

MORTDALE RSL COMMUNITY CLUB LIMITED

ACN: 135 892 054



FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025



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DIRECTORS' REPORT

Your directors present their report on Mortdale RSL Community Club Limited (the company) for the financial year ended 31 December 2025.

Directors

The following directors have been in office for the entire financial year unless otherwise stated below and attended the recorded board meetings:

Name of Director	Club Position	Total number of Directors meetings attended	Total number of Directors meetings whilst in office
Geoff Denyer	President	9	11
James Wiltshire	Vice President	6	11
Stephen McMahon	Director	9	11
James Neale	Director	10	11
Ian Bussell	Director	9	11
Garry Long	Director	11	11
Kathleen Hasko	Director	11	11

Number of Directors meetings

11

Information on Directors

Name of Director	Qualifications & Experience
Geoff Denyer	President. Director for 17 years. Deputy Principal.
James Wiltshire	Vice President. Director for 15 years. Executive Director, DCM Institute.
Stephen McMahon	Director for 12 years. General Manager ATC.
James Neale	Director for 8 years. Furniture Manufacturer.
Ian Bussell	Director for 6 years. Operations Manager.
Garry Long	Director for 6 years. Retired.
Kathleen Hasko	Director for 2 years. Retired.

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. Based on the number of members at 31 December 2025, the total members' liability would be \$5,554.

Operating Results

The loss of the company for the financial year after providing for income tax amounted to \$17,538.



DIRECTORS' REPORT

Objectives

The short term objectives of the company are to continue to provide modern facilities as a registered club; make available social and sporting activities for the benefit of members and their guests; and to attract a greater number of members and visitors to the club.

The medium and long term objectives of the company are to redevelop the club premises and surrounding land, providing modern facilities and amenities for the benefit of members and their guests; diversify revenue streams; return to profitability; increase the membership base; and maintain and improve services to members and their guests.

Strategy for achieving the objectives

- Research on members' preferences for facilities and services.
- Review promotional activity conducted in the club.
- Evaluate operational procedures and staff training.
- Investigate alternatives for producing income from non-traditional sources.

Principal Activities

The principal activities of the company during the course of the financial year consisted of the conduct and promotion of a licensed club and provision of recreational facilities to the members of the company.

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

How these activities assist in achieving the objectives

The principal activities of the company contributed to achieving the objectives by providing a stable base of operations. This ensured the financial position of the company remained stable and generated funds to meet the demands of the company and maintain high levels of service to members and guests.

Performance measurement and key performance indicators

The financial performance of the company is measured against the budget and benchmark data from the club industry. Some of the criteria reported are:

- Earnings Before Interest Taxation Depreciation and Amortisation (EBITDA).
- Gross Profit Margins.
- Wage and Overhead costs.

Subsequent events

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

Indemnification and insurance of directors and officers

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company, indemnified or made any relevant agreement for indemnifying any party against a liability including costs and expenses in successfully defending legal proceedings.

The company has paid an insurance premium in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former directors and officers, including executive officers of the company.



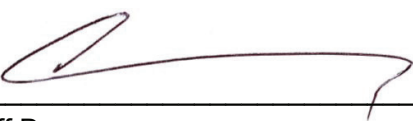
DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director:



Geoff Denyer

Director:



James Neale

Dated this 24th day of March 2026



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MORTDALE RSL COMMUNITY CLUB LIMITED



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I declare that, to the best of my knowledge and belief, during the year ended 31 December 2025 there have been:

- (i) no contraventions of the auditor independence requirements of 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.

Maher Group Assurance Pty Limited

Trent Atlee

Taren Point

Dated this 24th day of March 2026



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$	2024 \$
Revenue	2	2,111,857	2,164,720
Cost of sales	3	(316,650)	(312,908)
Depreciation and amortisation expenses	3	(246,868)	(265,890)
Employee benefits expenses		(687,499)	(672,702)
Finance costs	3	(29,359)	(40,519)
Occupancy expenses		(269,459)	(343,267)
Other expenses		(648,132)	(650,578)
Loss before income tax		<u>(86,110)</u>	<u>(121,144)</u>
Income tax benefit / (expense)	4	68,572	(62,644)
Loss for the year		<u>(17,538)</u>	<u>(183,788)</u>
Total comprehensive income for the year		<u><u>(17,538)</u></u>	<u><u>(183,788)</u></u>
Total comprehensive income attributable to members of the entity		<u><u>(17,538)</u></u>	<u><u>(183,788)</u></u>

The accompanying notes form part of these financial statements.



