

DIRECTORS' REPORT

Your directors present their report on the Co-operative for the financial year ended 31st December 2023.

DIRECTORS

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

Name and Qualifications

John Stephen Bax (President)
Allan Hirschel (Director)
Martin Mitchell (Director)
Pamela Porter (Vice President)
Janice Ringrose (Director)
Claire Mitchell (Director)
John Kearney Martin (Director)
Terrence Johnston (Director)
Jon Hall (Director) - Resigned January 2024

MEETINGS OF DIRECTORS

During the financial year, 15 meetings of directors were held. Attendances were:

Directors	Eligible To Attend	Attended
John Stephen Bax (President)	9	8
Allan Hirschel (Director)	15	14
Martin Mitchell (Director)	6	2
Pamela Porter (Vice President)	15	12
Janice Ringrose (Director)	15	10
Claire Mitchell (Director)	6	5
John Kearney Martin (Director)	15	14
Terrence Johnston (Director)	9	6

CO-OPERATIVE CEO

The following person held the position of Chief Executive Officer at the end of the financial year:
Mr Anthony Buggas

OPERATING RESULTS

The Loss of the Co-operative for the financial year after providing for income tax amounted to \$40,685 (2022: Loss 363,437). This result was after charging \$276,849 (2022: \$279,151) for depreciation and amortisation and the amount of \$391,500 received during the year due to sale of gaming entitlements.

DIRECTORS' REPORT

MEMBERSHIP

The number of members at 31st December 2023 was 1,670 (2022: 3,720).

REVIEW OF OPERATIONS

The Co-operative continued to provide the facilities of a licensed club to the members and visitors during the year under review. The Co-operative has 18 (2022: 14) employees at balance date.

PRINCIPAL ACTIVITY

The principal activity of the Co-operative during the course of the financial year consisted of the conduct and promotion of a registered and licensed social Club for members of the Co-operative.

No significant change in the nature of these activities occurred during the year.

SHORT TERM AND LONG TERM OBJECTIVES

The Co-operative's short term objectives are to:

- i) Increase functions, encourage various ethnic, cultural, sporting groups.
- ii) Increase patronage and attendances at raffles and promotions.
- iii) Continual changes and monitoring of gaming room and equipment.
- iv) Introduce new entertainment with live music and stage shows.
- v) Increase food sales, encourage families through menu choices.

The Co-operative's long term objectives are to:

- i) Make a profit after depreciation and finance costs.
- ii) Continually upgrading gaming machines, function rooms and member facilities.
- iii) Increase marketing via email and text messaging.
- iv) To better utilise certain areas of the Co-operative with a view of long term leasing thus providing a solid income stream.
- v) Rejuvenate the exterior of the Co-operative with colours, lighting and signage.

to achieve these objectives, the Co-operative has adopted the following strategies:

- i) Engage with music industry and entertainment groups.
- ii) Offer greater raffle and promotion prizes.
- iii) Continual investment in gaming related equipment.
- iv) To re-engage with prospective clients interested in long term leasing of the Co-operative's areas.

DIRECTORS' REPORT

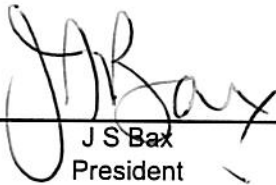
PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

- < Financial results are reviewed by the Board on a monthly basis;
- < A measure of the Co-operative's financial reserves has been established and this is monitored monthly to ensure the Co-operative's solvency;
- < Member numbers are monitored monthly;
- < Board members have experience in business generally.

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

A copy of the Auditor's Independence Declaration follows this Directors' Report.

