

Illawarra Catholic Club Limited and its controlled entities

ABN 68 000 361 660

General Purpose Financial Report

For the year ended 30 June 2026

Illawarra Catholic Club Limited and its controlled entities
ABN 68 000 361 660

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Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Illawarra Catholic Club Limited (the Company), and its subsidiaries for the financial year ended 30 June 2026 and the auditor's report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	Experience	Special responsibility
CLONEY, Brian Anthony	Director since July 2005. Company Director, Brian Cloney Consulting Corporate General Manager and Management Consulting background. Business mentor Speaker and Trainer across many industries and associations. Board Advisor and Mentor to Beyond the Badge charity working with First Responders. Regional Committee and State Delegate - Southern Region Committee, ClubNSW. Director of FCWSC Club Holiday Resorts. Member of the Company since 1997. Member of the Company's Audit, Risk & Investment Committee and Remuneration & Nomination Committee. Appointed Vice President on 19 November 2009, and President on 26 May 2016. Life member of the Company.	President
STARKS, Margaret Anna	Director since 2018. Member of the Company since 2008. Employed in the Finance/Insurance industry for 40 years. Member of Southern Region Committee, ClubNSW. Life member of Kingsgrove Cricket Club. Elected Vice President in November 2019.	Vice President
ROBERTS, Brian Thomas	Director since July 2005. Former School Principal and Former Regional Director of EREA - Eastern Region and member of the EREA National Leadership Team. Member of the Company since 1981. Vice President from May 2016 - November 2019. Life member of the Company.	Director
GREENE, Kevin Patrick	Local to the Georges River Area for over 60 years, Kevin was elected as inaugural Mayor of Georges River Council in 2017, serving until 2021. He retired as a Councillor for Peakhurst Ward in October 2022, however is still involved in many aspects of community life. A former teacher and Principal from 1981-1998, Kevin holds a Bachelor of Education and Diploma of Teaching. Kevin served as a Member of Parliament from 1999-2011 and was a Cabinet Minister from 2007-2011. He is a Director of Racing NSW, NSW Rugby League, NSW Rugby League Referees Association and Cricket NSW, President and Life Member of St George District Cricket Club, Patron and Life Member of ICC Cricket Club and St George District Cricket Association. Kevin has been a Member of Illawarra Catholic Club since 1976 and is a Life Member. He served as a Director from 1989-2007 and was elected again in 2016. He is currently a Member of the Audit & Risk Committee, Investment Committee and Remuneration & Nomination Committee and has previously served as Vice President and Chair of Finance from 1991-2005 and as President from 2005-2007.	Director

Directors' Report (continued)

Name	Experience	Special responsibility
STANTON, Phillip John	Employed in the Finance Industry for over 40 years. Association with the Company's Cricket Club since commencement in 1968. Member of the Company since 1977 and Director since November 2008. Chairman of the Company's Finance Committee since February 2018. Member of the Company's Audit & Risk Committee and Member of the Company's Investment Committee. Life member of the Company.	Director
SIMPSON, Steven John	Director since November 2003. Professional background in engineering. Mayor Sutherland Shire Council 2013-2014, 2020-2021. Deputy Mayor 1995/96, 2004/05. Councillor since 1995 to 2021. Previous employment: National Safety Manager Blue Scope Steel. Previous Director of the Southern Sydney Waste Board 1996 to 1999. Member of the Company since 1997. Life member of the Company.	Director
SAUNDERS, John Joseph	Director since January 2022. Employed in the insurance industry for over 30 years. Chief Executive Officer of Warren Saunders Insurance Brokers, he was named National Insurance Brokers Association Qualified Practising Insurance Broker of the Year in 2003 and Warren Saunders was named medium broker of the year in 2019, 2021 & 2023 and recently announced as a finalist in 2025. Active in the community, particularly supporting Calvary Hospital and Morris Children's Fund. Member of the Audit & Risk Committee. Member of the Company since 2009.	Director

2. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Regular Board Meetings	Audit Committee Meetings	Investments Committee Meetings
	A/B	A/B	A/B
B A Cloney	12/12	3/3	3/3
K P Greene	12/12	3/3	3/3
B T Roberts	11/12	-	-
S J Simpson	11/12	-	-
P J Stanton	12/12	3/3	3/3
M A Starks	10/12	-	-
J J Saunders	11/12	3/3	3/3

A - Number of meetings attended

B - Number of meetings held during the time the director held office during the year

Directors' Report (continued)

3. Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The Group monitors compliance with environmental regulations. The Group is not aware of any significant breaches during the period covered by their report.