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	5	64,700	71,458
Trade and other receivables	6	24,282	24,346
Inventories	7	16,079	21,568
Other current assets	8	17,325	15,950
TOTAL CURRENT ASSETS		<u>122,386</u>	<u>133,322</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	12,926,990	13,099,126
Investment property	10	2,450,000	2,450,000
Deferred tax assets	4	6,370	7,707
TOTAL NON-CURRENT ASSETS		<u>15,383,360</u>	<u>15,556,833</u>
TOTAL ASSETS		<u>15,505,746</u>	<u>15,690,155</u>
CURRENT LIABILITIES			
Trade and other payables	11	138,940	116,035
Financial liabilities	12	487,589	65,085
Provisions	13	87,249	87,959
Other current liabilities	14	18,470	20,770
TOTAL CURRENT LIABILITIES		<u>732,248</u>	<u>289,849</u>
NON-CURRENT LIABILITIES			
Financial liabilities	12	-	541,416
Provisions	13	32,463	29,189
Deferred tax liabilities	4	353,271	423,180
Other non-current liabilities	14	9,023	10,242
TOTAL NON-CURRENT LIABILITIES		<u>394,757</u>	<u>1,004,027</u>
TOTAL LIABILITIES		<u>1,127,005</u>	<u>1,293,876</u>
NET ASSETS		<u>14,378,741</u>	<u>14,396,279</u>
MEMBERS' EQUITY			
Reserves	15	4,928,142	4,928,142
Retained earnings	16	9,450,599	9,468,137
TOTAL MEMBERS' EQUITY		<u>14,378,741</u>	<u>14,396,279</u>

The accompanying notes form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Note	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 January 2024	9,651,925	4,928,142	14,580,067
Profit (Loss) attributable to members	(183,788)	-	(183,788)
Balance at 31 December 2024	<u>9,468,137</u>	<u>4,928,142</u>	<u>14,396,279</u>
Profit (Loss) attributable to members	(17,538)	-	(17,538)
Balance at 31 December 2025	<u><u>9,450,599</u></u>	<u><u>4,928,142</u></u>	<u><u>14,378,741</u></u>

The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and others	2,097,713	2,159,114
Payments to suppliers and employees	(1,895,676)	(1,983,803)
Interest received	205	218
Finance costs paid	(21,241)	(20,388)
Net cash provided by operating activities	21 <u>181,001</u>	<u>155,141</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	17,499	25,250
Payments for property, plant and equipment	(78,228)	(98,243)
Net cash used in investing activities	<u>(60,729)</u>	<u>(72,993)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(164,619)	(163,086)
Net cash used in financing activities	<u>(164,619)</u>	<u>(163,086)</u>
Net decrease in cash held	(44,347)	(80,938)
Cash at beginning of financial year	71,458	152,396
Cash at end of financial year	21 <u><u>27,111</u></u>	<u><u>71,458</u></u>

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Summary of Significant Accounting Policies

The financial statements cover Mortdale RSL Community Club Limited (the company) as an individual entity. Mortdale RSL Community Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars, which is the company's functional currency, and have been rounded to the nearest dollar.

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

The financial statements were authorised for issue on 24 March 2026 by the directors of the company.

Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for doubtful debts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed and an allowance for doubtful debts is recognised when there is objective evidence that individual receivables are not recoverable.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted-average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, Plant and Equipment

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

Land and buildings

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings with annual appraisals being made by the directors.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	5.0 - 40.0%

The estimated useful life for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Buildings	40 Years
Plant & Equipment	2.5 -20 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Investment Property

Investment property is held to generate long-term rental yields and capital growth. Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the statement of comprehensive income as other income or expenses.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. The carrying values are considered to be a reasonable approximation of the fair values. Trade payables are obligations on the basis of normal credit terms.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods to members and other patrons and is recognised at the point the goods are provided as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of services

Revenue from rendering of services comprises revenue from gaming facilities together with other services to members and other patrons and is recognised when the services are provided.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Membership subscriptions

Membership subscriptions paid in advance are initially recognised as a liability. Revenue is recognised on a straight line basis over the membership period, based on the membership category for which subscriptions have been received.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Sale of property, plant and equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income or other expenses at the date control of the asset passes to the buyer.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Goods and Services Tax (GST)

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

Income Tax

The income tax expense for the year is the tax payable on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled. Current and deferred tax is recognised as an expense in the income statement except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Going Concern

The financial report has been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 31 December 2025, current liabilities of \$732,248 exceed current assets of \$122,386 by \$609,862. This predominantly related to the reclassification of the Sub Branch loan of \$450,000 from non-current liabilities to current liabilities due to the loan repayment date of 1 December 2026.

The Directors are confident that the term of the loan will be extended. However, as an extension had not been formalised prior to the reporting date, the accounting standards required the loan facility to be reclassified to current liabilities, resulting in a material uncertainty related to going concern as of that date.

The company recorded a loss before tax for the year ended 31 December 2025 of \$86,110 compared to a prior year loss before tax of \$121,144. The company recorded positive cash flows from operating activities of \$181,001 which reflects a continued trend in positive cash flows generated.

The directors have concluded that the use of the going concern assumption in the preparation of the financial report is appropriate with consideration of the following reasons:

- management have provided conservative cash flow projections which reflect a positive cash position 12 months subsequent to the date of signing the accounts; and
- the club has an investment property disclosed at independent valuation of \$1,100,000 which is unsecured and could be realised to discharge any short-term liquidity issues.

Should the company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities at amounts different from those currently stated in the financial report.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make estimates and judgements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly to those estimated.

Key judgments - Impairment of non-financial assets

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

Key judgments - Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at reporting date. In determining the present value of the liability, attrition rates, salary growth rates and an appropriate discount factor have been considered.

Key judgments - Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
Revenue		
Operating activities		
Sale of goods	819,537	791,262
Rendering of services	985,885	1,081,864
Other revenue	210,837	189,904
	2,016,259	2,063,030
Non-operating activities		
Profit on disposal of property, plant and equipment	14,003	22,100
Interest received	205	218
Rent received	81,390	79,372
	95,598	101,690
Total revenue	2,111,857	2,164,720
Loss		
Expenses		
Cost of sales	316,650	312,908
Finance Costs		
Interest Paid	29,359	40,519
	29,359	40,519
Depreciation of property, plant and equipment		
Depreciation - Bar	4,670	4,690
Depreciation - Poker Machines	113,395	131,756
Depreciation - 46-48 Pitt St	385	385
Depreciation - Buildings	113,750	113,750
Depreciation - Plant & Equipment	14,668	15,309
	246,868	265,890