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



J S Bax
President



P Porter
Vice President

Date: 02/05/2024

AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ROSE BAY RSL CLUB CO-OP LIMITED

In accordance with s 307C of *the Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Rose Bay RSL Club Co-Op Limited. As the lead audit partner for the audit of the financial report of Rose Bay RSL Club Co-Op Limited for the year ended 31/12/2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of *the Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Chartered Accountants

D R Conroy
Principal
154 Elizabeth Street SYDNEY NSW 2000
Sydney
Dated: 02/05/2024

ROSE BAY RSL CLUB CO-OP LIMITED
A.B.N. 27 950 495 122

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2023

	Notes	2023 \$	2022 \$
Revenue			
Sale of goods		710,753	504,039
Rendering of services		621,914	737,103
Other revenue		<u>493,325</u>	<u>62,455</u>
Total revenue	2	<u>1,825,992</u>	<u>1,303,597</u>
Expenses			
Cost of sales	3	(272,222)	(202,770)
Employment and staffing expenses		(550,834)	(493,224)
Entertainment, marketing and promotional costs		(65,929)	(42,069)
Gaming licenses and taxes		(37,404)	(46,188)
Property expenses		(293,285)	(329,900)
Other expenses		<u>(334,921)</u>	<u>(235,302)</u>
Total expenses		<u>(1,554,595)</u>	<u>(1,349,453)</u>
Earnings before depreciation and finance costs		<u>271,397</u>	<u>(45,856)</u>
Depreciation and amortisation expense	3	(276,849)	(279,151)
Finance costs	3	<u>(35,233)</u>	<u>(38,430)</u>
Profit (Loss) before income tax	3	(40,685)	(363,437)
Income tax expense	1-4	<u>-</u>	<u>-</u>
Net Profit (Loss)		<u>(40,685)</u>	<u>(363,437)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>(40,685)</u>	<u>(363,437)</u>

ROSE BAY RSL CLUB CO-OP LIMITED
A.B.N. 27 950 495 122

STATEMENT OF FINANCIAL POSITION
AS AT 31st DECEMBER 2023

		2023	2022
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	5	246,870	370,993
Trade and Other Receivables	7	97,263	54,813
Inventories	6	<u>41,714</u>	<u>20,719</u>
TOTAL CURRENT ASSETS		<u>385,847</u>	<u>446,525</u>
NON-CURRENT ASSETS			
Right of Use Assets	8	589,682	633,362
Property, Plant and Equipment	8	<u>573,745</u>	<u>775,091</u>
TOTAL NON-CURRENT ASSETS		<u>1,163,427</u>	<u>1,408,453</u>
TOTAL ASSETS		<u>1,549,274</u>	<u>1,854,978</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	336,233	383,373
Financial Liabilities	11	79,069	156,668
Provisions	10	<u>133,048</u>	<u>151,002</u>
TOTAL CURRENT LIABILITIES		<u>548,350</u>	<u>691,043</u>
NON-CURRENT LIABILITIES			
Provisions	10	-	-
Financial Liabilities	11	<u>642,335</u>	<u>764,661</u>
TOTAL NON-CURRENT LIABILITIES		<u>642,335</u>	<u>764,661</u>
TOTAL LIABILITIES		<u>1,190,685</u>	<u>1,455,704</u>
NET ASSETS		<u><u>358,589</u></u>	<u><u>399,274</u></u>
MEMBERS' FUNDS			
Retained Earnings		<u>358,589</u>	<u>399,274</u>
TOTAL MEMBERS' FUNDS		<u><u>358,589</u></u>	<u><u>399,274</u></u>

ROSE BAY RSL CLUB CO-OP LIMITED
A.B.N. 27 950 495 122

STATEMENT OF CHANGES IN MEMBERS' FUNDS
AS AT 31st DECEMBER 2023

	RETAINED EARNINGS	TOTAL
	\$	\$
Total Members' Funds at 1/1/22	762,711	762,711
Profit (Loss) for the year	<u>(363,437)</u>	<u>(363,437)</u>
Total Members' Funds at 31/12/22	<u>399,274</u>	<u>399,274</u>
Profit (Loss) for the year	(40,685)	(40,685)
Total Members' Funds at 31/12/23	<u>358,589</u>	<u>358,589</u>