4. Principal activities

The principal activities of the Group during the course of the financial year were the conduct and promotion of a licensed social club for members as well as the provision of accommodation services and management of property holdings in NSW.

Other than the continued improvements to Georges River 16Ft Sailing Club and operation of Club Central Hurstville and Menai, Hotel Mountain Heritage and Falls Mountain Retreat, there were no other major changes to the operation of the Group.

In order to ensure long term objectives are met, the Group will continue to evaluate and action its medium and long term investment and diversification strategies together with continually aligning member facilities with its identified communities.

Following several years of growth and expansion, the Group's short-term objectives include consolidating and refining operations at Hurstville and Menai as well as improvements and renovations to the Sailing Club. Additional short-term objectives remain focused on identifying new opportunities for existing assets, further improvements to the Group's donations policy as well as new investment opportunities aimed at diversification of the Group's holdings.

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

5. Results of the operations

The loss after tax of the Group for the year ended 30 June 2026 was \$3,056,156 (2025: \$15,940,753), after charging \$11,467,678 (2025: \$11,443,231) for depreciation, \$nil for impairment expenses (2025: \$14,634,004) and an income tax expense of \$nil (2025: income tax expense of \$516,891).

6. Membership

The Company is incorporated and domiciled in Australia as a public Company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. The number of members as at 30 June 2026 and the comparison with the prior year is as follows:

Number of members	2026	2025
General	2,169	1,957
Social	91,803	76,390
Life	17	17
Honorary	81	83
Perpetual	1,443	1,445
Sailing	1,801	2,865
Staff	49	55
	97,363	82,812

As at 30 June 2026, the total amount that members of the Company are liable to contribute if the Company is wound up is \$973,630 (2025: \$828,120).

7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Directors' Report (continued)

8. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

9. Likely developments

Information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

10. Indemnification and insurance of officers and auditors

Indemnifications

Since the end of the previous financial year, the Group has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Group.

Insurance premiums

During the financial year the Group has paid premiums in respect of Directors' and Officers' liability and legal expenses insurance contracts for the financial year ended 30 June 2026 and since the financial year, the Group has paid premiums in respect of such insurance contracts for the financial year ended 30 June 2026. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been Directors or executive Officers of the Group.

The Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Directors and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

11. Proceedings on behalf of the Company

There are no current proceedings on behalf of the Company.

12. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 7 and forms part of the Directors' report for the financial year ended 30 June 2026.

This report is made out in accordance with a resolution of the Directors:


B A Cloney
Director/President


P J Stanton
Director

Dated at Hurstville this 27th day of August 2026.



Lead Auditor's Independence Declaration under *Section 307C of the Corporations Act 2001*

To the Directors of Illawarra Catholic Club Limited and its controlled entities

I declare that, to the best of my knowledge and belief, in relation to the audit of Illawarra Catholic Club Limited and its controlled entities for the financial year ended 30 June 2026 there have been:

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

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Warwick Shanks'.

Warwick Shanks
Partner
27 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	4	75,193,370	70,417,067
Other income	5	882,705	774,603
Changes in inventories of finished goods		85,545	(77,996)
Raw materials and consumables used		(4,496,440)	(3,335,525)
Donations		(1,328,491)	(1,188,353)
Directors' expenses		(128,368)	(136,070)
Hotel management fee		(1,373,997)	(1,155,309)
Personnel expenses	6	(26,290,919)	(24,478,192)
Entertainment, marketing and promotional expenses		(5,274,093)	(5,024,651)
Legal and consultancy fees		(210,540)	(163,830)
Poker machine compliance costs		(12,332,756)	(12,242,835)
Property expenses		(10,458,740)	(10,369,142)
Net (loss)/gain on disposal of property, plant and equipment		(1,343,085)	45,196
Other expenses		(4,833,260)	(3,381,593)
PROFIT BEFORE DEPRECIATION, IMPAIRMENT AND FINANCE INCOME		8,090,931	9,683,370
Depreciation		(11,467,678)	(11,443,231)
Impairment expense		-	(14,634,004)
LOSS FROM OPERATIONS		(3,376,747)	(16,393,865)
Finance income	7	3,148,255	3,541,157
Finance costs	7	(2,827,664)	(2,571,154)
NET FINANCE INCOME		320,591	970,003
LOSS BEFORE INCOME TAX		(3,056,156)	(15,423,862)
Income tax expense	8	-	(516,891)
LOSS FOR THE YEAR		(3,056,156)	(15,940,753)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS		(3,056,156)	(15,940,753)

