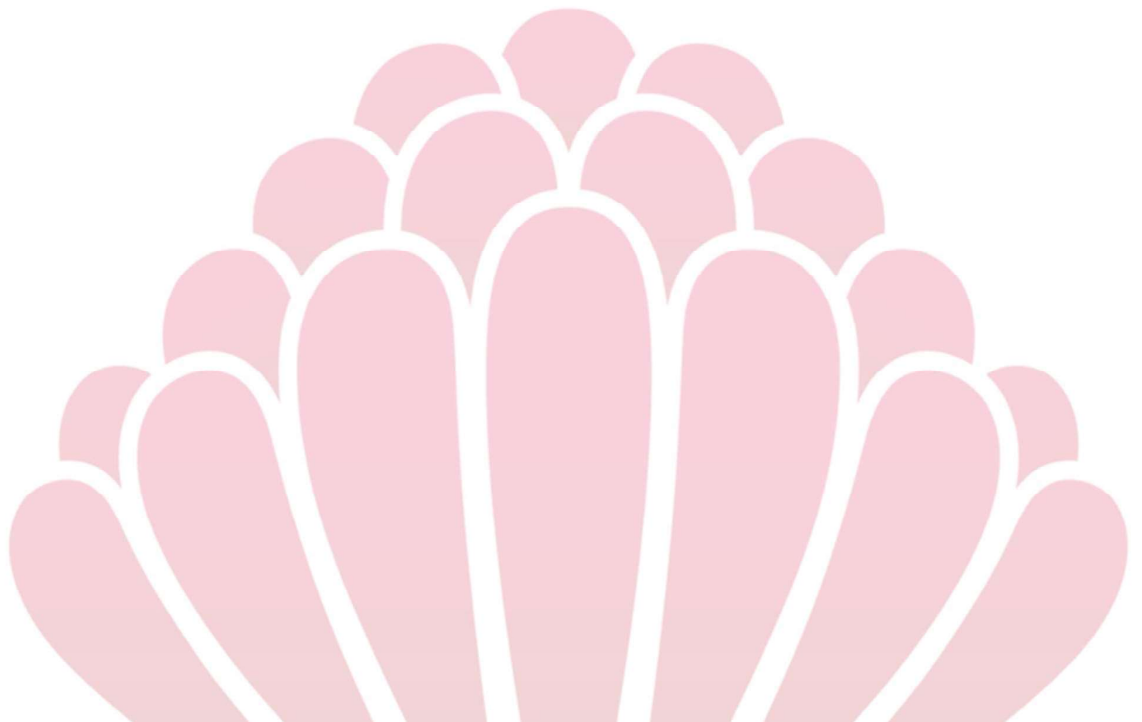


Hornsby RSL Club Limited

ABN 34 002 513 251

General Purpose (SDS) Financial Report

For the period ended 30 June 2024



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Directors report

Your directors submit their report for Hornsby RSL Club Limited (the “Club”) for the period ended 30 June 2024.

Directors

The names and details of the directors in office during the financial year and until the date of this report are set out below.

Name	Details
Robert Kennerley	<p>President. Appointed 3 May 2015.</p> <p>Committees: Building, Remuneration and Audit, Investigating/Disciplinary</p> <p>Member of the Australian Institute of Company Directors</p> <p>Fitness Institute Australia Certificate III (Fitness Instructor)</p> <p>Fitness Institute Australia Certificate IV (Personal Trainer)</p> <p>Occupation: Aircraft Maintenance Engineer (Qantas Airways) - Current</p>
Terence Clarke	<p>Vice President. Appointed 7 May 2017.</p> <p>Sports Convener</p> <p>Committees: Building, Remuneration and Audit, Investigating/Disciplinary</p> <p>Member of the Australian Institute of Company Directors</p> <p>Graduate of the Institute of Transport Studies with certificate in Coach Management</p> <p>Small business owner since 1992</p> <p>Committee member and life member of Hornsby RSL Football Club</p> <p>Patron of Hornsby RSL Hockey Club</p>
Michael Brodie	<p>Director and Life member. Appointed 27 March 1994.</p> <p>Committees: Remuneration and Audit, Investigating/Disciplinary</p> <p>Completed numerous ClubsNSW courses</p> <p>Royal Australian Air Force 1969-1974, Vietnam 1971-1972. Retired.</p> <p>Patron and life member of Hornsby RSL Social Golf Club.</p> <p>Resigned from Directorship: 4 March 2024.</p>
Norm Bakker	<p>Director. Appointed 10 April 2005.</p> <p>Committees: Remuneration and Audit, Investigating/Disciplinary</p> <p>Over 50 years of experience in the entertainment industry including director of entertainment agencies and production companies (1968-1983) and entertainment manager of Hornsby RSL (1984-2003). The latter role included booking all shows, managing the club's night spot and all promotional activities.</p>
Denis Dempsey	<p>Director. Appointed 7 April 2013.</p> <p>Committees: Building, Remuneration and Audit, Investigating/Disciplinary</p> <p>Small business owner</p> <p>Captain and life member of Hornsby RSL Social Golf Club</p> <p>President and life member of Hornsby RSL Indoor Bowls Club</p> <p>Life member of Hornsby RSL Football Club</p>
Wai Han Ho (Sharon)	<p>Director. Appointed 30 October 2019.</p> <p>Committees: Remuneration and Audit, Investigating/Disciplinary, Cybersecurity</p> <p>Sports secretary</p> <p>PhD in Information Technology</p> <p>Member of the Australian Institute of Company Directors</p> <p>Management and technical lead roles in government and community service sectors</p> <p>Treasurer of Hornsby RSL Table Tennis Club since 2001</p>