ROSE BAY RSL CLUB CO-OP LIMITED
A.B.N. 27 950 495 122

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st DECEMBER 2023

	2023	2022
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from Trading	1,572,445	1,441,217
Government Stimulus	-	-
Payments to Suppliers and Employees	(1,841,854)	(1,314,315)
Interest Received	4,997	349
Interest and Borrowing costs paid	<u>(7,105)</u>	<u>(6,974)</u>
Net cash provided by (used in) operating activities	<u>(271,517)</u>	<u>120,277</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant & Equipment	403,919	-
Payments for Property, Plant & Equipment	8 <u>(56,600)</u>	<u>(161,056)</u>
Net cash provided by (used in) investing activities	<u>347,319</u>	<u>(161,056)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Borrowings (net)	<u>(199,925)</u>	<u>(63,202)</u>
Net cash provided by (used in) financing activities	<u>(199,925)</u>	<u>(63,202)</u>
Net increase (decrease) in cash held	<u>(124,123)</u>	<u>(103,981)</u>
Cash as at 1st January 2023	<u>370,993</u>	<u>474,974</u>
CASH AS AT 31st December 2023	5 <u><u>246,870</u></u>	<u><u>370,993</u></u>

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The financial statements are for Rose Bay RSL Club Co-Op Limited as an individual entity domiciled in Australia. Rose Bay RSL Club Co-Op Limited is a Co-operative for reporting purposes.

Going concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business for a period of at least twelve months from the date of these financial statements were approved.

As at 31 December 2023, the co-operative incurred a net loss of \$40,685 (2022: net loss of \$363,437) with negative cash flows from operating activities of \$271,517 (2022: Positive \$120,277). An amount of \$391,500 is included in income being the sale of gaming entitlements.

The Directors believe that the going concern basis is appropriate given:

-The Co-operative has ongoing support of its financiers.

-The Co-operative has met all financial covenants with respect to the facilities during the past twelve months and is forecasting to meet all of the covenants over the coming twelve months.

After considering the above, the Directors consider that the Co-operative will be able to continue to fulfil all obligations as and when they fall due for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and accordingly, that the Co-operative's financial statements should be prepared on a going concern basis. Accordingly, no adjustment has been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should

Basis of Preparation

Rose Bay RSL Club Co-Op Limited applies Australian Accounting Standards - Simplified Disclosure Requirements (SD) as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Simplified Disclosure Requirements (SD) of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

The financial statements were authorised for issue by the directors of the Co-operative.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Tax

The income tax expense as stated in the Statement of Comprehensive Income is the amount calculated to be payable based on a formula determined by the Australian Taxation Office. Clubs are only assessed for income tax on the proportion of income derived from non-members, investments and other income specifically assessable under the Income Tax Assessment Act. Tax Effect accounting has been adopted.

Deferred tax assets relating to temporary timing differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available to absorb those timing differences.

Deferred Tax Assets in the form of provisions for staff leave have not been raised as an asset in the accounts due to the relatively low and variable recovery of the tax benefits.

Inventories

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

Property, Plant and Equipment

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

Property

Freehold Land and Buildings are carried at deemed cost less, where applicable, any accumulated depreciation. The carrying amount of land and buildings is reviewed annually by the Co-operative's Directors to ensure that the carrying amount is not less than their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction).

Plant and Equipment

Plant and equipment are measured on the cost basis less, where applicable, depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Co-operative 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 assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis and diminishing value basis over their useful lives to the Co-Operative commencing from the time the asset is held ready for use. The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	10%
Plant & equipment	7.5% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of Assets

At each reporting date, the Co-operative reviews the carrying values of its tangible 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Leases

The entity as lessee

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Employee Benefits

Provision is made for the Co-operative's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Long Service Leave entitlements are provided for after 5 years service. Contributions are made by the Co-operative to employee super funds and are charged as expenses when incurred.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition

The entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Co-operative is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Co-operative: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue

Food and beverage

Food and beverage revenue is recognised when received or receivable.

Membership subscriptions

Membership subscriptions are recognised in the year they relate to on an accruals basis.

Interest revenue

Interest revenue is recognised as interest accrues 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.

Donations

Donations are recognised when received.

Grants

Grant revenue is recognised in profit or loss when the Co-operative satisfies the performance obligations stated within the funding agreements.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 the Co-operative's 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 the Co-operative's 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.

Deferred tax assets and liabilities are always classified as non-current.

All revenue is stated net of the amount of goods and services tax (GST).

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 and as part of an expense item. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

Comparative Figures

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

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical Accounting Estimates Judgments 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 lives of assets

The Co-operative 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 Co-operative 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 company 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, 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.