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 \$	2025 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	7,292,445	6,085,243
Trade and other receivables	10	722,133	542,692
Current tax receivable		5,529	5,529
Inventories	11	343,893	259,348
Other financial assets	12	31,525,719	35,713,244
Prepayments		379,804	702,808
Asset held for sale	13	13,219,711	-
TOTAL CURRENT ASSETS		53,489,234	43,308,864
NON-CURRENT ASSETS			
Investment property	14	31,681,077	31,974,782
Property, plant and equipment	15	148,791,889	158,950,555
Right-of-use assets	16	855,627	456,399
Intangible assets	17	8,616,043	8,616,043
TOTAL NON-CURRENT ASSETS		189,944,636	199,997,779
TOTAL ASSETS		243,433,870	243,306,643
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	6,151,646	6,005,560
Employee benefits	19	2,548,310	2,810,699
Provisions	20	648,359	707,952
Income received in advance		297,121	330,332
Finance lease liability		496,339	462,563
TOTAL CURRENT LIABILITIES		10,141,775	10,317,106
NON-CURRENT LIABILITIES			
Employee benefits	19	283,745	327,753
Income received in advance		118,323	120,233
Loans and borrowings	21	48,405,000	45,405,000
Finance lease liability		404,632	-
TOTAL NON-CURRENT LIABILITIES		49,211,700	45,852,986
TOTAL LIABILITIES		59,353,475	56,170,092
NET ASSETS		184,080,395	187,136,551
MEMBERS' FUNDS			
General funds		180,605,763	183,661,919
Amalgamation reserve		3,474,632	3,474,632
TOTAL MEMBERS' FUNDS		184,080,395	187,136,551

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	General funds \$	Amalgamation reserve \$	Total members' funds \$
BALANCE AT 1 JULY 2024	199,602,672	3,474,632	203,077,304
COMPREHENSIVE INCOME			
Loss for the year	(15,940,753)	-	(15,940,753)
TOTAL COMPREHENSIVE INCOME	(15,940,753)	-	(15,940,753)
BALANCE AT 30 JUNE 2025	183,661,919	3,474,632	187,136,551
COMPREHENSIVE INCOME			
Loss for the year	(3,056,156)	-	(3,056,156)
TOTAL COMPREHENSIVE INCOME	(3,056,156)	-	(3,056,156)
BALANCE AT 30 JUNE 2026	180,605,763	3,474,632	184,080,395

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		83,369,510	78,033,617
Cash paid to suppliers and employees		(75,360,897)	(65,615,403)
CASH GENERATED FROM OPERATING ACTIVITIES		8,008,613	12,418,214
Finance costs paid		(1,946,219)	(2,048,009)
NET CASH FROM OPERATING ACTIVITIES		6,062,394	10,370,205
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(15,239,717)	(12,868,709)
Proceed from sale of property, plant and equipment		48,745	-
Proceeds/(acquisition) of other investments		4,314,018	(1,429,050)
Acquisition of investment property		-	(3,876)
Dividend income		1,120,952	1,157,931
Interest received		1,900,810	793,843
NET CASH USED IN INVESTING ACTIVITIES		(7,855,192)	(12,349,861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(repayment) of borrowings		3,000,000	(2,625,000)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		3,000,000	(2,625,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,207,202	(4,604,656)
Cash and cash equivalents at beginning of year		6,085,243	10,689,899
CASH AND CASH EQUIVALENTS AT END OF YEAR	9	7,292,445	6,085,243

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

Note 1 Reporting entity

Illawarra Catholic Club Limited (the 'Company') is incorporated and domiciled in Australia. The Company's registered office is at 2 Crofts Avenue, Hurstville, NSW 2220.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a not-for-profit entity and is primarily involved in the conduct and promotion of a licensed social club for members as well as the provision of accommodation services and management of property holdings in NSW.

Note 2 Basis of preparation

a) Statement of compliance

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Corporations Act 2001*. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the *Corporations Act 2001*.