Directors report

Directors (continued)

Name	Details
John Warren	Director. Appointed 26 July 2020. Committees: Building, Remuneration and Audit, Investigating/Disciplinary Sports secretary Member of the Australian Institute of Company Directors State Manager – Energybuild Pty Ltd Managing Director – Business Fitness Group Pty Ltd Director – Innovative Tradies Club Pty Ltd President of Hornsby Chamber of Commerce President of Hornsby RSL Social Golf Club Past President and Life Member of Hornsby RSL Football Club
Kerrie Daynes	Director. Appointed 17 October 2022. Committees: Remuneration and Audit, Investigating/Disciplinary, Cybersecurity Graduate Certificate in Management (Professional Practice) Graduate member of the Australian Institute of Company Directors Director of several financial institutions from 2004 to present Previously held senior roles at Department of Human Services Secretary of Hornsby RSL Table Tennis Club since 2018

Directors Meetings

The number of director's meetings held and number of meetings attended by each of the directors of the Club during the financial year were as follows:

	Directors' meetings	
	Number of meetings attended	Number of meetings held
R Kennerley	8	8
T Clarke	8	8
M Brodie (retired 4 March 2024)	1	1
N Bakker	7	8
D Dempsey	6	8
W H Ho (Sharon)	8	8
J Warren	7	8
K Daynes	8	8

Principal activities and performance

The principal activity of the Club is the operation of licensed premises, including the provision of sporting, social and entertainment activities for members of the Club. The income from those activities is directed towards the improvement and maintenance of the Club's facilities and the promotion of the social welfare of members including affiliated sub-clubs.

There were no significant changes to the nature of activities during the year.

Directors report

Objectives and Strategy

Short-term objectives

To make continuous improvements towards excellence in serving our members and community, reduce debt and implement revenue diversification strategies to ensure long-term financial sustainability.

Long term objectives

To maintain the ANZAC tradition and support the RSL movement, support our affiliated sub-clubs, charities and community organisations, and achieve excellence in serving our community by providing exceptional customer service and premium recreational and leisure facilities to remain relevant to our members and the local community.

Strategy

To remain financially viable by adopting prudent financial management, while incorporating best practice corporate governance standards.

Measurement of performance

The Club measures its overall performance from the progress of implementing of its mission statement and strategic plan and from tracking against financial budgets and benchmarking against industry best practice.

The Board of Directors meet monthly to review and evaluate the Club's operating and financial performance.

Significant changes in the state of affairs during the year

There were no significant changes in the state of affairs in the Club during the year.

Significant events after the reporting period

There were no significant events after the reporting period which may affect either the Club's operations or results of those operations or the Club's state of affairs in future financial years.

Environmental regulation and performance

The Club is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Membership Liability

The Club is a company limited by guarantee without share capital. 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 he or she is a member or within one year thereafter.

	As at 30 June 2024	As at 31 December 2023
Number of members	34,220	32,584

The total amount that members of the Club are liable to contribute if the Club is wound up is \$68,440 (2023: \$65,168).

Directors report

Indemnification and insurance of directors and officers

During the financial year, the Club held an insurance policy for the benefit of the directors and officers. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and amount of the premium.

Auditors indemnification

To the extent permitted by law, the Club has agreed to indemnify its auditor, Brigden & Partners Pty Ltd, 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 indemnify Brigden & Partners Pty Ltd during or since the financial year.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the director's report for financial year ended 30 June 2024.

This report is made in accordance with a resolution of the directors.



R Kennerley
President



T Clarke
Vice President

Dated at Hornsby this 26 August 2024

BRIGDEN & PARTNERS PTY LIMITED

CHARTERED ACCOUNTANTS

ABN 30 117 682 381

3rd Floor, 20 George Street
Hornsby NSW 2077

PO Box 1604
Hornsby Westfield NSW 1635

Phone: (02) 9476 4322

Fax: (02) 9476 6553

Email: hornsbym@brigidens.com.au

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made under Section 307C of the Corporations Act 2001 to the Directors of Hornsby RSL Club Limited.

