



*2008
Annual
Report*

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Mosman NSW 2088
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ABN 15 000 613 785

Notice of Meeting

ABN 15 000 613 785
As at 31 December 2008

Notice is hereby given that the Forty Second Annual General Meeting of Mosman Returned Servicemen's Club Limited (ABN 15 000 613 785) will be held in the Club auditorium at 10.00am Sunday 31st May 2009.

BUSINESS

1. Attendance – Establishment of Quorum (50)
2. Apologies
3. Confirmation of the Minutes of the Forty First Annual General Meeting held on 25th May 2008.
4. Business Arising
5. Correspondence
6. Financial Report and presentation of the audited Balance Sheet and supporting accounts.
7. Declaration of the poll for the election of Office Bearers and Directors.
8. Ordinary Resolutions – First and Second

NOMINATION AND ELECTION OF OFFICE BEARERS AND DIRECTORS.

The following Office Bearers are to be elected:

President,	Vice President,
Honorary Treasurer,	Four (4) Directors

Nominations will be received for the above positions up to 5pm on Friday 15th May 2009, and the forms should be lodged with the Secretary when they are completed by Members who are eligible both to nominate and second nominations under the Articles of Association of the Club.

Voting for the election of the seven (7) Office Bearers will commence on Sunday 17th May 2009, and will terminate on Saturday 30th May 2009 at 6pm.

Votes may be cast during this period on ballot papers available from the Returning Officer or Deputy Returning Officer during hours displayed on the Notice Board in the premises of the Club.

Names of the Returning Officer and the Deputy Returning Officer will be displayed on the Notice Board.

ANNUAL REPORTS

The Annual Accounts, Directors Reports and Auditors Reports for presentation to the Annual General Meeting will not be posted to individual members but can be inspected at the Club's registered office, where a copy of the same will be made available on request.

NOTICES OF MOTION

Notices of Motion for inclusion in the Agenda for the Forty Second Annual General Meeting must be received forty-two (42) days prior to the date fixed for the Annual General Meeting. Each Notice of Motion must be in writing and must be moved and seconded by Members eligible to move Notices of Motion under the Articles of Association of the Club. Notices of Motion to be included in the Agenda of the meeting will be displayed on the Notice Board from Saturday 9th May 2009.

By Order of the Board
J.H. VIDLER GENERAL MANAGER (acting)

Resolutions

ABN 15 000 613 785
As at 31 December 2008

FIRST ORDINARY RESOLUTION

- “(a) That the members hereby approve expenditure by the Club not exceeding \$25,000 until the Annual General Meeting in 2010 for the following:
- (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.
 - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.
 - (iii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.
 - (iv) The reasonable cost of directors (and the reasonable cost of their spouses/partners if appropriate and required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
 - (v) The reasonable cost of a Christmas luncheon/dinner and end of financial year luncheon/dinner in each case for directors and their spouses/partners.
 - (vi) The reasonable cost of entertaining special guests of the Club either within the Club or elsewhere as determined by the Board from time to time.
 - (vii) The reasonable cost of meals and beverages for directors before or after a Board or Committee meeting on the day of that meeting when such meeting coincides with a normal meal time.
 - (viii) The reimbursement of reasonable out of pocket expenses incurred by directors travelling to and from directors meetings or other duly constituted meetings of any such committee of the Board.
- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are Directors of the Club.”

SECOND ORDINARY RESOLUTION

- (a) That the members hereby approve the payment of the following honorariums to the directors of the club for services as directors of the Club until the Annual General Meeting in 2010:
- (i) President - \$20,000.00; and
 - (ii) All other directors - \$5,000.00 each.
- (b) Such honorariums to be paid by weekly or such other instalments as the Club and the President or director may agree from time to time.