These consolidated financial statements were authorised for issue by the Board of Directors on 27 August 2026.

Details of the Group's material accounting policies are included in Note 3.

b) Basis of measurement

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

d) Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. *i.*

Judgement

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 17 - measurement of the recoverable amounts of intangible assets.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

a) Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified reassessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

b) Revenue

i. Goods sold and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage, accommodation revenue and other goods. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred. Revenue from services rendered comprises revenue from gaming facilities together with other services to members and patrons of the Group. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided.

ii. Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

c) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

The Income Tax Assessment Act 1997 (amended) provides that under the concept of mutuality, the Group is only liable for income tax on income derived from non-members and from outside entities.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

c) Income tax (continued)

ii. Deferred tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

iii. Tax consolidation

The parent (Illawarra Catholic Club) is the head entity in a tax consolidated group. The implemented date of the tax consolidated group was 1 July 2021. The Company recognises that, as the head company, it is responsible for the payment of the Group's income tax liabilities. Under its arrangements with its subsidiaries, the Company will pay any income tax liability incurred by the subsidiaries to the extent that it relates to the business operations of the subsidiaries.

d) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in the "at amortised cost" category particularly include trade accounts receivable (not including factoring), cash and cash equivalents and other receivables.

Cash equivalents are short-term, extremely liquid financial investments that can be converted to cash at any time and that are only subject to insignificant risks of changes in value.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

d) Financial instruments (continued)

iii. *Financial assets - subsequent measurement and gains and losses*

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iv. *Financial liabilities - classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities in the category "at amortised cost" are mainly liabilities (borrowings) to banks and trade accounts payables.

v. *Derecognition*

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

vi. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

e) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net in profit or loss.

ii. Subsequent expenditure

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The depreciation rates for the current and comparative years are as follows:

Freehold buildings	2.5% - 10%
Plant and equipment	10% - 40%

Depreciation methods, depreciation rates and residual values are reviewed at each reporting date and adjusted if appropriate.

f) Intangible assets

i. Other intangible assets

Poker machine entitlements

Poker machine entitlements that are acquired by the Group, which have indefinite useful lives, are measured at cost less accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of each component of investment property.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent cost is recognised in the carrying amount of the investment property.

h) 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 the estimated costs of completion and selling expenses.

i) Employee benefits

i. Defined contribution plans

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.

ii. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

iii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

j) Provisions

A provision is recognised if, as a result of a past event, the Group 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. The unwinding of the discount is recognised as a finance cost.

Link jackpots

The provision for gaming links relates mainly to the amounts payable in the event of players winning the jackpot on the poker machine as at 30 June 2026. The provision is based on the jackpot output on poker machines.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

k) Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, net gain or loss on financial assets, and foreign currency gains or losses. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l) Leases

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

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

l) Leases (continued)

i. As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Group presents right-of-use assets in the consolidated statement of financial position.

ii. As a Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract. The Group recognises lease payments received under an operating lease as income on a straight-line basis over the lease term as part of 'rental income'.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

m) Amalgamation reserve

An amalgamation reserve in members' funds is utilised for amalgamations with other registered clubs. The amount presented is equal to the accumulated fair values of the net assets of the clubs acquired. The individual assets and liabilities acquired are presented in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

n) Impairment

i. Financial assets

Financial instruments

The Group recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ii. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 3 Material accounting policies (continued)

o) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any interest in associate is no longer equity accounted.

Note 4 Revenue

The Group generates revenue primarily from the conduct and promotion of a licensed social club for members as well as the provision of accommodation services and management of property holdings in NSW.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	2026	2025
	\$	\$
PRIMARY GEOGRAPHICAL MARKETS		
Australia	75,193,370	70,417,067
	75,193,370	70,417,067
MAJOR PRODUCTS/SERVICE LINES		
Sale of goods - beverage and snacks	13,788,200	9,827,804
Rendering of services	47,391,195	46,440,067
Accommodation revenue	9,902,063	9,636,469
Investment property rentals	4,111,912	4,512,727
	75,193,370	70,417,067
TIMING OF REVENUE RECOGNITION		
Products transferred at a point in time	61,179,395	56,267,872
Products and services transferred over time	14,013,975	14,149,195
REVENUE FROM CONTRACTS WITH CUSTOMERS	75,193,370	70,417,067
	2026	2025
	\$	\$
Note 5 Other income		
Other income	882,705	774,603
TOTAL OTHER INCOME	882,705	774,603