As lead auditor of Hornsby RSL Club Limited, I declare that, to the best of my knowledge and belief, during the six months ended 30 June 2024 there has been:

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

David Smith – Director

BRIGDEN & PARTNERS PTY LTD

CHARTERED ACCOUNTANTS

HORNSBY – 26 August 2024

Statement of profit or loss and other comprehensive income

For the period ended 30 June 2024

	Note	Six months to 30 Jun 2024	Year ending 31 Dec 2023
Revenue			
Revenue from contracts with customers	4	18,342,263	36,427,593
Other income	5.a	151,982	327,841
Finance income	5.b	19,017	81,334
Raw materials and consumables used		(2,045,370)	(4,519,338)
Personnel expenses	5.c	(6,495,643)	(12,412,933)
Gaming duties and monitoring fees		(3,372,272)	(6,356,745)
Depreciation expenses		(2,507,691)	(5,023,553)
Property expenses		(1,623,425)	(3,603,669)
Entertainment, marketing and promotional costs		(1,007,350)	(2,349,242)
Security expenses		(225,339)	(456,034)
Software expenses		(97,160)	(209,035)
Welfare, ClubGrants and Sub-Club expenses		(230,159)	(425,032)
Consultancy and professional fees		(146,977)	(85,151)
Other expenses		(357,807)	(778,897)
Finance costs	5.d	(208,582)	(493,432)
Profit before income tax		195,487	123,707
Income tax benefit/(expense)		14,387	(26,193)
Profit for the year		209,874	97,514
Other comprehensive income		-	-
Total comprehensive income for the year		209,874	97,514

The accompanying note form part of these financial statements.

Statement of financial position

As at 30 June 2024

	Note	30 Jun 2024	31 Dec 2023
Assets			
Current Assets			
Cash and cash equivalents	7	3,461,145	5,133,231
Trade and other receivables	8	117,836	212,946
Inventories	9	312,627	337,448
Other current assets	11	405,486	483,083
		<u>4,297,095</u>	<u>6,166,708</u>
Non-current assets			
Financial assets	10	15,000	15,000
Property, plant & equipment	12	107,744,722	106,465,925
Intangible assets	13	1,956,224	1,956,224
		<u>109,715,946</u>	<u>108,437,149</u>
Total assets		<u>114,013,041</u>	<u>114,603,857</u>
Liabilities			
Current liabilities			
Trade and other payables	14	2,518,986	2,531,580
Financial liabilities	15	1,809,947	2,178,978
Lease liabilities	16	1,255,440	1,387,607
Employee benefit liabilities	17	1,334,346	1,293,802
Other current liabilities	18	213,922	134,900
		<u>7,132,641</u>	<u>7,526,867</u>
Non-current liabilities			
Financial liabilities	15	2,866,449	2,785,896
Lease liabilities	16	684,922	1,138,360
Employee benefit liabilities	17	184,005	209,129
Deferred tax liabilities	19	8,198,376	8,212,763
Other non-current liabilities	18	222,933	217,005
		<u>12,156,689</u>	<u>12,506,153</u>
Total liabilities		<u>19,289,330</u>	<u>20,090,020</u>
Net Assets		<u>94,723,711</u>	<u>94,513,837</u>
Equity			
Accumulated Funds		43,950,039	43,739,565
Asset Revaluation Reserve		50,733,572	50,733,572
Members Benefit Fund		40,100	40,700
Equity attributable to members		<u>94,723,711</u>	<u>94,513,837</u>
Non-controlling interests		-	-
Total Equity		<u>94,723,711</u>	<u>94,513,837</u>

The accompanying note form part of these financial statements.

Statement of changes in equity

For the period ended 30 June 2024

	Accumulated Funds	Asset Revaluation Reserve	Members Benefit Fund	Total
As at 1 January 2023	43,641,151	50,733,572	41,600	94,416,323
Profit for the year	97,514	-	-	97,514
Other comprehensive income	-	-	-	-
Revaluation surplus/(loss)	-	-	-	-
Transfers for payment of mortality benefits	1,200	-	(1,200)	-
Transfers to reflect lapsed mortality memberships	(300)	-	300	-
As at 31 December 2023	43,739,565	50,733,572	40,700	94,513,837
As at 1 January 2024	43,739,565	50,733,572	40,700	94,513,837
Profit for the six months	209,874	-	-	209,874
Other comprehensive income	-	-	-	-
Revaluation surplus/(loss)	-	-	-	-
Transfers for payment of mortality benefits	-	-	-	-
Transfers to reflect lapsed mortality memberships	600	-	(600)	-
As at 30 June 2024	43,950,039	50,733,572	40,100	94,723,711

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. Generally the balance in the reserve will reflect the after tax gain on non-current assets. The Club's land and buildings were revalued as at 31 December 2022.

Members Benefit Fund

The members benefit fund is an amount set aside for the payment of funeral benefits to eligible members. The payment of this benefit is at the discretion of the Directors, and at balance date there were 16 members eligible for a \$500 benefit and 107 eligible for a \$300 benefit.

