & TAB commissions	235,574	209,052
- Courtesy coach	14,640	13,124
- Members' subscriptions	95,065	89,018
- Accommodation sales	3,005,712	3,160,654
- Laundry & other service income	-	18,080
	<u>19,450,154</u>	<u>19,572,985</u>
Sale of goods revenue		
- Bar & Bottle Shop sales	2,577,913	2,525,820
- Functions food & beverage sales	4,708,594	4,665,741
- Food and kiosk sales	10,536	4,988
- Promotions income	410,649	608,497
	<u>7,707,692</u>	<u>7,805,046</u>
 Total Revenue from contracts with customers	 <u>27,157,846</u>	 <u>27,378,031</u>

Revenue is recognised at a point in time for all revenues with the exception of accommodation sales and membership income, which is recognised over a period of time. All revenue was earned in the Australian geographical market.



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

**Note 3. Revenue (cont'd)**

**Note 3.2. Other income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Commissions	215,003	209,341
Interest received	16,938	19,936
Gain in fair value of investment portfolio	2,172	-
Gain on disposal of assets	21,104	122,367
Other income	286,536	137,968
	<hr/>	<hr/>
Total other income	541,753	489,612
	<hr/>	<hr/>

**Note 4. Income tax**

The major components of income tax expense for the year ended 31 December 2023 are:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current income tax charge:</b>		
Current income tax on taxable income	223,249	71,864
Over/under adjustment from the prior year	816	11,032
<b>Deferred tax:</b>		
Relating to the origination and reversal of temporary differences	(355,985)	(444,673)
<b>Income tax benefit reported in the statement of profit or loss and other comprehensive income</b>	<hr/> <b>(131,920)</b> <hr/>	<hr/> <b>(361,777)</b> <hr/>

A reconciliation of tax expense and the accounting profit multiplied by Australian's domestic tax rate for the years 2023 and 2022:

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 4. Income tax (Continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Accounting profit before income tax</b>	<b>(2,808,984)</b>	<b>(2,834,942)</b>
At Club's statutory income tax rate of 25.0% (2022: 25.0%)	(702,246)	(708,735)
Non-temporary differences	54,113	79,336
Members only income	(27,426)	(242,005)
Members only expenses	348,681	319,298
Effect of mutuality	194,142	316,676
Tax credits and offsets	-	(35,443)
Recognition/derecognition of deferred tax items	-	(101,936)
Over/under adjustment from the prior year	816	11,032
<b>Aggregated income tax benefit</b>	<b>(131,920)</b>	<b>(361,777)</b>
Effective income tax rate	4.70%	12.76%

**Note 5. Key management personnel & related party transactions**

- (a) Names and positions held of directors in office at any time during the financial year are:
- G R Young JP - President
  - C L Rennie JP - Vice President
  - P L Edwards OAM JP
  - K J Spencer OAM
  - C R Chiofalo (resigned as director on 20 April 2023)
  - R W Miller (resigned as director on 20 April 2023)
  - C J Hobson
  - K L Rennie (appointed as director on 20 April 2023)
  - E-J C Mylan (appointed as director on 20 April 2023)
- (b) The total compensation for key management personnel (excluding directors' expenses) was \$1,039,621 per five persons (2022: \$1,070,596 per five persons). The roles included in the above are the Chief Executive Officer, Chief Operations Officer, Finance Manager, Marketing Manager & Executive Chef.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 5. Key management personnel & related party transactions (Continued)**

- (d) Mr R Cooper is a director of ClubCo Pty Ltd as approved by the Board of Directors of Gosford RSL to act as a representative for the Club on the board of ClubCo Pty Ltd. Gosford RSL Club Ltd purchased \$359,087 (2022: \$211,748) of goods from ClubCo Pty Ltd in the year.
- (e) Jade Cooper Creative has been engaged to provide branding service for the Club during the year, with an amount of \$35,000 charged. It is a related party of Mr R Cooper. Tender process has been conducted and service arrangement has been approved by the Board of Directors of the Club.
- (f) Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