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

	2026	2025
	\$	\$
Note 6 Personnel expenses		
Wages and salaries	17,212,859	16,688,858
Contributions to defined contribution plans	2,543,278	2,752,091
Payroll tax	1,221,678	1,129,257
Workers compensation insurance	531,555	203,843
Other employment expenses	4,781,549	3,704,143
TOTAL PERSONNEL EXPENSES	26,290,919	24,478,192

	2026	2025
	\$	\$
Note 7 Net finance income		
FINANCE INCOME		
Interest income from term deposit	48,588	217,818
Unrealised gains from financial assets	853,935	929,838
Interest income on managed funds	100,281	108,936
Dividend income	1,120,952	1,157,931
Bond income	472,854	467,088
Gain from equity investment	-	141,492
Realised gain from financial assets	551,645	518,054
TOTAL FINANCE INCOME	3,148,255	3,541,157
FINANCE COSTS		
Interest expense on loans	(1,946,219)	(2,032,037)
Interest expense on finance leases	(44,464)	(15,972)
Interest expense on managed funds	(626,144)	(324,005)
Management fees	(210,837)	(199,140)
TOTAL FINANCE COSTS	(2,827,664)	(2,571,154)
TOTAL NET FINANCE INCOME	320,591	970,003

Note 8 Income tax expense

	2026	2025
	\$	\$
a) Amounts recognised in profit or loss		
CURRENT TAX EXPENSE		
Current year	-	-
DEFERRED TAX EXPENSE		
Change in temporary differences	-	(516,891)
	-	(516,891)
TOTAL INCOME TAX EXPENSE	-	(516,891)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 8 Income tax expense (continued)

	2026	2025
	\$	\$
b) Numerical reconciliation between tax expense and pre-tax accounting profit		
Proportion of income attributable to non-members	17,263,029	16,001,286
Less: Proportion of expenses attributable to non-members	(14,827,831)	(13,324,162)
	2,435,198	2,677,124
Add: Other taxable income	16,585,619	18,056,009
	19,020,817	20,733,133
Less: Other deductible	(19,020,817)	(20,733,133)
NET INCOME SUBJECT TO INCOME TAX	-	-
Income tax using the Group's statutory tax rate of 30% (2025: 30%)	-	-
	-	-

Note 9 Cash and cash equivalents

For the purpose of cash and cash equivalents in the consolidated statement of financial position and in the consolidated statement of cash flows comprises of below:

	2026	2025
	\$	\$
Cash on hand	2,123,200	2,018,200
Bank balances	5,169,245	4,067,043
TOTAL CASH AND CASH EQUIVALENTS	7,292,445	6,085,243

	2026	2025
	\$	\$
Note 10 Trade and other receivables		
Trade receivables	647,720	487,156
Other receivables	75,882	57,005
Allowance for impairment of trade receivables	(1,469)	(1,469)
TOTAL TRADE AND OTHER RECEIVABLES	722,133	542,692

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

	2026	2025
	\$	\$
Note 11 Inventories		
Bar stock - at cost	271,766	225,592
Food stock - at cost	72,127	33,756
TOTAL INVENTORIES	343,893	259,348

Note 12 Other financial assets

Other financial assets are held in the form of either debt instruments, convertible securities, equities, alternative investments and/or cash and cash equivalents.

	2026	2025
	\$	\$
Financial assets - fair value through profit and loss	31,525,719	35,713,244
TOTAL OTHER FINANCIAL ASSETS	31,525,719	35,713,244

	2026	2025
	\$	\$
Note 13 Asset held for sale		
Freehold land and buildings	13,219,711	-
TOTAL ASSET HELD FOR SALE	13,219,711	-

In June 2026, management committed to a plan to sell the freehold land and buildings at Blue Mountain Properties, held by Falls Lodge Investments Pty Ltd and Jamison View Investments. Active efforts to sell the properties have commenced, and the sale is expected to be completed in FY27.

Note 14 Investment property

Investment properties comprise a number of commercial and residential properties that were leased to third parties. These are held at cost.