The accompanying note form part of these financial statements.

Statement of cash flows

For the period ended 30 June 2024

	Note	Six months to 30 Jun 2024	Year ending 31 Dec 2023
Operating activities			
Receipts from operations		20,535,373	40,274,324
Payments to suppliers and employees		(17,405,817)	(34,879,530)
Rental income		48,491	101,969
Finance income		19,017	81,334
Finance costs		(208,582)	(344,135)
		<u>2,988,482</u>	<u>5,233,962</u>
Investing activities			
Payments for plant and equipment		(722,858)	(2,815,398)
Payment for property		(2,939,812)	-
		<u>(3,662,670)</u>	<u>(2,815,398)</u>
Financing activities			
Borrowings received		1,558,000	-
Repayment of borrowings		(1,846,478)	(1,997,471)
Payment of lease liabilities		(709,421)	(1,635,264)
		<u>(997,899)</u>	<u>(3,632,735)</u>
Net increase/decrease in cash and cash equivalents		(1,672,086)	(1,214,171)
Cash and cash equivalents at start of the period		<u>5,133,231</u>	<u>6,347,402</u>
Cash and cash equivalents at end of the period	7	<u><u>3,461,145</u></u>	<u><u>5,133,231</u></u>
Non cash transactions			
		Six months to 30 Jun 2024	Year ending 31 Dec 2023
Assets acquired by lease or hire purchase		123,816	1,596,715

The accompanying note form part of these financial statements.

Notes to the financial statements

For the period ended 30 June 2024

1. Corporate Information

The financial statements of Hornsby RSL Club Ltd (the Company or Club) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 26 August 2024.

Hornsby RSL Club Ltd is a company limited by guarantee and domiciled in Australia. The address of the Club's registered office and principal place of business is 4 High Street, Hornsby, NSW 2077.

The nature of the operations and principal activities of the Club are described in the directors' report.

2. Accounting policies

a. Basis of preparation

These general purpose financial statements have been prepared in compliance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standards – Simplified Disclosures*. The Club is a not-for-profit entity for the purposes of preparing these financial statements.

The financial statements have been prepared on a historical cost basis, except where the fair value model has been utilised for selected non-current assets.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities, and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors considered the profitability, liquidity and solvency of the Club and have concluded that the use of the going concern assumption in the preparation of the financial report is appropriate.

The financial statements are presented in Australian dollars (\$).

b. Changes in accounting policies, disclosures, standards and interpretations

New and amended standards and interpretations

The new and amended Australian Accounting Standards and Interpretations that apply for the first time in 2024 do not materially impact the financial statements of the Club.

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 30 June 2024. The Club intends to adopt these new and amended standards, when they become effective.

c. Current versus non-current classification

The Club presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- ❖ Expected to be realised or intended to be sold or consumed in the normal operating cycle
- ❖ Held primarily for the purpose of trading and/or expected to be realised in the next twelve months

All other assets are classified as non-current.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

c. Current versus non-current classification (continued)

A liability is current when it is:

- ❖ Due to be settled within twelve months after the reporting period; or
- ❖ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Club classifies all other liabilities as non-current.

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

d. Cash and cash equivalents

Cash in the statement of financial position comprises cash at bank, cash on hand and short-term deposits where original maturity is less than three months.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

e. Trade receivables

A receivable represents the Club's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Club holds the receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate (EIR) method.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g. Property, plant and equipment

Plant and equipment and work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Club depreciates the separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

g. Property, plant and equipment (continued)

Land and buildings are revalued to fair value on a periodical basis, less accumulated depreciation on buildings and any impairment losses after the date of revaluation.

Depreciation is calculated over the estimated useful lives of the assets, as follows:

Plant and equipment	4 to 20 years
Furniture and fittings	5 to 20 years
Buildings	40 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, in applicable.

h. Leases

The club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Club as a lessee

The Club applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Club recognises liabilities to make lease payments and right-of-use asset representing the right to use the underlying assets.

i. Right-to-use assets

The Club recognises right-to-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-to-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the equipment is 5 years.

If ownership of the leased asset transfers to the Club at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-to-use assets are also subject to impairment. Refer to accounting policies in 2.j Impairment of non-financial assets.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

h. Leases (continued)

ii. Lease liabilities

At the commencement date of the lease, the Club recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Club and payments of penalties for terminating the lease. If the lease term reflects the Club exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Club uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the least payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Club applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(ii) Club as a lessor

Leases in which the Club does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the year in which they are earned.

i. Intangible assets

Intangible assets that are acquired by the Club, which have indefinite useful lives, are measured at cost less accumulated impairment losses.