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	\$	\$
Income Tax Expense		
<i>Current income tax</i>		
Current income tax charge	-	-
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(68,572)	62,644
Income tax expense / (benefit)	(68,572)	62,644
Income tax expense / (benefit) reported in the statement of profit or loss and other comprehensive income	<u>(68,572)</u>	<u>62,644</u>
Reconciliation between income tax expense and prima facie tax on accounting profit		
Accounting profit / (loss) before income tax	(86,110)	(121,144)
Tax at statutory income tax rate of 25%	(21,528)	(30,286)
<i>Adjust for tax effect of:</i>		
Income attributable to members	(5,455)	(6,215)
Expenses attributable to members	5,496	8,322
Mutuality principle	42,715	27,948
Other items (net)	1,845	1,611
Current year tax loss not recognised	(23,073)	(1,380)
Prior year tax losses utilised	-	-
Income tax expense / (benefit) on taxable income	-	-
(Increase)/Decrease in deferred tax assets	1,337	(2,002)
Increase/(Decrease) in deferred tax liabilities	(69,909)	64,646
Income tax expense / (benefit)	<u>(68,572)</u>	<u>62,644</u>
Deferred tax assets		
Carrying amount of depreciable assets	-	-
Provisions and accruals	399	716
Employee entitlements	5,971	6,991
Tax losses	301,813	324,886
Gross deferred tax assets	308,183	332,593
Deferred tax assets not recognised	(301,813)	(324,886)
Net deferred tax assets	<u>6,370</u>	<u>7,707</u>
Deferred tax liabilities		
Carrying amount of depreciable assets	353,271	423,180
Deferred tax liabilities	<u>353,271</u>	<u>423,180</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
Cash and Cash Equivalents		
Current		
Cash on Hand	59,700	59,700
Cash at Bank - Overdraft Account	-	6,624
Cash at Bank - Other Accounts	5,000	5,134
	64,700	71,458
Trade and Other Receivables		
Current		
Trade Debtors	5,617	6,865
Other Debtors	18,665	17,481
	24,282	24,346
Inventories		
Current		
At cost:		
Stock on Hand - Bar	16,079	21,568
	16,079	21,568
Other Assets		
Current		
Prepayments	17,325	15,950
	17,325	15,950
Property, Plant and Equipment		
LAND AND BUILDINGS		
Land:		
Independent valuation	8,450,000	8,450,000
	8,450,000	8,450,000
Buildings:		
Independent valuation	4,550,000	4,550,000
Less accumulated depreciation	(341,250)	(227,500)
Total Buildings	4,208,750	4,322,500
Total Land and Buildings	12,658,750	12,772,500



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	2,136,624	2,114,508
Accumulated depreciation	(1,868,384)	(1,787,882)
	268,240	326,626
Total Plant and Equipment	268,240	326,626
Total Property, Plant and Equipment	12,926,990	13,099,126

Refer to Note 12 for details of security over property, plant and equipment.

Valuation

The company's land and buildings were independently valued on 1 February 2023 by registered valuers, Perkins Property Valuers. The value of land and buildings based on a market value for the existing use of the property was \$13,000,000. The directors have performed a directors' valuation of land and buildings as at the reporting date and do not believe there has been a significant change in the key assumptions adopted by the valuers in the most recent valuation. The directors therefore believe that the carrying amount of land and buildings correctly reflects the fair value less costs of disposal at reporting date.

Movements in Carrying Amounts

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

	Land, Buildings & Improvements \$	Poker Machines \$	Plant & Equipment \$	Total \$
Balance at 1 January 2024	12,886,250	285,140	98,533	13,269,923
Additions	-	83,736	14,507	98,243
Disposals	-	(1,600)	(1,550)	(3,150)
Depreciation expense	(113,750)	(131,756)	(20,384)	(265,890)
Balance at 31 December 2024	12,772,500	235,520	91,106	13,099,126
Additions	-	73,088	5,140	78,228
Disposals	-	(2,380)	(1,116)	(3,496)
Depreciation expense	(113,750)	(113,395)	(19,723)	(246,868)
Carrying amount at 31 December 2025	12,658,750	192,833	75,407	12,926,990



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
Investment Property		
Investment Property		
46-48 Pitt Street, Mortdale	1,100,000	1,100,000
19 Macquarie Place, Mortdale	1,350,000	1,350,000
Balance at end of year	2,450,000	2,450,000

Refer to Note 12 for details of security over investment properties.

Valuation

The company's investment properties were independently valued on 1 February 2023 by registered valuers, Perkins Property Valuers. The value of investment properties based on a market value for the existing use of the properties was \$2,450,000. The directors have performed a directors' valuation of investment properties as at the reporting date and do not believe there has been a significant change in the key assumptions adopted by the valuers in the most recent valuation. The directors therefore believe that the carrying amount of investment properties correctly reflects the fair value less costs of disposal at reporting date.