	2026	2025
	\$	\$
BALANCE AT 1 JULY	31,974,782	32,289,164
Additions	-	3,876
Depreciation charge for the year	(293,705)	(318,258)
BALANCE AT 30 JUNE	31,681,077	31,974,782

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

	Freehold land & buildings	Plant & equipment	Capital work in progress	Total
	\$	\$	\$	\$
Note 15 Property, plant and equipment				
COST				
BALANCE AT 1 JULY 2025	182,622,804	69,312,689	8,987,527	260,923,020
Additions	11,053,900	4,275,817	-	15,329,717
Transfers	1,392,084	6,443,455	(7,835,539)	-
Reclassification to assets held for sale	(15,047,784)	(1,514,014)	(1,133,598)	(17,695,396)
Disposals	(2,200,495)	(2,923,353)	-	(5,123,848)
BALANCE AT 30 JUNE 2026	177,820,509	75,594,594	18,390	253,433,493
ACCUMULATED DEPRECIATION AND IMPAIRMENT EXPENSE				
BALANCE AT 1 JULY 2025	59,004,670	42,967,795	-	101,972,465
Depreciation for the year	4,997,608	5,789,234	-	10,786,842
Reclassification to assets held for sale	(3,805,634)	(670,051)	-	(4,475,685)
Disposals	(998,336)	(2,643,682)	-	(3,642,018)
BALANCE AT 30 JUNE 2026	59,198,308	45,443,296	-	104,641,604
CARRYING AMOUNTS				
AT 1 JULY 2025	123,618,134	26,344,894	8,987,527	158,950,555
AT 30 JUNE 2026	118,622,201	30,151,298	18,390	148,791,889

Valuation

Parent's land and buildings valuation

The independent valuations completed on 30th June 2021 of the Group's freehold land and buildings, on the basis of open market value for existing use, resulted in a valuation of land and buildings of \$127,715,000. Independent valuations were carried out by Andrew Nock Pty Limited (Registered valuer No.2144). As land and buildings are recorded at cost, the valuation has not been brought to account.

In addition, an independent valuation was performed by Andrew Nock Pty Limited (Registered valuer No.2144) in April 2023 on the building acquired through the amalgamation with Georges River 16ft Sailing Club. The valuation was based on the open market value for existing use and resulted in a valuation of \$3,500,000.

The directors confirmed that the carrying values of other land and buildings remain appropriate as at 30 June 2026, and there are no indicators of impairment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 14 Property, plant and equipment (continued)

Core and non-core properties

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Group defines property core and non-core.

The core property of the Group shall comprise the defined premises of the Club as approved from time to time by the Licensing Court of New South Wales or the Liquor Administration Board and endorsed on the Club's Certificate of Registration and the holiday accommodation units held under Deed of Licence with the Federation of Community, Sporting and Workers Clubs inc. All other properties held are considered non-core.

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Club defines property as follows:

	2026	2025
	\$	\$
Core property	57,989,368	72,596,829
Non-core property	104,758,280	85,736,760
	162,747,648	158,333,589

Core property:

2 Crofts Avenue, Hurstville NSW 2220
44-60 Allison Crescent, Menai NSW 2234
Sanoni Ave, Sandringham NSW 2219

Non-core property:

2 Crofts Avenue, Hurstville NSW 2220
44-60 Allison Crescent, Menai NSW 2234
6 Cross Street, Hurstville NSW 2220
35 - 37 Empress Street, Hurstville NSW 2220
13/2-4 Cross Street, Hurstville NSW 2220
52 The Avenue, Hurstville NSW 2220
Unit 1-18, 67-77 Wilson Street, Wentworth Falls NSW 2762
The California, 1 Penault Avenue, Katoomba NSW 2780
5 Penault Avenue, Katoomba NSW 2780
7-9 Penault Avenue, Katoomba NSW 2780
The Mountain Heritage, 2-10 Apex Street, Katoomba NSW 2780
5-9 Woodville Street, Hurstville, NSW 2220

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 16 Leases

Leases as lessee

The Group leases gaming licenses, the leases typically run for a period of 3 years.

a) Right-of-use assets

Information about leases for which the Group is a lessee is presented below.

	Plant and equipment	Total
	\$	\$
BALANCE AT 1 JULY 2025	456,399	456,399
Additions to right-of-use assets	786,359	786,359
Depreciation charge for the year	(387,131)	(387,131)
BALANCE AT 30 JUNE 2026	855,627	855,627
	2026	2025
	\$	\$
b) Amounts recognised in profit or loss		
Depreciation expense	387,131	393,149
Interest expense	44,464	15,972
	431,595	409,121
	2026	2025
	\$	\$
c) Amount recognised in statement of cash flows		
Total cash outflows	388,827	410,327

d) Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-term leases and leases of low-value items) are disclosed for each of the following periods.