Dated 23 April 2009

By direction of the Board



Jeffrey Vidler
Chief Executive Officer (Acting)

Resolutions

ABN 15 000 613 785
As at 31 December 2008

NOTES TO MEMBERS

NOTES TO MEMBERS

These notes are to be read in conjunction with the proposed Resolutions:

First Ordinary Resolution

1. The First Ordinary Resolution is to have the members in General Meeting approve an amount no greater than \$25,000 for the expenditure by the Club for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses. Included in the resolution is the cost of directors attending functions as representatives of the Club and the costs of their spouses/partners also attending those functions.

Second Ordinary Resolution

2. The Second Ordinary Resolution is to have the members in General Meeting approve honorariums for the directors of the Club for duties to be performed by them until the next Annual General Meeting. The President's honorarium to be \$20,000.00 and the honorariums for all other directors to be \$5,000.00.

Procedural Matters

3. To be passed each ordinary resolution must receive votes in its favour from not less than a simple majority of those members, who being entitled to do so, vote in person at the meeting.

Dated: 23 April 2009
By direction of the Board



Jeffrey Vidler
Chief Executive Officer

President's Report

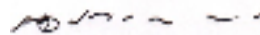
ABN 15 000 613 785
As at 31 December 2008

The past year has not seen any unique changes, with the turbulent economy, or with anti-smoking laws, still playing a predominant role at the club. With the present economic circumstances your Board has decided to look at other means of revenue raising, in lieu of poker machines and bar trading. The least intrusive development would appear to be the introduction of four shops on the Military Road frontage. The concept plans have been on display in the club foyer for several weeks and will continue to be so.

By introducing a commercial component it will ensure your Club's future financial stability and ongoing viability – as is the situation of the Warringah Bowling Club (e.g. building a child minding centre). The comments from our members, on our new development plans, have been nothing short of outstanding and very encouraging.

Changes within the club this year have seen the departure of our General Manager, Mr. Anthony Williams and the appointment of Mr. Jeffrey Vidler as acting General Manager. Catering has been outsourced and we welcome Mr. Herman Restrepo of Sibyl's catering. We also welcome Lyn Ballard, our new Functions Coordinator (formally working for North Sydney Leagues Club).

I would like to thank all members and guests for their outstanding support. The board is committed to ensuring that your club will continue to operate as not only a much needed community facility but also as an ever increasing place of friendship and enjoyment for all of its members.



Kerry Mahon
PRESIDENT

General Managers Report

ABN 15 000 613 785
As at 31 December 2008

The 2008 financial year was a tough time for all registered Clubs in New South Wales. These tough times felt by registered Clubs were heavily due to the smoking bans, increased gaming taxes and the general economy and we were no different.

Although I have only recently been appointed General Manager (acting) I have been employed by the Club for the past eighteen year's and have seen the good years and bad years the Club has traded through. I feel the steps the Board of Directors have taken in appointing Sibyls contract caterers is the right one for the Clubs food outlets.

In the short time Sibyls has been operating the Club has seen a marked improvement in patronage in the Bistro that can only give confidence that this will have a flow on affect throughout all area's of the Club. The Club was unable over the last twelve months to make catering profitable and I see this move plus the restructuring of staff rosters as the way to getting the Club back into a profitable position.

I look forward to working hard with the Board of Directors and the Management Team in 2009 and with the support of the Clubs Member's feel Mosman Returned Servicemen's Club will have a successful financial year.



Jeffrey Vidler
General Manager (acting)

Director's Report

ABN 15 000 613 785
As at 31 December 2008

Your directors present their report together with financial report of the Mosman Returned Servicemen's Club Limited ("the Club") for the financial year ended 31 December 2008.

Directors

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

Names	Appointed/Resigned
K.S. Mahon	Reappointed May 2008
D.J. Lopez	Reappointed May 2008
Y. Askew	Resigned May 2008
R. Maul	Reappointed May 2008
W. Young	Resigned February 2008; Reappointed May 2008
S. Hughes	Reappointed May 2008
T. McLoughlin	Appointed February 2008; Resigned May 2008
C. Gowen	Appointed May 2008
E. Arigho	Appointed May 2008

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

Club Secretary

Kerry Stephen Mahon was appointed honorary Club Secretary of the Club from 26 September 2007 to 10 February 2008.