Poker machine licences have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

j. Impairment of non-financial assets

The Club assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Club bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Club's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication the previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Club estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Club prior to the end of the financial year that are unpaid and arise when the Club becomes obliged to make future payments in respect of the purchase of these goods and services.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

l. Loans and borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Loans and borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production 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 the Club incurs in connection with the borrowing of funds.

m. Employee benefits

(i) Long service leave and annual leave

The Club does not expect its long service leave benefits to be settled wholly within 12 months of each reporting date. The Club recognises a liability for long service leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible the future expected cash outflows.

Annual leave benefits are expected to be settled within twelve months and have been measured at the amounts expected to be paid to settle the liability.

(ii) Superannuation contributions

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

n. Provisions

A provision is recognised if, as a result of a past event, the Club has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

o. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements.

Rendering of services

Revenue from gaming facilities together with other services to members and other patrons of the Club is recognised at a point in time when the services are provided. These services include commissions received and membership subscriptions.

Commissions received

Revenue from commissions received is recognised at the point in time in which the services are rendered. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. Commissions received are disclosed under Services in Note 4.

Membership subscriptions

Revenue from membership subscription is deferred as unearned income and are brought to account evenly over the course of the membership period in accordance with contractual performance obligations. Membership subscriptions are disclosed under Services in Note 4.

Sale of goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised at a point in time in exchange for those goods.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

p. Finance income

Interest income is recognised as interest accrues using the EIR 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 EIR, 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. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

q. Finance cost

Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

r. Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date where the Club operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss and other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Club is a non-profit entity for income tax purposes and is eligible to apply the principle of mutuality. Under this principle, net income derived from members is exempt from income tax.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses will be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

r. Taxes (continued)

(ii) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Club offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- ❖ When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- ❖ When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

s. Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in the presentation for the current year.

Notes to the financial statements

For the period ended 30 June 2024

2. Accounting policies (continued)

t. Frequency of reporting

The Directors of Hornsby RSL Club have elected to change the Club's financial reporting period end from 31 December to 30 June, commencing for the period ended 30 June 2024.

The decision to change the financial reporting period is due to:

- ❖ Improvements for Club budgeting and forecasting
- ❖ Aligning the Club's financial reporting period with our peers for improved benchmarking and analysis

The statement of comprehensive income for the period ended 30 June 2024 covers a period for six months while the prior year comparative figures cover a period of twelve months to 31 December 2023. As such, the figures may not be entirely comparable.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Club based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Club. Such changes are reflected in the assumptions when they occur.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience for property, plant and equipment, lease terms for leased equipment and turnover policies for motor vehicles. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Leases – Estimating the incremental borrowing rate

The Club cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Club would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Club 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Club estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to the financial statements

For the period ended 30 June 2024

4. Revenue from contracts with customers

Disaggregated revenue information	30 Jun 2024	31 Dec 2023
Type of goods or service		
Services	13,779,472	25,787,653
Sale of goods	4,562,791	10,639,940
Total revenue from contracts with customers	18,342,263	36,427,593

Geographical markets

Australia	18,342,263	36,427,593
Total revenue from contracts with customers	18,342,263	36,427,593

Timing of revenue recognition

Goods and services at a point in time	18,266,654	36,269,836
Services transferred over time	75,609	157,757
	18,342,263	36,427,593

5. Other income and expenses

	30 Jun 2024	31 Dec 2023
a. Other income		
Rental income	48,491	101,969
Other	103,491	225,872
	151,982	327,841
b. Finance income		
Interest income on deposits	19,017	81,334
	19,017	81,334
c. Personnel expenses		
Wages and salaries	4,930,107	9,821,301
Contributions to superannuation	598,629	1,055,799
Other associated personnel expenses	966,906	1,535,833
	6,495,643	12,412,933

All contributions to superannuation are to defined contribution plans.

Notes to the financial statements

For the period ended 30 June 2024

5. Other income and expenses (continued)

d. Finance expense

	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
Bank loan interest	130,613	344,211
Hire purchase and chattel mortgage	6,855	9,736
Interest expenses from other leases	68,034	131,726
Interest expenses from right-of-use leases	3,080	7,759
	<u>208,582</u>	<u>493,432</u>

6. Income tax

The major components of income tax expense for the years ended 2023 and 2022 are:

	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
Current income tax		
Current income tax charge	-	-
Deferred tax		
Relating to the origination and reversal of temporary differences	(14,187)	26,193
Income tax (gain)/ expense reported in the statement of profit or loss	<u>(14,187)</u>	<u>26,193</u>

A reconciliation of tax expense and accounting profit multiplied by Australia's domestic tax rate for the year ended 2024 and 2023:

	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
Accounting profit before tax	209,874	97,514
At Club's statutory income tax rate of 25% (2023: 25%)	52,469	24,379
Non-deductible expenses for tax purposes		
Other non-temporary differences	25,715	45,208
Effect of mutuality	(40,941)	(19,015)
Income tax (gain)/expense reported in the statement of profit or loss	<u>(14,187)</u>	<u>26,193</u>