	2026	2025
	\$	\$
Less than one year	496,339	200,426
One to five years	448,815	292,971
	945,154	493,397

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 15 Leases (continued)

e) Leases as lessor

The Group leases out its investment property and has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2026	2025
	\$	\$
Less than one year	2,951,258	2,444,771
Between one and five years	5,592,864	4,979,083
	8,544,122	7,423,854

Note 17 Intangible assets

	2026	2025
	\$	\$
Poker machine entitlements		
COST		
BALANCE AT 1 JULY	8,616,043	8,616,043
BALANCE AT 30 JUNE	8,616,043	8,616,043

Poker machine entitlements are stated at cost less accumulated impairment losses. Poker machine entitlements have an indefinite useful life given they have no expiry date, and accordingly are not amortised but are to be assessed annually for impairment.

As at 30 June 2026, the Group estimated the value in use amount exceeds the carrying amount of poker machine entitlements. In assessing value in use, the estimated future cash flows were calculated for a period of 5 years, and a pre-tax discount rate of 5.0% and a growth rate of 1% were applied in the calculation.

	2026	2025
	\$	\$
Note 18 Trade and other payables		
Trade payables	1,614,649	2,115,024
Goods and services tax payable	493,598	196,248
Non-trade payables and accrued expenses	4,043,399	3,694,288
TOTAL TRADE AND OTHER PAYABLES	6,151,646	6,005,560

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

	2026	2025
	\$	\$
Note 19 Employee benefits		
CURRENT		
Liability for annual leave	1,717,939	1,977,442
Liability for long service leave	830,371	833,257
TOTAL CURRENT	2,548,310	2,810,699
NON-CURRENT		
Liability for long service leave	283,745	327,753
TOTAL NON-CURRENT	283,745	327,753
TOTAL EMPLOYEE BENEFITS	2,832,055	3,138,452

Note 20 Provisions

	2026	2025
	\$	\$
Link jackpots		
BALANCE AT 1 JULY	707,952	606,818
Movement in provision during the year	(59,593)	101,134
BALANCE AT 30 JUNE	648,359	707,952

Link jackpots

The provisions for poker machine link jackpots represents the Group's estimated present obligation to members and visitors in respect of poker machine link payouts. The provisions are expected to be realised within 12 months of reporting date.

	2026	2025
	\$	\$
Note 21 Loans and borrowings		
Non-current	48,405,000	45,405,000
TOTAL LOANS AND BORROWINGS	48,405,000	45,405,000

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

			2026	2025
	Currency	Year of maturity	Carrying amount	Carrying amount
			\$	\$
Loan A	AUD	30/07/2027	8,250,000	5,250,000
Loan C	AUD	15/03/2028	29,155,000	29,155,000
Loan D	AUD	31/01/2027	11,000,000	11,000,000
TOTAL INTEREST-BEARING LIABILITIES			48,405,000	45,405,000

The Secured bank loans (Loan A and C) are secured over land and buildings with a total carrying amount of \$68,693,322 (2025: \$69,693,322).

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 22 Financial instruments

Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities.

	Note	2026 \$	2025 \$
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash and cash equivalents	9	7,292,445	6,085,243
Trade and other receivables	10	722,133	542,692
		8,014,578	6,627,935
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Trade and other payables	18	6,151,646	6,005,560
Loans and borrowings	21	48,405,000	45,405,000
		54,556,646	51,410,560

Note 23 Commitments

	2026 \$	2025 \$
Property, plant and equipment		
Contracted but not provided for and payable:		
Within one year	-	-
One year or later and no later than five years	-	5,000,000
More than five years	-	-

As at 30 June 2026, there existed no commitments for the Group.

Note 24 List of subsidiaries

Set out below a list of all subsidiaries of the Group.

Name	Location	2026	2025
Ormonde Investments Pty Ltd	Australia	100%	100%
Savanna Creek Developments Pty Ltd	Australia	100%	100%
Jamison View Investments Pty Ltd	Australia	100%	100%
Above8 Pty Ltd	Australia	100%	100%
Falls Lodge Investments Pty Ltd	Australia	100%	100%

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

Note 25 Related parties

a) Parent entity

The parent entity of the Group is Illawarra Catholic Club Limited.

b) Transactions with key management personnel

i. Key management personnel compensation

Key management personnel compensation comprised short-term employee benefits, post-employment benefits, other long-term benefits and termination benefits.