Anthony J Williams was appointed Club Secretary of the Club from 11 February 2008 to 16 February 2009.

Jeffrey Vidler was appointed Club Secretary on 17 February 2009. Jeffrey has been an employee of the Club for 17 years, including 6 years as the Club's Operations manager. He was appointed Acting General Manager in March 2009. Jeffrey has completed a Club Secretary Manager course approved by the Club Managers Association of Australia (CMA). He has been a Director of the Chester Hill RSL and Bowling Club since 2005.

Principal Activities

The principal activity of the Club during the financial year was the operation of a licensed club for the benefit of its members. No significant change in the nature of the activity occurred during the year.

Financial Performance

The loss of the Club after providing for income tax was \$610,653 (2007: \$58,127).

Review of Operations

The Club earned an operating profit of \$136,063 (2007: \$640,057) before income tax of \$Nil (2007: \$22,495), depreciation of \$580,723 (2007: \$568,209) and finance costs of \$165,993 (2007: \$107,480).

Director's Report

ABN 15 000 613 785
As at 31 December 2008

Information on Directors

	Occupation/ Qualifications	Position/Special Responsibilities	Years as director of Club
K.S. Mahon	Licensed Real Estate Agent & Auctioneer	President	19
D.J. Lopez	Mayor of Mosman	Vice President	30
Y. Askew	Retired	Treasurer	1
R. Maul	Retired	Treasurer	1
W. Young	Retired Army Officer	Director	12
S. Hughes	Retired Nursing Sister	Director	1
T. McLoughlin	Retired	Director	-
C. Gowen	Marketing Manager	Director	-
E. Arigho	Taxi Driver	Director	-

Meetings of Directors

During the financial year, 14 meetings of directors (including Extraordinary meetings) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Extraordinary Meetings	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
K.S. Mahon	13	11	1	1
D.J. Lopez	13	13	1	1
Y. Askew	6	6	-	-
R. Maul	13	13	1	1
W. Young	10	10	1	1
S. Hughes	13	13	1	-
T. McLoughlin	4	3	-	-
C. Gowen	7	6	1	1
E. Arigho	7	7	1	1

Director's Report

ABN 15 000 613 785
As at 31 December 2008

Proceedings on Behalf of Club

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

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

Indemnifying Officers or Auditors

The Club has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Club or of a related body corporate:

- (i) indemnified or made any relevant agreement for indemnifying against a liability including costs and expenses in successfully defending legal proceedings; or
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings;

with the exception of the payment of a premium to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Club, other than wilful breach of duty in relation to the Club.

Significant Changes in State of Affairs

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

After Balance Date Events

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

Environmental Issues

The Club's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Likely Developments

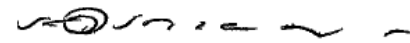
The Directors do not anticipate any particular change in operations for the Club that will affect the results in subsequent years other than the impact of the Smoke Free Environment Amendment Act 2004, which banned smoking in enclosed public areas of licensed premises from 2 July 2007.

Auditors Independence Declaration

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

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

Director



K.S. Mahon
Place: MOSMAN

Dated: 27 April 2009

Director



D.J. Lopez

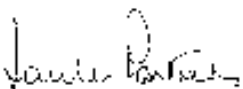
Directors' Report

ABN 15 000 613 785
As at 31 December 2008

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

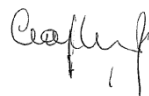
I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there has been:

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



LAWLER PARTNERS
Chartered Accountants

Place: Sydney
Dated 29th April, 2009



CLAYTON HICKEY
Partner

Income Statement

ABN 15 000 613 785
As at 31 December 2008

	Note	\$	\$
Revenue	2	6,278,933	7,642,996
Other Income	2	-	16,115
Cost of Sales		(1,220,817)	(1,484,982)
Advertising, Promotions & Prizes		(370,012)	(437,269)
Finance Costs		(165,993)	(107,480)
Cleaning		(244,837)	(256,149)
Depreciation		(580,723)	(568,209)
Employee Benefits		(2,488,582)	(2,597,988)
Entertainment		(125,178)	(109,336)
Insurance		(56,907)	(84,938)
Poker Machine Duty		(642,409)	(913,207)
Repairs & Maintenance		(124,025)	(157,239)
Rates & Utilities		(153,074)	(148,656)
Printing & Stationary		(32,682)	(44,620)
Consulting & Professional Fees		(83,629)	(76,315)
Poker Machine Rental		(107,159)	(131,555)
Security		(73,325)	(76,065)
Bank Charges		(39,436)	(50,644)
CDSE Expenditure		(72,027)	(100,885)
TAB Expenses		(81,522)	(74,522)
Other Expenses		(227,249)	(274,684)
(Loss) before income tax		(610,653)	(35,632)
Income Tax Expense		-	(22,495)
(Loss) attributable to members		(610,653)	(58,127)

The Income Statement is to be read in conjunction with the accompanying notes to and forming part of the financial report

Balance Sheet

ABN 15 000 613 785
As at 31 December 2008

	2008	2007
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	150,307	487,758
Trade and other receivables	19,707	29,851
Inventories	100,136	118,018
Current tax receivable	14,185	14,185
Other current assets	10,419	6,000
Total current assets	294,754	655,812
Non-current assets		
Property, plant and equipment	12,465,148	12,506,125
Total non-current assets	12,465,148	12,506,125
TOTAL ASSETS	12,759,902	13,161,937
LIABILITIES		
Current Liabilities		
Trade and other payables	386,047	506,570
Short-term borrowings	1,933,564	1,719,663
Short-term provisions	198,889	213,638
Total current liabilities	2,518,500	2,439,871
Non-current liabilities		
Deferred tax liabilities	802,509	951,785
Long-term borrowings	282,230	135,499
Long-term provisions	13,100	29,841
Total non-current liabilities	1,097,839	1,117,125
TOTAL LIABILITIES	3,616,339	3,556,996
NET ASSETS	9,143,563	9,604,941
EQUITY		
Retained earnings	3,203,184	3,813,838
Asset revaluation reserve	5,940,379	5,791,103
TOTAL EQUITY	9,143,563	9,604,941

The Balance Sheet is to be read in conjunction with the accompanying notes to and forming part of the financial report

Statement of Changes in Equity

ABN 15 000 613 785
As at 31 December 2008

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
2008			
Opening Balance at 1 January 2008	3,813,838	5,791,103	9,604,941
Loss for the year	(610,653)	-	(610,653)
Movement in deferred tax liability	-	149,276	149,276
Balance at 31 December 2008	3,203,184	5,940,379	9,143,563
2007			
Opening Balance at 1 January 2007	3,871,965	2,971,601	6,843,566
Loss for the year	(58,127)	-	(58,127)
Movement in deferred tax liability	-	2,819,502	2,819,502
Balance at 31 December 2007	3,813,838	5,791,103	9,604,941

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes to and forming part of the financial report

Cash Flow Statement

ABN 15 000 613 785
As at 31 December 2008

	2008	2007
	\$	\$
Cash from Operating Activities:		
Receipts from members and customers	6,909,070	8,374,585
Payments to suppliers and employees	(6,909,578)	(7,793,048)
Interest received	8,104	29,398
Finance costs	(165,933)	(107,480)
Income taxes paid	-	(10,762)
Net cash (used in)/generated by Operating activities	(158,337)	492,693
Cash flows from investing activities:		
Proceeds from disposal of assets	-	194,934
Purchase of property, plant and equipment	(296,400)	(767,912)
Net cash (used in) investing activities	(296,400)	(572,978)
Cash flows from financing activities:		
Repayment of borrowings	(49,116)	(64,226)
Net cash (used in) financing activities	(49,116)	(64,226)
Net (decreases) in cash held	(503,853)	(144,511)
Cash and cash equivalents at beginning of year	487,758	632,269
Cash at end of financial year	(16,095)	487,758