Notes to the financial statements

For the period ended 30 June 2024

7. Cash and cash equivalents

	30 Jun 2024	31 Dec 2023
Cash at bank and in-hand	3,461,145	3,662,243
Cash on short-term deposit	-	1,470,988
	<u>3,461,145</u>	<u>5,133,231</u>

8. Trade and other receivables

	30 Jun 2024	31 Dec 2023
Trade debtors	77,575	141,560
Sundry debtors	41,122	71,386
Provision for doubtful debts	(861)	-
	<u>117,836</u>	<u>212,946</u>

9. Inventories

	30 Jun 2024	31 Dec 2023
Bar Inventory	312,627	337,448
	<u>312,627</u>	<u>337,448</u>

10. Financial assets

	30 Jun 2024	31 Dec 2023
Listed securities	15,000	15,000
Financial assets measured at amortised cost	<u>15,000</u>	<u>15,000</u>

11. Other current assets

	30 Jun 2024	31 Dec 2023
Prepayments	405,486	483,083
	<u>405,486</u>	<u>483,083</u>

Notes to the financial statements

For the period ended 30 June 2024

12. Property, plant and equipment

	Land and Building	Plant and Equipment	Poker Machines	Right of use assets	Work in Progress	Total
Cost						
As at 1 January 2024	92,129,180	30,008,481	16,308,237	186,740	140,772	138,773,410
Additions	2,939,811	485,236	464,262	-	43,501	3,932,810
Transfers	-	-	-	-	-	-
Disposals	-	-	(122,740)	-	(60,332)	(183,062)
As at 30 June 2024	95,068,991	30,411,067	16,649,759	186,740	123,951	142,440,508
Accumulated depreciation						
As at 1 January 2024	(1,204,435)	(19,286,320)	(11,766,155)	(50,575)	-	(32,307,485)
Depreciation	(580,145)	(938,915)	(961,398)	(27,233)	-	(2,507,691)
Transfers	-	-	-	-	-	-
Disposals	-	-	119,390	-	-	(119,390)
As at 30 June 2024	(1,784,580)	(20,225,235)	(12,608,163)	(77,808)	-	(34,695,786)
Net book value						
At 31 December 2023	90,924,745	10,722,161	4,542,082	136,165	140,772	106,465,925
At 30 June 2024	93,284,411	10,185,831	4,041,596	108,932	123,951	107,744,722

The freehold land and buildings were independently valued by Global Valuation Services Pty Ltd on 31 August 2022. The valuation model is based on fair value of the land plus depreciated replacement cost of the buildings. The critical assumptions adopted in determining the valuation were the location, zoning and use of the land and buildings, and comparative recent property sales in the area.

The directors have reviewed the key assumptions made by the independent valuers in 2022. They concluded that these assumptions remain materially unchanged and are satisfied that the carrying values do not exceed the recoverable amount of the land and buildings as at 30 June 2024. The directors do not believe that there has been a material movement in the fair values since the last independent valuation.

Core properties

Clubhouse and premises at 4 High Street, Hornsby NSW 2077

Notes to the financial statements

For the period ended 30 June 2024

Non-core properties

2-5 William Street, Hornsby NSW 2077
 2 Ashley Lane, Hornsby NSW 2077
 7-17 Ashley Street, Hornsby NSW 2077
 19 Ashley Street, Hornsby NSW 2077
 21 Ashley Street, Hornsby NSW 2077
 2-4 Webb Avenue, Hornsby NSW 2077
 289 Peats Ferry Road, Hornsby NSW 2077

13. Intangible assets

	Poker machine licences	Total
Cost		
At 1 January 2024	1,956,224	1,956,224
Additions	-	-
As at 30 June 2024	<u>1,956,224</u>	<u>1,956,224</u>
Amortisation and impairment		
At 1 January 2024	-	-
Amortisation	-	-
Impairment	-	-
As at 30 June 2024	<u>-</u>	<u>-</u>
Net book value		
At 31 December 2023	<u>1,956,224</u>	<u>1,956,224</u>
At 30 June 2024	<u>1,956,224</u>	<u>1,956,224</u>

Licences with indefinite useful life

Intangible assets include licences acquired for gaming entitlements. The licences have indefinite useful lives and are assessed annually for impairment.

