

# Pittwater RSL Club Limited

ABN 31 001 052 802

General Purpose (SDS) Financial Report

For the year ended 31 December 2025

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## Directors' report

Your directors submit their report for Pittwater RSL Club Limited (the "Club") for the year ended 31 December 2025.

### Directors

The names and details of the directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period, unless otherwise stated.

**Leigh Arnold**

Joined the Club in 2011 and was elected to the Board of Directors in May 2018. He was elected President in May 2022. He is responsible for the Board of Directors and conducting the business and general affairs of the Club.

**James Colbeck**

Joined the Club in 1995, was elected to the Board of Directors in May 2001 and served until 2014. He was re-elected to the Board in May 2016 and served as President between May 2018 and April 2019. His responsibility is to assist in the conduct and administration of the Club and welfare of the members.

**Norman James Calthorpe**

Joined the Club in 2007 and was elected to the Board of Directors in October 2017. His responsibility is to assist in the conduct and administration of the Club and welfare of the members.

**Julie Ann Emerson**

Joined the Club in 2002 and served on the Board of Directors from May 2016 until May 2018. She was reappointed to the Board in September 2019 and served as President from July 2020 until May 2022. Her responsibility is to assist in the conduct and administration of the Club and welfare of the members.

**Mark Jorgan Nielsen**

Joined the Club in 2007 and was elected to the Board of Directors in May 2022. His responsibility is to assist in the conduct and administration of the Club and welfare of the members.

**Phillip John Ashworth**

Joined the Club in 2003 and was elected to the Board of Directors in May 2024. His responsibility is to assist in the conduct and administration of the Club and welfare of the members.

**Roberta Louise Conroy**

Joined the Club in 1999 and was elected to the Board of Directors in May 2024. Her responsibility is to assist in the conduct and administration of the Club and welfare of the members.

**Darren Crabb (Resigned: 19 May 2024; Re-appointed: 27 June 2025)**

Joined the Club in 2006 and was elected to the Board of Directors in July 2020 and served until May 2024. Darren was re-elected to the Board in June 2025. His responsibility is to assist in the conduct and administration of the Club and welfare of the members.

## Directors' report

### Directors' meetings

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

Directors	Directors' meetings	
	Number of meetings attended	Number of meetings held*
L Arnold	14	14
J Colbeck	8	14
N J Calthorpe	14	14
J A Emerson	13	14
M J Nielsen	11	14
P J Ashworth	14	14
R L Conroy	14	14
D Crabb	7	7

\*Meetings held during the period the director was in office.

### Objectives and strategy

#### Short-term objectives

Over the short term, the Club's primary objectives are to increase its membership and promote the use of the Club's facilities, bowling greens and futsal.

#### Long-term objectives

In the longer term, the objective is to be market leader in all areas of its businesses, offering superior and efficient level of services in the Community and the Region.

These short-term and long-term objectives are primarily met by the Club's continuous review and management of business processes and operations to ensure the business remains financially sound, as well as defining strategies over a longer time profile to identify any traditional and non-traditional club business opportunities.

### Principal activities and performance

The principal activities of the Club during the course of the financial year were the conduct and promotion of a licensed social club for its members and for non-member visitors to the Club's facilities.

The profit after tax of the Club for the year ended 31 December 2025 was \$183,173 (2024: \$437,562).

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving the Club's short and long term objectives.

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

### Significant changes in the state of affairs

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

### Significant events after the reporting period

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

### Environmental regulation and performance

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

### Membership

The Club is a company limited by guarantee and without share capital. In accordance with the constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Club during the time he or she is a member or within one year thereafter.

## Directors' report

### Membership (continued)

The number of members as at 31 December 2025 was 26,908 (2024: 21,204). The total amount that members of the Club are liable to contribute if the Club is wound up is \$53,816 (2024: \$42,408).

The number of members as at 31 December 2025 and the comparison with the prior year is as follows:

	2025	2024
<b>In number of members</b>		
Class A	83	81
Class B	26,825	21,123
	26,908	21,204

### Indemnification and insurance of directors and officers

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

### Auditor's indemnification

To the extent permitted by law, the Club has agreed to indemnify its auditor, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young (Australia) during or since the financial year.

### Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for financial year ended 31 December 2025.

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



L. Arnold  
President

Dated at Mona Vale this 24 April 2026



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**Shape the future  
with confidence**

## **Auditor's independence declaration to the directors of Pittwater RSL Club Limited**

As lead auditor for the audit of the financial report of Pittwater RSL Club Limited for the financial year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham' in a cursive style.

Daniel Cunningham  
Partner  
24 April 2026

## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

	Notes	2025 \$	2024 \$
<b>Revenue</b>			
Revenue from contracts with customers	4	15,460,870	14,692,118
Other income	5.a	120,725	1,257,535
Finance income		35,003	109,342
Raw materials and consumables used		(874,722)	(934,202)
Poker machine licences and taxes		(2,703,695)	(2,469,039)
Personnel expenses	5.b	(3,751,841)	(3,619,881)
Depreciation expense		(2,963,186)	(2,834,883)
Property expenses		(1,894,102)	(1,800,229)
Entertainment, marketing and promotional costs		(1,291,088)	(1,500,606)
Insurance expenses		(348,500)	(398,502)
Legal expenses		(23,355)	(9,325)
Members' amenities		(141,924)	(57,098)
Donations		(193,435)	(194,977)
Printing and stationery expenses		(13,907)	(16,008)
Other expenses		(1,338,860)	(1,518,321)
Finance cost	5.d	(36,872)	(23,164)
<b>Profit before income tax</b>		<b>41,111</b>	<b>682,760</b>
Income tax benefit/(expense)	6	142,062	(245,198)
<b>Profit for the year</b>		<b>183,173</b>	<b>437,562</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>183,173</b>	<b>437,562</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Statement of financial position

As at 31 December 2025

	Notes	2025 \$	2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	4,835,878	3,359,789
Trade receivables	8	335,834	151,943
Inventories		97,897	78,808
Other assets	9	374,420	1,508,290
<b>Total current assets</b>		<b>5,644,029</b>	<b>5,098,830</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	39,767,547	36,213,873
Intangible assets	11	1,145,427	1,145,427
<b>Total non-current assets</b>		<b>40,912,974</b>	<b>37,359,300</b>
<b>Total assets</b>		<b>46,557,003</b>	<b>42,458,130</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	1,895,585	1,567,000
Contract liabilities		90,477	90,392
Lease liabilities		296,266	338,887
Employee benefit liabilities	15	124,924	108,984
Provisions	16	461,729	385,819
Income tax payable		103,136	245,198
<b>Total current liabilities</b>		<b>2,972,117</b>	<b>2,736,280</b>
<b>Non-current liabilities</b>			
Trade and other payables	13	-	87,326
Lease liabilities		301,899	174,790
Interest-bearing loans and borrowings	14	3,620,000	-
Employee benefit liabilities	15	102,433	82,353
<b>Total non-current liabilities</b>		<b>4,024,332</b>	<b>344,469</b>
<b>Total liabilities</b>		<b>6,996,449</b>	<b>3,080,749</b>
<b>Net assets</b>		<b>39,560,554</b>	<b>39,377,381</b>
<b>Members' funds</b>			
General funds		39,560,554	39,377,381
<b>Total members' funds</b>		<b>39,560,554</b>	<b>39,377,381</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

## Statement of changes in equity

For the year ended 31 December 2025

	<u>General funds</u>
	<u>\$</u>
At 1 January 2024	38,939,819
Profit for the year	437,562
Other comprehensive income	-
<b>Total comprehensive income for the year</b>	<u>437,562</u>
<b>At 31 December 2024</b>	<u><u>39,377,381</u></u>
At 1 January 2025	39,377,381
Profit for the year	183,173
Other comprehensive income	-
<b>Total comprehensive income for the year</b>	<u>183,173</u>
<b>At 31 December 2025</b>	<u><u>39,560,554</u></u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