	2023 \$	2022 \$
<b>Directors' honoraria</b>		
G R Young	11,961	11,907
P L Edwards	5,981	5,954
K J Spencer	5,981	5,954
C R Chiofalo	1,989	5,954
R W Miller	1,989	5,954
C L Rennie	5,981	5,954
C J Hobson	5,981	5,954
K L Rennie	3,992	-
E-J C Mylan	3,992	-
Total Directors' Honoraria	47,847	47,631
<b>Directors' expenses</b>		
Meeting and Event Expenses	7,510	8,342
Conference Expenses	46,700	35,592
Directors' Honoraria	47,844	47,631
Uniforms & Electronic devices	4,472	1,590
Total Directors' Expenses	106,526	93,155
<b>Directors' expenses</b>		

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

	2023 \$	2022 \$
<b>Note 6. Cash and cash equivalents</b>		
Cash on hand	1,289,910	988,347
Cash at bank	1,922,390	2,854,473
	<u>3,212,300</u>	<u>3,842,820</u>
<b>Note 7. Trade and other receivables</b>		
GST Receivables	599,063	-
Other Debtor	160,598	160,275
	<u>759,661</u>	<u>160,275</u>
<b>Note 8. Inventories</b>		
Bar stock	124,717	125,865
Catering stock	53,922	70,669
Prizes and other goods	78,072	62,960
	<u>256,711</u>	<u>259,494</u>
<b>Note 9. Other current assets</b>		
Prepayments	419,585	311,008
<b>Note 10. Financial assets</b>		
Current		
Investment portfolio held at fair value	-	3,325,247
	<u>-</u>	<u>3,325,247</u>
Non-Current		
Shares in unlisted companies held at fair value	29,601	29,601
Investment portfolio held at fair value	<u>29,601</u>	<u>29,601</u>

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

	2023 \$	2022 \$
<b>Note 11. Property, plant and equipment</b>		
Freehold land & buildings	30,540,577	31,527,745
Accumulated depreciation	(12,634,076)	(8,093,245)
	<u>17,906,501</u>	<u>23,434,500</u>
Capital works in progress	42,706,534	13,077,944
Total land and buildings	<u>60,613,035</u>	<u>36,512,444</u>
Plant and equipment at cost	6,579,576	6,907,318
Accumulated depreciation	(5,869,711)	(5,940,374)
	<u>709,865</u>	<u>966,944</u>
Motor vehicles at cost	283,333	271,854
Accumulated depreciation	(184,514)	(188,496)
	<u>98,819</u>	<u>83,358</u>
Total plant and equipment	<u>808,683</u>	<u>1,050,302</u>
Poker machines at cost	8,685,803	8,321,653
Accumulated depreciation	(7,150,878)	(6,437,666)
Total poker machines	<u>1,534,925</u>	<u>1,883,987</u>
Property, plant and equipment	<u><u>62,956,643</u></u>	<u><u>39,446,733</u></u>

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

**Note 11. Property, plant and equipment (cont'd)**

(a) Movements in carrying amounts

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

	<b>Freehold land &amp; buildings (incl. capital works in progress)</b>	<b>Plant and equipment</b>	<b>Poker machines</b>	<b>Total</b>
<b>Opening balance as at 1 Jan 2023</b>	<b>36,512,444</b>	<b>1,050,301</b>	<b>1,883,988</b>	<b>39,446,733</b>
Additions	29,647,622	382,857	403,159	30,433,638
Disposals	-	(13,442)	-	(13,442)
Depreciation	(5,547,031)	(611,033)	(752,222)	(6,910,286)
<b>Closing Balance as at 31 Dec 2023</b>	<b>60,613,035</b>	<b>808,683</b>	<b>1,534,925</b>	<b>62,956,643</b>

**Revaluation of freehold land & buildings**

The freehold land & buildings are stated at fair value which has been determined based on a valuation performed as at 24 August 2021. The valuation was performed by an accredited independent valuer with a recognised and relevant experience in the location and category of the property, plant and equipment being valued.