14. Trade and other payables

	30 Jun 2024	31 Dec 2023
Trade payables	1,023,287	989,460
Other payables and accrued expenses	<u>1,495,699</u>	<u>1,542,120</u>
	<u>2,518,986</u>	<u>2,531,580</u>

Terms and conditions of trade and other payables

- ❖ Trade payables are non-interest bearing and are normally settled on 30-day terms
- ❖ Other payables are non-interest bearing and have an average term of 60 days

Notes to the financial statements

For the period ended 30 June 2024

15. Financial liabilities

	30 Jun 2024	31 Dec 2023
Current		
Secured Bank Loan	1,719,500	2,092,500
Hire purchase and chattel mortgage	104,024	104,024
Deferred charges	(13,577)	(17,546)
	<u>1,809,947</u>	<u>2,178,978</u>
Non-Current		
Secured Bank Loan	2,765,500	2,638,709
Hire purchase and chattel mortgage	106,732	158,744
Deferred charges	(5,783)	(11,557)
	<u>2,866,449</u>	<u>2,785,896</u>

Terms and conditions of bank loans

The Club's has a borrowing facility with the Commonwealth Bank of Australia (CBA) secured by a first registered mortgage over real property located at 4 High Street, Hornsby NSW 2077 and an equitable mortgage over the whole of the company's assets and undertakings. The facility commenced on 20 September 2021 with a term of 5 years and is interest bearing with quarterly repayments. The interest rate on the loan is variable based on BBSY.

Weighted average interest rates of bank loans is 6.22% and asset finance facilities is 9.38%.

Carrying value of land and buildings at balance sheet date pledged as collateral is \$69,000,000 (2023: \$69,000,000). The carrying value of poker machines and other equipment pledged as collateral at balance sheet date is \$198,065 (2023: \$245,060).

The Club has the following covenants in place over its bank loans and there were no breaches in the current period:

- ❖ Maintain rolling twelve month EBITDA of \$3.2m or higher
- ❖ Loan-to-valuation ratio to not exceed 30%

Terms and conditions of hire purchase and chattel mortgage

The Club has a equipment finance facility of \$1,000,000 with the Bank of Queensland which expires on March 2025 and is renewed annually. Equipment purchased using this facility is subject to a specific security agreement, whereby the Club grants a registered security interest for equipment purchased. The facility is not secured by mortgage.

	30 Jun 2024	31 Dec 2023
Facilities available		
Asset finance facilities	1,000,000	1,000,000
Bank lending facilities	4,485,000	5,531,250
Bank guarantees	100,000	100,000
Bank overdraft	50,000	50,000
Corporate credit cards	80,000	80,000
	<u>5,585,000</u>	<u>6,631,250</u>

Notes to the financial statements

For the period ended 30 June 2024

15. Financial liabilities (continued)

Facilities utilised at reporting date

	30 Jun 2024	31 Dec 2023
Asset finance facilities	191,396	233,665
Bank lending facilities	4,485,000	4,731,209
	<u>4,676,396</u>	<u>4,964,874</u>

Facilities not utilised at reporting date

Asset finance facilities	808,604	766,335
Bank lending facilities	-	800,041
Bank guarantees	100,000	100,000
Bank overdraft	50,000	50,000
Corporate credit cards	80,000	80,000
	<u>908,604</u>	<u>1,666,376</u>

All financial liabilities are measured at amortised cost.

16. Leases

Club as a lessee

The Club has lease contracts for items of property, plant and equipment used in its operations, these leases generally have the following lease terms:

Poker machines – 4 years

Other plant and equipment – 5 years

The Club's obligations under its leases are secured by the lessor's title to the leased assets. For the six-months ending 30 June 2024, the Club did not enter into short-term or low value leases that are not recognised as right-to-use leases.

	30 Jun 2024	31 Dec 2023
Current		
Leases	<u>1,255,440</u>	<u>1,387,607</u>
	<u>1,255,440</u>	<u>1,387,607</u>
Non-Current		
Leases	<u>684,922</u>	<u>1,138,360</u>
	<u>684,922</u>	<u>1,138,360</u>

Presented below is a maturity analysis of future lease payments

	30 Jun 2024	31 Dec 2023
Not later than 1 year	1,448,783	1,387,856
Later than 1 year and not later than 5 years	<u>823,348</u>	<u>1,138,111</u>
	<u>2,272,131</u>	<u>2,525,967</u>

Notes to the financial statements

For the period ended 30 June 2024

17. Employee benefit liabilities

	30 Jun 2024	31 Dec 2023
Current		
Annual Leave	692,624	696,419
Long Service Leave	641,722	597,383
	<u>1,334,346</u>	<u>1,293,802</u>
Non-current		
Long Service Leave	184,005	209,129
	<u>184,005</u>	<u>209,129</u>

18. Other liabilities

	30 Jun 2024	31 Dec 2023
Current		
Income received in advance	213,922	134,900
	<u>213,922</u>	<u>134,900</u>
Non-current		
Income received in advance	222,933	217,005
	<u>222,933</u>	<u>217,005</u>

19. Deferred tax liabilities

	30 Jun 2024	31 Dec 2023
Non-current		
Deferred income tax liabilities	96,698	111,085
Deferred capital gains tax liabilities	8,101,678	8,101,678
	<u>8,198,376</u>	<u>8,212,763</u>