The Notes to the Financial Statements

The notes present information that is relevant to an understanding of the material items contained in the financial statements. The notes give prominence to areas of the Co-operative's activities that are considered to be most relevant to an understanding of the statement of financial position and the profit or loss and other comprehensive income and statement of changes in members' funds and cashflows and are cross referenced to those statements.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

	2023	2022
	\$	\$
NOTE 2- REVENUE		
Operating Activities:		
Bar Sales	710,753	504,039
Poker Machine Takings	381,141	609,117
Members' Subscriptions	8,491	7,296
Commission Received	95,902	35,166
Bingo & Raffle Income	33,392	2,216
Room Hire & Catering Revenue	102,988	83,308
Interest Received	4,997	349
Other Income	96,828	138,549
Government Stimulus	-	(76,443)
Sale of Poker Machine Entitlements	391,500	-
Total Revenue	<u><u>1,825,992</u></u>	<u><u>1,303,597</u></u>
NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES		
(a) Profit from ordinary activities before income tax has been determined after:		
Cost of Sales:		
Bar & Catering	<u>272,222</u>	<u>202,770</u>
Total Cost of Sales	<u><u>272,222</u></u>	<u><u>202,770</u></u>
Depreciation of Non-Current Assets:		
Leasehold Improvements	75,510	84,246
Furniture, Plant & Fittings	49,703	50,666
Poker Machines	<u>107,956</u>	<u>100,559</u>
Total Depreciation	<u><u>233,169</u></u>	<u><u>235,471</u></u>
 Amortisation Right of Use Assets	 <u>43,680</u>	 <u>43,680</u>
	<u>43,680</u>	<u>43,680</u>
 Total Depreciation and Amortisation	 <u><u>276,849</u></u>	 <u><u>279,151</u></u>
Finance Charges		
Interest	7,105	6,974
Interest Right of Use Assets	<u>28,128</u>	<u>31,456</u>
Total	<u><u>35,233</u></u>	<u><u>38,430</u></u>
 (b) Key Performance Indicators		
Bar Gross Profit Percentage	62%	60%
Total Wages Percentage	29%	37%
EBITDA Percentage	15%	-4%

ROSE BAY RSL CLUB CO-OP LIMITED
A.B.N. 27 950 495 122

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

	2023	2022
	\$	\$
NOTE 4: INCOME TAX EXPENSE		
The Income Tax Assessment Act provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and other income made specifically assessable.		
The prima facie tax on operating profit is reconciled to the income tax provided in the accounts as follows:		
Prima facie tax payable on operating profit before income tax at 25% (2022: 25%)	(10,171)	(90,859)
Add/(deduct):		
Adjustment under the concept of mutuality	(1,925)	48,861
Non-assessable income	8,491	9,512
Non-allowable deductions	3,605	32,486
Income tax expense attributable to operating profit	<u>-</u>	<u>-</u>
NOTE 5 - CASH AND CASH EQUIVALENTS		
Cash on Hand	67,442	63,000
Cash at Bank	27,535	28,697
Deposits	151,893	279,296
	<u>246,870</u>	<u>370,993</u>
NOTE 6 - INVENTORIES		
Current		
Finished Goods - at Cost		
Liquor stock	41,714	20,719
	<u>41,714</u>	<u>20,719</u>
NOTE 7 - OTHER ASSETS		
Trade and other Receivables	97,263	54,813
	<u>97,263</u>	<u>54,813</u>
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT		
Leasehold Property		
Leasehold Improvements at cost	796,796	4,505,926
Less Accumulated Depreciation	(543,844)	(4,177,464)
Total Leasehold Property	<u>252,952</u>	<u>328,462</u>
Furniture, Plant and Equipment		
Furniture, Plant and Equipment at Cost	565,212	2,140,944
Less Accumulated Depreciation	(379,071)	(1,936,922)
Total Furniture, Plant and Equipment	<u>186,141</u>	<u>204,022</u>
Poker Machines at Cost		
Poker Machines at Cost	580,284	1,751,213
Less Accumulated Depreciation	(445,632)	(1,508,606)
Total Poker Machines at Cost	<u>134,652</u>	<u>242,607</u>
	<u>573,745</u>	<u>775,091</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

	2023	2022
	\$	\$
Right of use assets		
Right of Use Assets - Operating Lease - Property Vickery Ave Rose Bay	808,082	808,082
Less Accumulated Amortisation	<u>(218,400)</u>	<u>(174,720)</u>
Total Right of Use Assets	<u><u>589,682</u></u>	<u><u>633,362</u></u>

The Co-operative has signed an operating lease agreement of 20 years with Rose Bay RSL Sub-Branch effective July 2017.