Trade and Other Payables

Current

Trade Creditors	89,154	52,715
Other Creditors	49,786	63,320
	138,940	116,035

Trade and other payables are unsecured, non interest-bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
Borrowings		
Current		
Bank Overdraft	37,589	-
Loan - Commonwealth Bank	-	65,085
Loan - Sub Branch	450,000	-
	487,589	65,085
Non-Current		
Loan - Commonwealth Bank	-	91,416
Loan - Sub Branch	-	450,000
	-	541,416
Security		
<p>The Commonwealth Bank facility (including overdraft) is secured against the registered first mortgage over the club premises located at 25 Macquarie Place, Mortdale. The Sub Branch loan is secured against the registered first mortgage over the investment property located at 19 Macquarie Place, Mortdale.</p>		
Provisions		
Current		
Provision for Annual Leave	50,454	62,263
Provision for Long Service Leave	36,795	25,696
	87,249	87,959
Non-Current		
Provision for Long Service Leave	32,463	29,189
	32,463	29,189
Other Liabilities		
Current		
Income in Advance	14,357	14,552
Members Subs In Advance	4,113	6,218
	18,470	20,770
Non-Current		
Members Subs in Advance	9,023	10,242
	9,023	10,242



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
Reserves		
Asset Revaluation Reserve		
Opening Balance for the year	<u>4,928,142</u>	<u>4,928,142</u>
Retained Earnings		
Retained earnings at the beginning of the financial year	9,468,137	9,651,925
Net loss attributable to members of the company	(17,538)	(183,788)
Retained earnings at the end of the financial year	<u>9,450,599</u>	<u>9,468,137</u>
Contingent Liabilities		
Mortality benefits		
An amount is payable under the terms of an agreement with State Branch Returned Services League of Australia. This agreement was signed when the company acquired its premises from the Sub Branch. The company is obliged to pay mortality benefits on account of members who joined the Sub Branch prior to 21 April 1981 and who continue to be a member of that organisation at the time of their death. In addition, the company pays mortality benefits to members of the company who joined prior to 21 April 1981 and who continue to be a paid up member.	<u>2,600</u>	<u>2,800</u>
TAB Limited bank guarantee		
In return for a bank guarantee in favour of TAB Limited, the company has signed a letter of set off over a term deposit for the same amount.	<u>5,000</u>	<u>5,000</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2025
\$

2024
\$

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

Key management personnel compensation	<u>173,497</u>	<u>192,924</u>
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Related Party Transactions

There were no related party transactions in the current or previous financial year.

Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by the auditors of the company, Maher Group Assurance Pty Ltd:

Audit services

Audit of the financial statements	<u>14,500</u>	<u>14,500</u>
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Other services

Other services	<u>8,300</u>	<u>7,885</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2025
\$

2024
\$

Cash Flow Information

Reconciliation of Cash

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash on Hand	59,700	59,700
Cash at Bank - Overdraft Account	(37,589)	6,624
Cash at Bank - Other Accounts	5,000	5,134
	27,111	71,458

Reconciliation of net cash provided by operating activities to profit after income tax

Operating profit (loss) after income tax	(17,538)	(183,788)
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Adjustments:

(Gain) / Loss on sale of non-current assets	(14,003)	(22,100)
Depreciation	246,868	265,890
Financing flows in operating profits	8,118	20,130
(Increase) Decrease in inventories	5,489	211
(Increase) Decrease in trade and other receivables	64	16,712
(Increase) Decrease in prepayments	(1,375)	8,993
(Increase) Decrease in deferred tax assets	1,337	(2,002)
Increase (Decrease) in trade and other creditors	22,905	(29,466)
Increase (Decrease) in provisions	2,564	18,181
Increase (Decrease) in income in advance	(3,519)	(2,266)
Increase (Decrease) in deferred tax liability	(69,909)	64,646
	181,001	155,141



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2025
\$

2024
\$

Company Details

The registered office and principal place of business of the company is:

25 Macquarie Place, Mortdale NSW 2223

The principal activities of the company are that of a Registered Club.

Disclosure Requirements under Section 41E of the Registered Clubs Act

Core and Non-core Property

Section 41E of the Act defines core property as meaning any real property owned or occupied by a registered club that comprises:

- (a) the defined premises of the club; or
- (b) any facility provided by the club for use of its members and their guests; or
- (c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club.

Non-core property is defined as meaning any real property owned or occupied by the club that is not core property.