## Statement of cash flows

For the year ended 31 December 2025

	Notes	2025 \$	2024 \$
<b>Operating activities</b>			
Receipts from operations		16,941,423	16,263,376
Payments to suppliers and employees		(13,649,293)	(14,223,637)
Interest received		35,003	109,342
Interest paid		(36,872)	(23,164)
<b>Net cash flows from operating activities</b>		<b>3,290,261</b>	<b>2,125,917</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		-	3,818
Payments for property, plant and equipment		(5,999,280)	(3,648,711)
Proceeds from sale of investment property		-	1,900,000
Deposits received/(paid)		1,000,000	(1,000,000)
<b>Net cash flows used in investing activities</b>		<b>(4,999,280)</b>	<b>(2,744,893)</b>
<b>Financing activities</b>			
Proceeds from borrowings	14	3,620,000	-
Payment of principal portion of lease liabilities		(434,892)	(416,044)
<b>Net cash flows from/(used in) financing activities</b>		<b>3,185,108</b>	<b>(416,044)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,476,089</b>	<b>(1,035,020)</b>
Cash and cash equivalents at 1 January		3,359,789	4,394,809
<b>Cash and cash equivalents at 31 December</b>	7	<b>4,835,878</b>	<b>3,359,789</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

For the year ended 31 December 2025

## 1. Corporate information

The financial statements of Pittwater RSL Club Limited (the "Club") for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 24 April 2026.

Pittwater RSL Club Limited is a company limited by guarantee and domiciled in Australia. The address of the Club's registered office and principal place of business is 82 Mona Vale Road, Mona Vale, NSW 2103.

The nature of the operations and principal activities of the Club are described in the directors' report. Information on other related party relationships of the Club is provided in Note 18.

## 2. Accounting policies

### a. Basis of preparation

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

The financial statements have been prepared on a historical cost basis and going concern assumption.

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

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

#### New and amended standards and interpretations

The new and amended Australian Accounting Standards and Interpretations that apply for the first time in 2025 do not materially impact the financial statements of the Club.

#### Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Club for the annual reporting year ended 31 December 2025. The Club intends to adopt these new and amended standards and interpretations, when they become effective.

### c. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period

The Club classifies all other liabilities as non-current.

### d. Cash and cash equivalents

Cash in the statement of financial position comprises cash at bank, cash on hand and short-term deposits.

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

## Notes to the financial statements

For the year ended 31 December 2025

### 2. Accounting policies (continued)

#### e. Trade receivables

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

#### f. Inventories

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

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

#### g. Property, plant and equipment

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

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

Plant and equipment	2 to 20 years
Freehold land	Not depreciable
Buildings	40 years
Work in progress	Not depreciable

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

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

#### h. Leases

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

##### i. Club as a lessee

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

##### (i) Right-of-use assets

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

## Notes to the financial statements

For the year ended 31 December 2025

### 2. Accounting policies (continued)

#### h. Leases (continued)

##### i. Club as a lessee (continued)

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

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

##### *(ii) Lease liabilities*

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

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

##### *(iii) Short-term leases and leases of low-value assets*

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

##### ii. Club as a lessor

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

#### i. Intangible assets

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

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

#### j. Impairment of non-financial assets

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

## Notes to the financial statements

For the year ended 31 December 2025

### 2. Accounting policies (continued)

#### j. Impairment of non-financial assets (continued)

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

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

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

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

#### k. Trade and other payables

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

#### l. Interest-bearing loans and borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Subsequently, interest-bearing loans and borrowings are measured at amortised cost using the EIR method.

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

#### m. Employee benefit liabilities

##### (i) Long service leave and annual leave

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

##### (ii) 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.

## Notes to the financial statements

For the year ended 31 December 2025

### 2. Accounting policies (continued)

#### n. Provisions

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

##### ***Jumbo jackpots***

The provision for jumbo jackpots represent the Club's estimated present obligation to members and visitors in respect of jumbo jackpots payouts promotions. The provisions are expected to be realised within 12 months of the reporting date.