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:

	Leasehold Property	Plant & FF	Poker Machines	Total
Balance at the beginning of year	328,462	204,022	242,607	775,091
Additions	-	56,600	-	56,600
Disposals	-	(24,777)	-	(24,777)
Depreciation expense	<u>(75,510)</u>	<u>(49,704)</u>	<u>(107,955)</u>	<u>(233,169)</u>
Carrying amount at the end of year	<u><u>252,952</u></u>	<u><u>186,141</u></u>	<u><u>134,652</u></u>	<u><u>573,745</u></u>

NOTE 9 - TRADE AND OTHER PAYABLES

Current

Unsecured liabilities

Trade Creditors and Accrued Expenses	336,233	383,373
Total Trade Creditors and Accrued Expenses	<u><u>336,233</u></u>	<u><u>383,373</u></u>

NOTE 10 – SHORT TERM PROVISIONS

Current

Employee Entitlements	133,048	151,002
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Non-Current

Employee Entitlements	<u>-</u>	<u>-</u>
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Aggregate Employee Entitlements Liability

Aggregate Employee Entitlements Liability	133,048	151,002
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Number of employees at year end	<u>18</u>	<u>14</u>
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Superannuation commitment

The Co-operative contributes to various superannuation plans for employees.

Types of benefits

The fund provides benefits that represent the accumulation of contributions to employers, providing lump sum or annuity benefits upon retirement, death or disability.

Contributions

The Co-operative is under a legal obligation to contribute 11% of each employee's base salary to a super fund.

Details of contributions during the year are as follows:

Employer contributions to the plans	<u><u>30,331</u></u>	<u><u>36,115</u></u>
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023**

	2023	2022
	\$	\$
NOTE 11 - FINANCIAL LIABILITIES		
Current		
Lease liabilities - operating	36,373	34,872
Lease liabilities - other	42,696	42,696
Loans secured	-	79,100
	79,069	156,668
Non-Current		
Lease liabilities - operating	620,987	679,478
Lease liabilities - other	21,348	64,044
Loans secured	-	21,139
	642,335	764,661

NOTE 12 - KEY MANAGEMENT PERSONNEL COMPENSATION / RELATED PARTIES

Transactions with key management personnel

The key management personnel compensations are included in "Employee and Staffing Expenses".

Other Related Party Transactions

Honorariums Paid		
President	1,666	3,999
Treasurer	-	1,333
	-	1,333

Apart from the details disclosed in this note, no director has entered into a material contract with the Co-operative since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

From time to time, directors of the Co-operative, or their director-related entities, may purchase goods from the Co-operative. These purchases are on the same terms and conditions as those entered into by other Co-operative employees or customers and are trivial or domestic in nature.

NOTE 13 - FINANCIAL RISK MANAGEMENT

The Co-operative's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets		
Cash on Hand	67,442	63,000
Cash at Bank	27,535	28,697
Deposits	151,893	279,296
	246,870	370,993
Financial liabilities		
Trade Creditors, Accrued Expenses & Loans	1,057,637	1,304,702
	1,057,637	1,304,702

ROSE BAY RSL CLUB CO-OP LIMITED
A.B.N. 27 950 495 122

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2023

	2023	2022
	\$	\$
NOTE 14 - FAIR VALUE MEASUREMENTS		
<p>The Co-operative measures financial assets at fair value on a recurring basis after their initial recognition. The Co-operative does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.</p>		
Financial assets at fair value	<u>246,870</u>	<u>370,993</u>

NOTE 15 - CAPITAL AND LEASING COMMITMENTS

Lease Commitments Payable

Not later than 1 year	42,696	42,696
Later than 2 but not later than 5 years	<u>21,348</u>	<u>64,044</u>
	<u>64,044</u>	<u>106,740</u>
Current	42,696	42,696
Non-Current	<u>21,348</u>	<u>64,044</u>
	<u>64,044</u>	<u>106,740</u>

Capital Expenditure Commitments

Capital expenditure commitments contracted for: The Co-operative did not enter into any capital works contracts prior to 31/12/23.