	2026	2025
	\$	\$
Short & long term employee benefits	1,340,521	1,533,099
	1,340,521	1,533,099

ii. Other key management personnel compensation

A Director of the Company is the principal of a business that has a contract for the provision of Insurance. The contract is on commercial terms and there were no outstanding amounts as at 30 June 2026.

From time to time, Directors of the Group may purchase goods from the Group or participate in other club activities. These purchases and participations are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

Directors received honorariums from the Group during the year totalling \$82,500 (2025: \$79,000).

Apart from the details disclosed above in this note, no other Director has entered into a material contract with the Group during the year or since the end of the previous financial year and there were no material contracts involving other directors' interests existing at year-end.

Note 26 Contingencies

As at 30 June 2026, there existed no contingencies for the Group (2025: \$nil).

Note 27 Members' funds

The Illawarra Catholic Club Limited is incorporated and domiciled in Australia as a public Company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. As at 30 June 2026 there were 97,363 members (2025: 82,812 members). The total amount that members of the Company are liable to contribute if the Company is wound up is \$973,630 (2025: \$828,120).

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2026

	2026	2025
Note 28 Auditor's remuneration	\$	\$
AUDIT SERVICES		
Auditors of the Group - KPMG		
Audit of the financial statements	91,500	88,900
Taxation advice and tax compliance services	20,750	20,000
Other assurance services	11,000	10,700
TOTAL AUDITOR'S REMUNERATION	123,250	119,600

Note 29 Parent entity disclosures

As at, and throughout the financial year ended 30 June 2026 the parent entity of the Group was Illawarra Catholic Club Limited.

	2026	2025
	\$	\$
RESULTS OF PARENT ENTITY		
Profit for the period	3,056,152	3,130,663
	3,056,152	3,130,663
FINANCIAL POSITION OF PARENT ENTITY AT YEAR END		
Current assets	40,305,525	74,187,126
TOTAL ASSETS	243,469,871	235,670,744
Current liabilities	10,546,405	20,271,080
TOTAL LIABILITIES	25,462,041	20,719,066
TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF:		
General funds	214,533,198	211,477,046
Amalgamation reserve	3,474,632	3,474,632
TOTAL EQUITY	218,007,830	214,951,678

Note 30 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Consolidated Entity Disclosure Statement

For the year ended 30 June 2026

Entity name	Body corporate, partnership or trust	Place incorporated	% of share capital held directly or indirectly by the company in the body corporate	Australia or Foreign tax resident
Illawarra Catholic Club Limited	Body Corporate	Australia	-	Australia
Ormonde Investments Pty Ltd	Body Corporate	Australia	100%	Australia
Savanna Creek Developments Pty Ltd	Body Corporate	Australia	100%	Australia
Jamison View Investments Pty Ltd	Body Corporate	Australia	100%	Australia
Above8 Pty Ltd	Body Corporate	Australia	100%	Australia
Falls Lodge Investments Pty Ltd	Body Corporate	Australia	100%	Australia

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

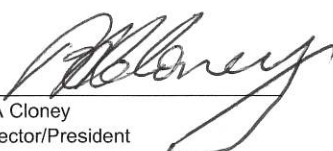
- Australian tax residency The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Directors' Declaration

In the opinion of the Directors of Illawarra Catholic Club Limited (the Company):

- a) the consolidated financial statements and notes that as set out on pages 8 to 33 are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance, for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Corporations Regulations 2001*.
- b) the consolidated entity disclosure statement as at 30 June 2026 set out on pages 34 is true and correct.
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



B A Cloney
Director/President



P J Stanton
Director

Dated at Hurstville this 27th day of August 2026.

Independent Auditor's Report

To the members of Illawarra Catholic Club

Opinion

We have audited the **Financial Report** of Illawarra Catholic Club (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2026
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statements of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board Limited (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Illawarra Catholic Club, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Other Information

Other Information is financial and non-financial information in Illawarra Catholic Club's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards -Simplified Disclosures* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and 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 objective is:

- 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf
This description forms part of our Auditor's Report.



KPMG



Warwick Shanks

Partner

Parramatta

28 August 2026