#### o. Revenue from contracts with customers

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

##### ***Rendering of services***

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

##### ***Commissions received***

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

##### ***Membership subscriptions***

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

##### ***Sale of goods***

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

#### p. Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

#### q. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Club performs under the contract.

#### r. Finance income

Interest income is recognised as interest accrues using the EIR method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

## Notes to the financial statements

For the year ended 31 December 2025

### 2. Accounting policies (continued)

#### s. Finance cost

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

#### t. Taxes

##### i. Current income tax

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

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

##### ii. Goods and services tax (GST)

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

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

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

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

## Notes to the financial statements

For the year ended 31 December 2025

### 3. Significant accounting judgements, estimates and assumptions

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

#### **Estimates and assumptions**

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

#### ***Estimation of useful lives of assets***

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

#### ***Leases - Estimating the incremental borrowing rate***

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

## Notes to the financial statements

For the year ended 31 December 2025

**4. Revenue from contracts with customers**

## Disaggregated revenue information

	2025	2024
	\$	\$
<b>Type of goods or service</b>		
Services	13,054,542	12,238,009
Sale of goods	2,406,328	2,454,109
<b>Total revenue from contracts with customers</b>	<b>15,460,870</b>	<b>14,692,118</b>
<b>Geographical markets</b>		
Australia	15,460,870	14,692,118
<b>Total revenue from contracts with customers</b>	<b>15,460,870</b>	<b>14,692,118</b>
<b>Timing of revenue recognition</b>		
Goods and services at a point in time	15,325,192	14,554,596
Services transferred over time	135,678	137,522
<b>Total revenue from contracts with customers</b>	<b>15,460,870</b>	<b>14,692,118</b>

**5. Other income and expenses****a. Other income**

	2025	2024
	\$	\$
Rental income	120,725	135,468
Gain on disposal of property, plant and equipment	-	2,153
Gain on disposal of investment property	-	1,119,914
	120,725	1,257,535

**b. Personnel expenses**

	2025	2024
	\$	\$
Wages and salaries	2,941,076	2,821,904
Other associated personnel expenses	502,917	505,702
Contributions to superannuation	307,848	292,275
	3,751,841	3,619,881

**c. Other expenses include the following:**

	2025	2024
	\$	\$
Loss on disposal of property, plant and equipment	1,800	-

## Notes to the financial statements

For the year ended 31 December 2025

## 5. Other income and expenses (continued)

## d. Finance cost

	2025	2024
	\$	\$
Interest expense	9,519	31
Interest on leases	27,353	23,133
	<u>36,872</u>	<u>23,164</u>

## 6. Income tax

The major components of income tax (benefit)/expense for the years ended 31 December 2025 and 2024 are:

	2025	2024
	\$	\$
<b>Current income tax</b>		
Current income tax charge	103,136	245,198
Adjustments in respect of current income tax of previous year	(245,198)	-
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	-	-
<b>Income tax (benefit)/expense reported in the statement of profit or loss</b>	<u>(142,062)</u>	<u>245,198</u>

A reconciliation of tax (benefit)/expense and the accounting profit multiplied by Australian's domestic tax rate for 2025 and 2024:

	2025	2024
	\$	\$
Accounting profit before tax	41,111	682,760
At Club's statutory income tax rate of 30% (2024: 25%)*	12,333	170,690
<b>Non-deductible expenses for tax purposes:</b>		
Net income from members not subject to income tax	64,078	121,202
Adjustments in respect of current income tax of previous year	(245,198)	-
Tax losses brought forwards	(17,508)	(109,628)
Other non-temporary differences	(57,927)	45,626
Effect of mutuality	102,160	17,308
<b>Income tax (benefit)/expense reported in the statement of profit or loss</b>	<u>(142,062)</u>	<u>245,198</u>

\* The Club is not eligible for the lower company tax rate of 25% as a base rate entity in the year ended 31 December 2025. This is on the basis that the Club has over \$12m of poker machine revenue net of payouts meaning the Club's aggregated turnover is more than \$50m which exceeds the threshold of base rate entity. For the year ended 31 December 2025, the tax rate applied to the Club is 30%.

During the year ended 31 December 2025, the Club has not recognised net deferred tax assets amounting to \$43,863 (2024: \$nil).