NOTE 16 - CONTINGENT LIABILITIES AND ASSETS

A contingent liability/asset exists in connection with a matter with a former employee of the Club which is not able to be quantified at the date of the report.

NOTE 17 - AUDITOR'S REMUNERATION

Audit fee	<u>17,850</u>	<u>17,000</u>
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NOTE 18 - EVENTS AFTER THE REPORTING PERIOD

From the end of the financial year to the date of this report, there has been no other subsequent event that would have a material effect on the financial position of the company except as disclosed in these financial statements.

NOTE 19 – CO-OPERATIVE DETAILS

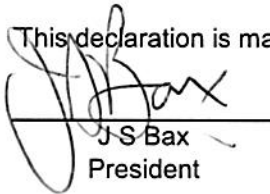
The registered office of the Co-operative is:
Rose Bay RSL Club Co-Op Limited, Vickery Avenue, Rose Bay NSW

DIRECTORS' DECLARATION

The directors of the Co-operative declare that:

1. The financial statements and notes
 - (a) comply with Australian Accounting Standards - Simplified Disclosures (SD) applicable to the entity; the Co-Operatives National Law and the Co-Operatives National Law Regulations; and
 - (b) give a true and fair view of the financial position as at 31 December 2023 and of its performance for the year ended on that date of the Co-operative.
2. In the directors' opinion there are reasonable grounds to believe that the Co-operative 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.



J-S Bax
President



P Porter
Vice President

Date: 02/05/2024

ROSE BAY RSL CLUB CO-OP LIMITED

A.B.N. 27 950 495 122

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROSE BAY RSL CLUB CO-OP LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rose Bay RSL Club Co-Op Limited (The co-operative), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Rose Bay RSL Club Co-Op Limited is in accordance with the *Corporations Act 2001* and the Co-operatives National Law and the Co-operatives National Law Regulations:

(i) giving a true and fair view of The Co-operative's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As a result of the matters described in note 1 "Going Concern" to the financial statements there is significant uncertainty whether the Co-operative will be able to continue as a going concern and whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Co-operative not continue as a going concern.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with 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 Rose Bay RSL Club Co-Op Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 comprises the information included in the Co-operative's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities 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 Co-operative'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 Co-operative 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 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 Co-operative'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 Co-operative'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 Co-operative 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Co-operative to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Co-operative's audit. We remain solely responsible for our audit opinion.

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.

Chartered Accountants



D. R. Conroy
154 Elizabeth Street, Sydney NSW 2000
Date: 02/05/2024



DISCLOSURE REQUIREMENTS UNDER S 41 OF THE REGISTERED CLUBS ACT 1976

Core and Non-Core Property

Section 41E of the Registered Clubs Act 1976 requires the Club to disclose its Core and Non-Core property as defined in the annual report. The Club's Core property comprises the defined premises of the Co-operative situated at 1 Vickers Avenue Rose Bay NSW.

Notes to Members

1. Section 41E (5) of the Registered Co-operatives Act requires the Annual Report to specify the Club's Core and Non-Core Properties as at the end of the financial year to which the report related to.
2. Core Property is any real Property owned or occupied by the Co-operative that comprises:
 - (a) the defined premises of the Co-operative; Or
 - (b) any facility provided by the Co-operative for use of its members and their guests; Or
 - (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Co-operative to be Core Property of the Co-operative.
3. Non-Core Property is any other property, other than that referred to above as Core Property and any property which is declared by the members at a general meeting of ordinary members of the Co-operative not to be Core Property.
4. The significance of the distinction between Core Property and Non-Core Property is that the Co-operative cannot dispose of any Core Property unless;
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the ordinary members of the Co-operative at which a majority of the votes cast supported the approval; and
 - (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.