The valuer has used the depreciated replacement cost method for the valuation of the Club premises. The Motel premises has been valued with consideration to the direct sales comparison approach on a per room basis and the income capitalisation approach. The valuer has adopted the direct sales comparison approach in relation to the value of the underlying land.

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

**Note 11. Property, plant and equipment (cont'd)**

The key inputs used in these valuation approaches include:

RSL Club:

- the value of the buildings and site improvements by establishing their estimated cost to replace with an equivalent new asset
- depreciation of buildings and site improvements for physical, functional and economic obsolescence comparable to the current property

Motel:

- forecast future operating income, based on the location, type and quality of the property, which are supported by historic average daily rate and occupancy for the location, the terms of any existing leases, other contracts or external evidence such as average daily rate and occupancy for comparable properties
- the capitalisation rate derived from recent comparable market transactions
- the price per room derived from recent comparable market transactions

Land:

- the price per square metre derived from recent comparable market transactions

**Note 12. Intangible asset**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Poker machine entitlements as at 1 Jan and 31 Dec	2,144,173	2,144,173
	<u>                    </u>	<u>                    </u>

**Note 13. Trade and other payables**

Trade payables	884,405	518,587
GST liability	-	13,467
Sundry payables and accrued expenses	1,128,926	883,592
Provision for jackpots	85,550	81,510
	<u>2,098,881</u>	<u>1,497,156</u>

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

	2023 \$	2022 \$
<b>Note 14. Employee benefits provisions</b>		
Opening balance	1,397,016	1,347,382
Additions during the year	109,626	49,634
Closing balance	<u>1,506,642</u>	<u>1,397,016</u>

**Note 15. Tax**

Current		
Income tax refundable/(provision)	<u>(187,656)</u>	<u>86,082</u>
Non-Current		
Deferred tax liabilities	<u>(1,128,354)</u>	<u>(1,484,339)</u>

**Deferred tax**

Deferred tax relates to the following:

	<b>Statement of financial position</b>		<b>Statement of profit or loss and other comprehensive income</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Accruals	24,824	25,811	(987)	16,067
Prepayments	-	(14,724)	14,724	(9,328)
Property, plant and equipment	(1,243,231)	(1,579,013)	335,781	436,491
Provisions	90,053	83,587	6,467	1,443
Deferred tax expense			355,985	444,673
<b>Deferred tax liabilities, net</b>	<b><u>(1,128,354)</u></b>	<b><u>(1,484,339)</u></b>		
Reflected in the statement of financial position as follow:				
Deferred tax assets	114,878	109,398		
Deferred tax liabilities	<u>(1,243,232)</u>	<u>(1,593,737)</u>		
<b>Deferred tax liabilities, net</b>	<b><u>(1,128,354)</u></b>	<b><u>(1,484,339)</u></b>		



**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

	2023 \$	2022 \$
<b>Note 16. Borrowings</b>		
Bank Loans	22,307,283	-
	<u>22,307,283</u>	<u>-</u>
<u>Current</u>		
Bank Loans	275,347	-
<u>Non-current</u>		
Bank Loans	22,031,936	-
Total Borrowings	<u>22,307,283</u>	<u>-</u>

As at 31 December 2023 there is \$6,790,180 of total undrawn facilities available for use by the Club (\$6,390,180 of which is subject to lender approval before it can be drawn). Borrowing costs incurred of \$407,851 have been capitalised during the year as the drawdowns were used to fund construction of a qualifying asset.