The Statement of cash flows is to be read in conjunction with the accompanying notes to and forming part of the financial report

Discussion and Analysis on the Concise Financial Statements

ABN 15 000 613 785
As at 31 December 2008

INFORMATION ON CONCISE FINANCIAL REPORT

The financial statements and disclosures in the concise financial report have been derived from the 31 December 2008 full financial report of Mosman Returned Servicemen's Club Limited.

A copy of the full financial report and auditors report is available, free of charge, upon request from the Club. A copy may be requested by contacting the Club and can be collected from the Club's premises at 719-729 Military Road Mosman NSW 2088.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the full financial report of Mosman Returned Servicemen's Club Limited for the financial year ended 31 December 2008.

INCOME STATEMENT

The operating result for the year was a net loss of \$610,653 compared to a net loss of \$58,127 in the previous year.

Total revenue from continuing activities decreased by \$1,380,178 (18%) to \$6,278,933. The majority of the net decrease in revenue was due to:

- A decrease in poker machine revenue of \$1,042,260 (22%) to \$3,598,088 caused by further impact of the introduction of smoking ban legislation from 1 July 2007.

- A decrease in beverage and catering income by \$315,183 (13%) to \$2,178,313.

Total expenses decreased by \$827,652 to \$6,889,586. Expense items impacting the net increase were:

- A decrease in the cost of sales of beverage and catering of \$264,165 (18%) to \$1,220,817.

- A decrease in advertising and promotion expense of \$67,257 (15%) to \$370,012.

- An increase in finance cost of \$58,313 (54%) to \$165,993.

- A decrease in poker machine tax of \$270,798 (30%) to \$642,409 due to decrease in poker machine duty tax rates and decrease in poker machine revenue.

- A decrease in employee costs of \$109,406 (4%) to \$2,488,582 due to decrease in number of permanent staff and by conversion of some full time staff to casual staff.

- A decrease in repairs and maintenance of \$33,214 (21%) to \$124,025.

- A decrease in other expenses of \$47,435 (17%) to \$227,249.

BALANCE SHEET

Total assets have decreased by \$402,035 (3%) to \$12,759,902. The decrease in total assets was due to:

- A decrease in cash and cash equivalents of \$337,451 (69%) to \$150,307.

- A decrease in carrying value of property, plant and equipment of \$40,977 which was due to net effect of:

- Increase in accumulated depreciation of \$580,723; and

- Acquisition of capital assets of \$539,746.

Commentary on the decrease in cash and cash equivalents asset has been provided as part of the discussion and analysis on the cash flow statement below.

Total liabilities have increased by \$59,343 (2%) to \$3,616,339. The increase in total liabilities was due to:

- An increase in bank overdraft by \$166,402 (100%).

- An increase in hire purchase and finance lease liability of \$194,230 (95%) to \$399,392.

- A decrease in trade and other payables of \$120,523 (24%) to \$386,047.

- A decrease in deferred tax liability of \$149,276 (16%) to \$802,509.

- A decrease in provision for employee benefits of \$31,490 (13%) to \$211,989 due to reduction in permanent employees.

STATEMENT OF CASH FLOWS

Cash used in operating activities increased by \$651,030 (132%) to \$158,337 mainly due to the net effect of a decrease in receipts from customers by \$1,465,515 (17%), decrease in payments to suppliers and employees of \$883,470 (11%) and an increase in finance cost by \$58,453 (54%). Commentary on revenue and expenses are outlined in the above discussion and analysis on the Income Statement.

Cash flow used in investing activities was used to purchase plant and equipment totalling \$296,400. Cash flow used in financing activities was used in the repayment of hire purchase and finance leases of \$49,116.

Overall cash deficit increased by \$359,342 (249%) to \$503,853.