## Notes to the financial statements

For the year ended 31 December 2025

### 7. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank	3,120,229	549,863
Cash on hand	611,649	669,926
At call deposit*	1,104,000	2,140,000
	<u>4,835,878</u>	<u>3,359,789</u>

\*Short-term deposit during the year ended 31 December 2025 had a rate of 0.25%-4.9% (2024: 0.25%-4.9%).

### 8. Trade receivables

	2025	2024
	\$	\$
<b>Current</b>		
Trade receivables	335,834	151,943
	<u>335,834</u>	<u>151,943</u>

Trade receivables are non-interest bearing and are generally on terms of 14 to 30 days.

### 9. Other assets

	2025	2024
	\$	\$
<b>Current</b>		
Prepayments	281,784	418,107
Contract assets	86,886	84,433
Cash deposit*	-	1,000,000
Other current assets	5,750	5,750
	<u>374,420</u>	<u>1,508,290</u>

\* The cash deposit account consisted of a fixed term deposit of \$1,000,000 at a rate of 4.84%, which matured on 14 April 2025.

Since the deposit was not highly liquid, it was not classified as cash equivalents under AASB 107 *Statement of Cash Flows*.

## Notes to the financial statements

For the year ended 31 December 2025

**10. Property, plant and equipment**

	Plant and equipment \$	Freehold land and buildings \$	Work in progress \$	Right-of-use assets \$	Total \$
<b>Cost</b>					
At 1 January 2025	27,307,664	43,097,445	555,520	1,221,895	72,182,524
Additions	638,573	3,468	5,357,239	519,380	6,518,660
Transfers	987,917	1,135,987	(2,123,904)	-	-
Disposals	(549,952)	-	-	-	(549,952)
<b>At 31 December 2025</b>	<b>28,384,202</b>	<b>44,236,900</b>	<b>3,788,855</b>	<b>1,741,275</b>	<b>78,151,232</b>
<b>Accumulated depreciation</b>					
At 1 January 2025	21,547,462	13,959,718	-	461,471	35,968,651
Depreciation charged for the year	1,700,408	960,925	-	301,853	2,963,186
Disposals	(548,152)	-	-	-	(548,152)
<b>At 31 December 2025</b>	<b>22,699,718</b>	<b>14,920,643</b>	<b>-</b>	<b>763,324</b>	<b>38,383,685</b>
<b>Net book value</b>					
At 31 December 2025	5,684,484	29,316,257	3,788,855	977,951	39,767,547
At 31 December 2024	5,760,202	29,137,727	555,520	760,424	36,213,873

**Core properties**

The following are the core properties:

- Clubhouse and premises excluding Lot 51 in deposited plan 1237461 and Lot 27 in deposited plan 5055, otherwise known as the sports courts and bowling greens at 80-82 Mona Vale Road, Mona Vale, NSW 2103

**Non-core properties**

The non-core properties of Pittwater RSL Club Limited are Lot 51 in deposited plan 1237461 and Lot 27 in deposited plan 5055, otherwise known as:

- 22 Jubilee Avenue, Mona Vale, NSW 2103
- Sports courts and bowling greens at 80-82 and 84 Mona Vale Road, Mona Vale, NSW 2103

## Notes to the financial statements

For the year ended 31 December 2025

### 11. Intangible assets

	<b>Poker machine licences</b>
	<b>\$</b>
<b>Cost</b>	
At 1 January 2025 and 31 December 2025	1,145,427
<b>Accumulated impairment losses</b>	
At 1 January 2025 and 31 December 2025	-
<b>Net book value</b>	
At 31 December 2025	1,145,427
At 31 December 2024	1,145,427

Poker machine licences are stated at cost. Poker machine licences have an indefinite useful life given they have no expiry date, and accordingly are not amortised but are to be assessed annually for impairment. Impairment has been tested at the reporting date, no loss has been recognised.

### 12. Leases

#### Club as a lessee

The Club has lease contracts for items of equipment used in its operations. These leases generally have lease terms between 3 and 5 years. The Club's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Club is restricted from assigning and subleasing the leased asset.