The Club has access to the following loan facilities:

- A business loan facility agreement with Westpac to assist with general requirements. An amount of \$4,183,939 is drawn at 31 December 2023 (2022: \$nil). The maximum funding limit was originally \$5,000,000; however, the drawdown period has now expired, and no further funding can be drawn. This loan has an interest rate of 8.43% per annum and matures in June 2033. It is secured by mortgage over the Gosford RSL Club, Ashwood Motel and Galaxy Motel properties owned by the Club.
- A development loan facility agreement with Westpac to assist with the construction of new club facilities. The maximum funding limit is \$24,000,000 with a term of 2 years from the first draw down. This loan has an interest rate of 6.17% per annum and matures in August 2025. It is secured by mortgage over the Gosford RSL Club, Ashwood Motel and Galaxy Motel properties owned by the Club. An amount of \$17,609,820 is drawn at 31 December 2023 (2022: \$nil) and further drawdowns are subject to lender approval.
- An insurance premium funding facility agreement with Westpac. The original funding limit was \$307,383 with a term of 1 year from the first payment. This loan has interest rate of 6.90% per annum and matures in October 2024. An amount of \$224,175 is drawn at 31 December 2023 (2022: \$nil). No further drawdowns are permitted.
- An equipment finance agreement with Westpac. The original funding limit is \$295,749 with a term of 5 years from the first drawdown. This loan has interest rate of 7.27% per annum and matures in December 2028. An amount of \$289,890 is drawn down at 31 December 2023 (2022: \$nil). No further drawdowns are permitted.

**Gosford RSL Club Limited**  
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**Notes to the Financial Statements**  
**For The Year Ended 31 December 2023**

**Note 16. Borrowings (Continued)**

- An overdraft facility agreement with Westpac to assist with ongoing working capital requirements. The maximum funding limit is \$400,000 and it is payable on call by the lender. This loan has an interest rate of 4.84% per annum. No amount has been drawn under this agreement to date.

**Note 17. Contingent liabilities**

- (a) The Club pays mortality fund benefits to all existing members who are members of the Club and Sub-Branch for a continuous period of 20 years prior to the date of application. The estimated liability as at balance date amounts to \$13,350 (2022: \$5,100).
- (b) The Club's bankers have provided bank guarantees amounting to \$5,000 (2022: \$5,000).

**Note 18. Events after the reporting period**

The directors are not aware of any significant events since the end of the reporting period.

**Note 19. Capital commitments**

The Club entered into a contract with North Construction to build a new Club in 2022. The original contracted amount was \$42,818,463 with approved variations as of 31 December 2023 being an additional \$1,857,669. The total revised contract amount at 31 December 2023 is \$44,676,132 with a remaining unpaid but committed balance of \$4,530,715.

**Note 20. Core and non-core property**

For the year ended 31 December 2023 the core and non-core property of the Club for the purposes of section 41J of the Registered Clubs Act is as follows:

**Core property**

The core property of the Club comprises the Club's premises being the club house, car park and the Galaxy Motel at 26 Central Coast Highway West Gosford.

**Non-core property**

The non-core property of the Club comprises the premises of the Ashwood Motel at 73 Central Coast Highway West Gosford.

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Note 21. Auditor's remuneration</b>		
The auditor of the Club is Ernst & Young (Australia).		
<i>Amounts received or due and receivable by Ernst &amp; Young (Australia) for:</i>		
An audit of the financial report of the entity	75,170	73,424
Other services in relation to the entity		
Tax compliance services	11,000	11,000
Other services	5,720	5,720
	<u>91,890</u>	<u>90,144</u>

**Gosford RSL Club Limited**  
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**Directors' Declaration**  
**For The Year Ended 31 December 2023**

The directors of the company declare that:

1. the financial statements and notes set out on pages 9 to 35 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards – Simplified Disclosures; and
  - (b) give a true and fair view of the financial position as at 31 December 2023, and performance for the year ended on that date.
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 fall due and payable.

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

Dated at Gosford this 27th day of February 2024.

**G R Young**  
Director



**C L Rennie**  
Director



## Independent auditor's report to the members of Gosford RSL Club Limited

### Opinion

We have audited the financial report of Gosford RSL Club Limited (the Club), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Club 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 ended on that date; and
- b. Complying with Australian Accounting Standards - Simplified Disclosures and the *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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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 Disclosures 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 relating 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 have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

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

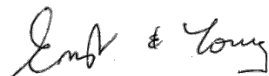
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.



Ernst & Young



Daniel Cunningham  
Partner  
Sydney  
27 February 2024