Notes to the financial statements

For the period ended 30 June 2024

20. Contingent liabilities

	30 Jun 2024	31 Dec 2023
Bank guarantees	100,000	100,000
Gaming machine jackpots	199,488	201,500

21. Commitments

There were no commitments as at the reporting period which would have a material effect on the Club's financial statements as at 30 June 2024 (2023: capital commitment of \$26,673 payable within one year)

22. Related party disclosures

a. Directors

The following persons were non-executive directors of the Club during the financial year:

Robert Kennerley
 Terence Clarke
 Michael Brodie (retired 4 March 2024)
 Norman Bakker
 Denis Dempsey
 Wai Han (Sharon) Ho
 John Warren
 Kerrie Daynes

b. Key management personnel

The Board of Directors and the following persons had authority and responsibility for planning, directing and controlling the activities of the Club directly or indirectly during the financial year:

Mario Machado, Chief Executive Officer (resigned 6 August 2024)
 Daisy Brown, Chief Operating Officer (resigned 9 August 2024)
 Andy Fung, Chief Financial Officer
 Stuart Gabriel, Human Resources Manager (resigned 20 August 2024)
 James Nicholas, Executive Chef

c. Key management personnel compensation

The key management personnel compensation was \$563,491 for the period ended 30 June 2024 (2023: \$1,199,658).

In accordance with resolutions by members at the previous Annual General Meeting, the total honorariums paid to Directors was \$48,640 (2023: \$107,806) which is included in the above total compensation of key management personnel. Other expenses paid for the Directors not included in the above totalled \$5,981 for the period ended 30 June 2024 (2023: \$66,906).

Notes to the financial statements

For the period ended 30 June 2024

22. Related party disclosures (continued)

d. Related party transactions

From time to time, key management personnel of the Club, or their related entities, may purchase goods and services from the Club. These purchases are on the same terms and conditions as those entered into by third parties and are trivial or domestic in nature.

From time to time, certain directors have provided additional services to the Club. These services and the compensation paid for these services were on commercial arms-length terms, and are fully disclosed in accordance with the applicable regulations. Except for the disclosures below, the value of these services are immaterial and details of these service arrangements are available on request from the CEO.

The Club engaged GNB Productions ("GNB") to provide services including cabling works, audio visual, IT and related equipment purchases. GNB is related to a senior executive, and so the engagement with GNB is considered a related party transaction. The services provided were on commercial arms-length terms, and are fully disclosed in accordance with applicable regulations. The value of the related party transactions with GNB for the period was \$92,208 (2023: \$193,021). There was no amounts owing to GNB at year end.

The Club engaged Norm Bakker to provide entertainment services. Norm Bakker is a director and so the engagement is considered a related party transaction. The services provided were on commercial arms-length terms, and are fully disclosed in accordance with applicable regulations. The value of the related party transactions with Norm Bakker for the period was \$1,815 (2023: \$3,475). There was no amounts owing to Norm Bakker at year end.

23. Significant events after the reporting period

There have been no significant events occurring after the reporting date which may affect either the Club's operations or results of those operations or the Club's state of affairs in future financial years.

24. Auditor's remuneration

The auditor of Hornsby RSL Club Limited is Brigden & Partners Pty Ltd

	30 Jun 2024	31 Dec 2023
Amounts received or due and receivable by Brigden & Partners Pty Ltd for:		
Audit of the financial report of the entity	40,000	51,000
Other non-audit services	5,870	9,000
	<u>45,870</u>	<u>60,000</u>

25. Members guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the entity. At 30 June 2024, the number of members was 34,220 (2023: 32,584) and the total members liability was \$68,440.


Directors' declaration

In accordance with a resolution of the directors of Hornsby RSL Club Limited, I state that:

In the opinion of the directors:

1. The financial statements and notes of the Hornsby RSL Club Limited for the six months ended 30 June 2024 are in accordance with the *Corporations Act 2001*, including:
 - a. Giving a true and fair view of the Club's financial position as at 30 June 2024 and its performance for the six months ended on that date; and
 - b. Complying with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Regulations 2001*; and
 - c. A consolidated entity disclosure statement has not been included in this annual financial report as section 295(3A)(a) does not apply for the year ended 30 June 2024; and
2. There are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due and payable.

Signed in accordance with a resolution of directors.



R Kennerley

President



T Clarke

Vice President

26 August 2024

BRIGDEN & PARTNERS PTY LIMITED

CHARTERED ACCOUNTANTS

ABN 30 117 682 381

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Hornsby NSW 2077

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INDEPENDENT AUDIT REPORT

To the members of Hornsby RSL Club Limited

Opinion

We have audited the financial report of Hornsby RSL Club Limited (the company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Hornsby RSL Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the six months then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure 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 company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 company's annual report for the year ended 30 June 2024 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 company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company 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.

Signed on: 2 September 2024



Brigden & Partners Pty Ltd, Chartered Accountants
David Smith – Director, Registered Company Auditor
Level 3, 20 George Street, Hornsby NSW 2077