STATEMENT OF CHANGES IN EQUITY

Total equity decreased by \$461,378 (5%) to \$9,143,563. The decrease is due:

- A decrease in retained earnings of \$610,653 (16%) to \$3,203,184 due to net loss for the year.

- An increase in Assets Revaluation Reserve of \$149,276 (3%) to \$5,940,379 due to movement in deferred tax liability.

Notes to and Forming Part of The Financial Statements

ABN 15 000 613 785
As at 31 December 2008

Note 1 Statement of significant accounting policies

(a) Basis of Preparation

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001. The financial statements, specific disclosures and other information included in the concise financial report is derived from, and is consistent with, the full financial report of Mosman Returned Servicemen's Club Limited. The full financial report is a general purpose financial report that has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and operating, financing and investing activities of Mosman Returned Servicemen's Club Limited as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

(b) Going Concern

The accompanying financial report has been prepared assuming that the Club will continue to operate as a going concern. The Club has a working capital deficiency of \$ 2,223,746 as at 31 December 2008 and negative operating cash flow of \$158,337 and net loss of \$610,653 for the year ended 31 December 2008. The Club requires the continuous support from Mosman ANZAC Memorial Hall Trust in respect of the existing secured loan facility. Management of the Club believe the repayment of the secured loan of \$1,650,000 will not be required within the next twelve months. However there is no assurance of this as both mortgagor and mortgagee have a right to reduce the secured loan by repayment with one month's notice. These matters raise doubt about the Club's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. While the financial statements have been prepared on the basis of accounting principles applicable to a going concern, several conditions and events as stated above cast doubt upon the validity of this assumption.

Note 2 Revenue

	2008	2007
	\$	\$
Operating Activities		
Sale of goods – Bar	1,343,240	1,488,784
Sale of goods – Food	835,073	1,004,712
Poker Machine Revenue	3,598,088	4,640,348
Commissions Received	78,729	89,339
Poker, Raffles & Promotion Revenue	261,663	195,551
Hire of Auditorium	65,895	83,141
Sundry	16,066	22,434
Member Subscriptions	58,529	70,924
Other Revenue		
Interest Received	8,104	29,398
Rental Income	13,546	18,365
Total Revenue	<u>6,278,933</u>	<u>7,642,996</u>
Non-Operating Activities		
Gain on disposal of plant and equipment	-	16,115
Other Income	<u>-</u>	<u>16,115</u>

Notes to and Forming Part of The Financial Statements

ABN 15 000 613 785
As at 31 December 2008

Note 3 Events After the Balance Sheet Date

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

Note 4 Segment Reporting

The Club operates predominately in one business and geographical segment being that of a licensed club in accordance with its objectives and for the benefits of its members.

Note 5 Club Details

The registered office and principal place of business of the Club is:
Mosman Returned Servicemen's Club Limited
719-729 Military Road
MOSMAN NSW 2088

Directors' Declaration

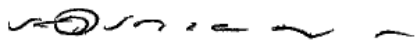
ABN 15 000 613 785
As at 31 December 2008

The directors of Mosman Returned Servicemen's Club Limited declare that the concise financial report of Mosman Returned Servicemen's Club Limited for the financial year ended 31 December 2008 as set out in the accompanying financial statements and notes:

- (b) complies with Accounting Standard AASB 1039: Concise Financial Reports;
and
- (b) has been derived from and is consistent with the full financial report of Mosman Returned Servicemen's Club Limited.

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

Director



K.S. Mahon
Place: MOSMAN

Dated: 24 April 2009

Director



D.J. Lopez

Independent Audit Report

ABN 15 000 613 785
As at 31 December 2008

Report on the concise financial report

The accompanying concise financial report of Mosman Returned Servicemen's Club Limited (the Club) comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Mosman Returned Servicemen's Club Limited for the year ended 31 December 2008, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the concise financial report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Mosman Returned Servicemen's Club Limited for the year ended 31 December 2008. Our audit report on the financial report for the year was signed onand was not subject to any modification other than emphasis of matter in relation to significant uncertainty about the going concern. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement. Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Mosman Returned Servicemen's Club Limited on, would be in the same terms if provided to the directors as at the date of this auditor's report.