The company does not have any core property. The club's defined premises at 25 Macquarie Place, Mortdale NSW 2223 was previously core property, however a resolution passed at a Special General Meeting held on Sunday 18 November 2018 declared the land owned by the company incorporating the club premises and adjoining car park as non-core property of the company for the purposes of section 41E of the Registered Clubs Act.

This declaration was made only for the purpose of the development of the club land and the disposal of parts of the club land pursuant to any future development on the basis that any future development will ensure, amongst other things, construction of a new club premises including fit out and furnishings and not less than 116 car parking spaces for the exclusive use of members of the company and their guests. The new club premises and car park are to be declared core property of the company upon completion.

Therefore, the non-core property of the company currently consists of:

- the club premises located at 25 Macquarie Place, Mortdale and adjoining car park; and
- investment properties located at 19 Macquarie Place, Mortdale and 46-48 Pitt Street, Mortdale.




DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 25, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the company's financial position as at 31 December 2025 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (b) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

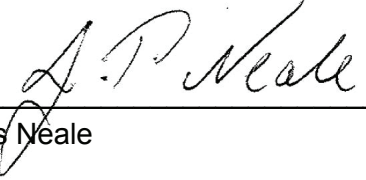
This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Geoff Denyer

Director:



James Neale

Dated this 24th day of March 2026



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MORTDALE RSL COMMUNITY CLUB LIMITED
ACN: 135 892 054**



(02) 8522 4500
info@mahergroup.com.au

Suite 6, 1 Box Road,
Caringbah NSW 2229

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Auditor's Opinion

We have audited the accompanying financial report of Mortdale RSL Community Club Limited (the company), which comprises the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We are independent of the company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 1 of the financial report under the heading Going Concern, which indicates that the company's current liabilities exceeded its current assets by \$609,862. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MORTDALE RSL COMMUNITY CLUB LIMITED
ACN: 135 892 054**



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Other Information

The directors of the company are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and Australian Accounting Standards - Simplified Disclosures and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

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

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



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MORTDALE RSL COMMUNITY CLUB LIMITED
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We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors.

We conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Maher Group Assurance Pty Limited

Trent Atlee

Taren Point

Dated this 24th day of March 2026



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MORTDALE RSL COMMUNITY CLUB LIMITED
ACN: 135 892 054**



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**Auditor's Disclaimer to the Members
For the year ended 31 December 2025**

The additional data presented in the Profit & Loss Statement and Trading accounts is in accordance with the books and records of the Mortdale RSL Community Club Limited (our client) which have been subjected to the auditing procedures applied in the statutory audit of the company for the year ended 31 December 2025. It will be appreciated that the statutory audit did not cover all details of the financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omissions therein however caused.

Name of Firm: Maher Group Assurance Pty Limited
Chartered Accountants

Name of Principal:

Trent Atlee

Address: Taren Point

Dated this 24th day of March 2026



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
INCOME		
Bar Trading Account	(17,314)	(18,007)
Catering Trading Account	4,683	6,244
Gaming Trading Account	669,629	703,527
Property Rental Account - 19 Macquarie Place	17,842	17,181
Property Rental Account - 46-48 Pitt Street	40,336	37,987
	715,176	746,932
OTHER INCOME		
Interest Received	205	218
Commission Received	12,344	13,480
Raffle Income	105,349	87,873
Room Hire	20,899	15,394
Member Subscriptions Received	9,291	11,076
Other Income	62,954	62,081
Profit on Sale of Non-current Assets	14,003	22,100
	225,045	212,222
	940,221	959,154



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
EXPENSES		
Accountancy Fees	8,300	7,885
Advertising & Promotions	18,983	18,615
Auditor's Remuneration	14,500	14,500
Bank Charges	5,880	7,020
Cash Shortages	(7)	3
Cleaning & Laundry	39,821	89,047
Computer Expenses	19,033	18,174
Consultancy Fees	-	1,138
Depreciation - Buildings	113,750	113,750
Depreciation - Plant & Equipment	14,668	15,309
Directors Expenses	7,645	8,512
Donations	4,702	5,541
Entertainment & Social Functions	145,857	137,501
Fox Sports & Sky	60,180	59,120
Insurance	47,710	49,219
Interest Paid	29,359	40,519
Legal Costs	18,060	15,143
Light & Power	92,670	85,027
Printing & Stationery	2,521	4,806
Rates & Taxes	36,974	34,528
Repairs & Maintenance	47,840	72,960
Security	5,900	8,594
Sports Activities	8,600	5,600
Staff Meals & Amenities	3,737	3,077
Staff Training	5	3,129
Subscriptions & Licences	5,974	5,722
Superannuation Contributions	25,029	21,218
Sundry Expenses	2,668	1,642
Telephone	3,590	2,856
Trade Waste	14,450	12,039
Wages	211,825	199,756
Workers Compensation	16,107	18,348
	1,026,331	1,080,298
Loss from ordinary activities before income tax	(86,110)	(121,144)



DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
BAR TRADING ACCOUNT		
Bar Sales	819,127	791,262
Less: Cost of Goods Sold		
Opening Stock	21,568	21,779
Purchases	311,161	312,697
Closing Stock	(16,079)	(21,568)
	316,650	312,908
Gross Profit from Trading	502,477	478,354
Less: Direct Costs		
Consumables & Supplies	4,262	4,014
Depreciation - Bar	4,670	4,690
Member Points	25,809	24,881
Replacements	754	670
Bar Promotions	128,732	93,761
POS Support	2,618	864
Repairs & Maintenance	12,386	23,520
Sundry Expenses	1,237	1,526
Superannuation	35,281	34,682
Wages	304,042	307,753
	519,791	496,361
Net Loss from Trading	(17,314)	(18,007)



DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
CATERING TRADING ACCOUNT		
Catering Sales	410	-
Function Sales	2,006	1,329
Catering Rent & Commissions	43,016	45,958
	45,432	47,287
Less: Direct Costs		
Consumables & Supplies	506	568
Member Discounts	-	50
Member Points	16,540	18,579
Replacements	-	82
Gas	9,434	9,938
Repairs & Maintenance	14,269	11,826
	40,749	41,043
Net Profit from Trading	4,683	6,244



DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
GAMING TRADING ACCOUNT		
Net Poker Machine Takings	867,329	958,242
Poker Machine Duty Rebate	13,042	21,488
Keno Commission Received	38,363	32,916
TAB Commission Received	22,129	21,931
	940,863	1,034,577
Less: Direct Costs		
Depreciation - Poker Machines	113,395	131,756
Computer Game Costs	2,064	1,992
Poker Machine Taxes	(3,550)	15,184
Poker Machine Analysis	6,912	6,917
Poker Machine Promotions	6,647	7,793
Poker Machine Monitoring & Compliance	25,650	26,025
Redemptions	790	2,180
Repairs & Maintenance	21,459	21,741
Keno Expenses	2,539	2,200
TAB Expenses	5,630	7,329
Sundry Expenses	2,490	25,965
Superannuation	9,167	8,348
Wages	78,041	73,620
	271,234	331,050
Net Profit from Trading	669,629	703,527



DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
PROPERTY RENTAL ACCOUNT - 19 MACQUARIE PLACE		
Rent Received	30,768	31,465
Less: Direct Costs		
Land Tax	9,384	9,381
Management Fees	-	526
Rates	2,087	1,737
Rates	1,005	878
Repairs & Maintenance	450	1,762
	12,926	14,284
Net Profit from Trading	17,842	17,181



DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
PROPERTY RENTAL ACCOUNT - 46-48 PITT STREET		
Rent Received	50,622	47,907
Less: Direct Costs		
Depreciation - 46-48 Pitt St	385	385
Land Tax	5,308	4,495
Management Fees	-	661
Rates	3,648	2,805
Rates	945	1,574
	10,286	9,920
Net Profit from Trading	40,336	37,987



DETAILED EXPENSE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 \$	2024 \$
ENTERTAINMENT & SOCIAL FUNCTIONS		
Bands & Artists	11,628	8,300
Darts	7,979	7,661
Members Draws	345	-
Member Promotions	5,348	20,051
Raffle Expenses	115,073	95,313
Special Functions	1,214	276
Wages - Bingo	4,270	5,900
	145,857	137,501



MORTDALE RSL