Independent Audit Report

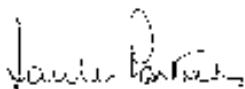
ABN 15 000 613 785
As at 31 December 2008

Audit Opinion

In our opinion, the concise financial report including the discussion and analysis of Mosman Returned Servicemen's Club Limited for the year ended 31 December 2008 complies with Accounting Standard AASB 1039: Concise Financial Reports.

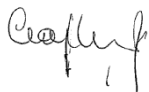
Emphasis of Matter - Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to Note 1(b) in the Financial Report which indicates that the Club incurred a net loss of \$610,654 and had a working capital deficiency of \$2,223,746 for the year ended 31 December 2008. These conditions, along with other matters set out in Note 1(b), indicate the existence of material uncertainty which casts significant doubt on the Club's ability to continue as going concern.



LAWLER PARTNERS
Chartered Accountants

Place: Sydney
Dated 27th April, 2009



CLAYTON HICKEY
Partner

Important Information for Members

ABN 15 000 613 785
As at 31 December 2008

The Reporting Period for Mosman Returned Servicemen's Club Limited is 31 December 2008

Registered Clubs Act Disclosures

This document is in the approved form from the Director of Liquor and Gaming and must be sent to members of the Club.

1. IMPORTANT NOTES

The Registered Clubs Act defines a Top Executive as being one of the five highest paid employees of the Club.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND EMPLOYEES IN CONTRACTS WITH THE CLUB SECTION 41C

Club members may inspect the original of these disclosures and declarations by making written application to the Secretary.
The Registered Club Act requires DIRECTORS who have a material personal interest in matters that relates to the affairs of the Club to declare the interest at a board meeting AND display the declaration on the Club's notice board. A contract is any commercial arrangement whether written or not.
In the reporting period there were 15 occasions when DIRECTORS reported a material personal interest in a matter that related to the affairs of the Club.

3. INTERESTS IN HOTELS SECTION 41D

Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.
In the reporting period there were 0 occasions when DIRECTORS reported an interest in a hotel in NSW.
In the reporting period there were 0 occasions when TOP EXECUTIVES reported an interest in a hotel in NSW.

2. GIFTS TO DIRECTORS AND STAFF SECTION 41E AND SECTION 41F

Club members may inspect the original of these disclosures by making a written application to the Secretary.
An affiliated body of the Club includes subsidiary Clubs, and any body which the Club made a grant to within the previous 12 months.
A gift includes money, hospitality, or discounts.
A gift valued at more than \$500 must be disclosed; gifts from CONTRACTORS must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

Important Information for Members

ABN 15 000 613 785
As at 31 December 2008

Directors

In the reporting period there were 0 occasions when DIRECTORS of the Club reported receiving gifts from AFFILIATED BODIES.

In the reporting period there were 0 occasions when DIRECTORS reported receiving CONTRACTORS.

Employees

In the reporting period there were 0 occasions when TOP EXECUTIVES of the Club reported receiving gifts from AFFILIATED BODIES.

In the reporting period there were 0 occasions when TOP EXECUTIVES of the Club reported receiving gifts from CONTRACTORS.

Value of Gifts

The total value of all gifts that DIRECTORS and TOP EXECUTIVES received from AFFILIATED BODIES in the reporting period is \$0.

The total value of all gifts that DIRECTORS and TOP EXECUTIVES received from CONTRACTORS in the reporting period is \$0.

TOP EXECUTIVES S.41H (1) (b)

The number of Club TOP EXECUTIVES whose total remuneration for the reporting period falls within each successive \$10,000 band commencing at \$100,000:

\$100,000 - \$109,999	0
\$109,999 - \$119,999	0
\$119,999 - \$199,999	0

OVERSEAS TRAVEL S.41H (1) (c)

In the reporting period the Club incurred no costs for overseas travel of DIRECTORS and EMPLOYEES.

LOANS TO STAFF S.41H (d)

The Registered Clubs Act restricts the Club to providing loans to EMPLOYEES to less than \$10,000.

IN the reporting period, the Club made 0 loans to EMPLOYEES.

Important Information for Members

ABN 15 000 613 785
As at 31 December 2008

CONTRACTS APPROVED BY BOARD S.41H (1) (e)

The Registered Clubs Act defines a Controlled Contract as being Club contract:

In which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.

Of employment of TOP EXECUTIVE of the Club

For provision of professional advice relating to significant change of management structure or governance of the Club; significant changes to the financial management of the Club; disposal of land; and the amalgamation of the Club.

During the reporting period the Board approved 0 contracts relating to the remuneration of the Club's TOP EXECUTIVES.

During the reporting period 0 controlled contracts were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

0 such contracts related to contracts in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.

0 such contracts related to contracts of employment of the Club's TOP EXECUTIVES.

0 such contracts related to the provision of professional advice. These contracts fall into the following categories:

0 significant change of management structure or governance of the Club.

0 significant changes to the financial management of the Club.

0 disposal of land.

0 amalgamation of the Club.

EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES S.41H (1) (f)

A CLOSE RELATIVE is defined in Section 41B of the Registered Clubs Act and includes the immediate family.

In the reporting period, the Club employed the following persons who were a close relative of a DIRECTOR or TOP EXECUTIVE of the Club.

Name of close relative	Related to	Total remuneration paid
Michael Herford	Kerry Mahon	\$17,800.83
Scott Herford	Kerry Mahon	\$23,601.69
Robert Lopez	Dominic Lopez	\$40,288.46

Important Information for Members

ABN 15 000 613 785
As at 31 December 2008

PAYMENTS TO CONSULTANTS S.41H (1) (g) and (h)

During the reporting period there were **2** instances where the Club engaged a Consultant. The total cost paid by the Club to consultants in the reporting period was **\$29,440**. Which included the following instances when consultants were paid more than \$30,000.

DETAIL OF SETTLEMENTS PAID BY THE CLUB S.41H (1) (I)

In the reporting period there were **0** instances where the Club made a legal settlement with either a director or staff member. The total legal costs paid by the Club for such settlements were **\$0**.

LEGAL FEES PAID BY THE CLUB S.41H (1) (j)

In the reporting period, there were **0** instances when the Club paid legal fees for DIRECTORS and EMPLOYEES, this included:

- 0** instances for DIRECTORS
- 0** instances for EMPLOYEES.

In the reporting period the Club paid a total of **\$0** being for legal fees paid for DIRECTORS and EMPLOYEES.

GAMING MACHINE PROFIT S.41H (1) (k)

Gaming machine profit is defined in the Gaming Machines Tax Act 2001. In the most recent gaming machine tax period, the total profit from gaming machines was \$4,286,401.86.

AMOUNT PAID TO COMMUNITY DEVELOPMENT S.41H (1) (l)

Clubs earning in excess of \$1,000,000pa in gaming machine profit are required to make donations to community development and support.

In the reporting period, the Club donated \$59,516.67 to community development and support.

Directory

Registered Office

719-729 Military Road
Mosman NSW 2088
(02) 9960 2888
(02) 9968 1462
www.mosmanclub.com.au
administration@mosmanclub.com.au

Telephone
Facsimile
Website
Email

Board of Directors

President
Vice President
Honorary Treasurer
Director
Director
Director

Kerry Stephen Mahon
Dominic Joseph Lopez OAM
Robert Maul
Catherine Gowen
Sheila Hughes
Wayne Young
Edward Arigho

Management

General Manager (Acting)
Accountants & Auditors
Bankers

Jeffrey Vidler
Lawler Partners, Chartered Accountant
Commonwealth Bank of Australia
Mosman NSW 2088