The Club also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Club applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Presented below is a maturity analysis of future lease payments:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Not later than 1 year	301,966	354,892
Later than 1 year and not later than 5 years	328,675	185,897
	630,641	540,789

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 31 December 2025 was \$9,988 (2024: \$11,363).

#### Club as a lessor

The Club has entered into leases on parts of its freehold property. These leases have terms of between one month and five years. Rental income recognised by the Club during the year is \$120,725 (2024: \$135,468).

## Notes to the financial statements

For the year ended 31 December 2025

### 12. Leases (continued)

Future lease payments receivable under non-cancellable operating leases as at 31 December are as follows:

	2025	2024
	\$	\$
Not later than 1 year	23,000	23,000
Later than 1 year and not later than 5 years	44,083	67,083
	<u>67,083</u>	<u>90,083</u>

### 13. Trade and other payables

	2025	2024
	\$	\$
<b>Current</b>		
Trade payables	1,035,676	641,493
Other payables and accrued expenses	859,909	925,507
	<u>1,895,585</u>	<u>1,567,000</u>
<b>Non-current</b>		
Trade payables*	-	87,326

Trade and other payables are non-interest bearing and are normally settled on terms of 14 to 30 days.

\* These relate to the purchase of gaming machines which are payable over 36 months.

### 14. Interest-bearing loans and borrowings

	2025	2024
	\$	\$
<b>Non-current</b>		
Bank loan	3,620,000	-

On 28 November 2025, the Club entered into a loan facility agreement with the Commonwealth Bank of Australia with a total limit of \$8,500,000. The loan has an interest rate of 5.86% per annum and is repayable two years from the date of funding.

As at 31 December 2025, a total of \$3,620,000 (2024: \$nil) had been drawn from this facility.

The bank loan is secured by the Club's properties with a carrying amount of \$29,316,257.

## Notes to the financial statements

For the year ended 31 December 2025

### 15. Employee benefit liabilities

	2025	2024
	\$	\$
<b>Current</b>		
Annual leave	123,070	96,115
Long service leave	1,854	12,869
	<u>124,924</u>	<u>108,984</u>
<b>Non-current</b>		
Long service leave	<u>102,433</u>	<u>82,353</u>

### 16. Provisions

	Jumbo jackpots
	\$
<b>Current</b>	
At 1 January 2025	385,819
Provided during the year	2,975,581
Utilised during the year	(2,899,671)
<b>At 31 December 2025</b>	<u>461,729</u>

### 17. Commitments and contingencies

#### a. Commitments

There were no commitments as at the reporting period which would have a material effect on the Club's financial statements as at 31 December 2025 (2024: none).

#### b. Contingencies

The directors of the Club are not aware of any contingent assets or liabilities that have arisen in respect of the Club (2024: none).

### 18. Related party disclosures

#### a. Directors

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

Leigh Arnold  
 James Colbeck  
 Norman James Calthorpe  
 Julie Ann Emerson  
 Mark Jorgan Nielsen  
 Phillip John Ashworth  
 Roberta Louise Conroy  
 Darren Crabb (Resigned: 19 May 2024; Re-appointed: 27 June 2025)

## Notes to the financial statements

For the year ended 31 December 2025

### 18. Related party disclosures (continued)

#### b. Key management personnel

The members of the board of directors, Chief Executive Officer and Finance Manager had authority and responsibility for planning, directing and controlling the activities of the Club directly or indirectly during the financial year.

#### c. Key management personnel compensation

The key management personnel compensation was \$828,405 for the year ended 31 December 2025 (2024: \$798,633).

#### d. Related party transactions

From time to time, key management personnel of the Club, or their related entities, may purchase goods and services from the Club. These purchases are trivial or domestic in nature.

The Club has a related party relationship with the Pittwater RSL Sub-Branch ("the Sub-Branch") as the majority of directors of the Club must be members of the Sub-Branch per the Club's Articles of Association.

During the financial year ended 31 December 2025, grants totalling \$48,000 (2024: \$48,000) were paid by the Club to the Sub-Branch.

### 19. Significant events after the reporting period

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

### 20. Auditor's remuneration

The auditor of Pittwater RSL Club Limited is Ernst & Young (Australia).

	2025	2024
	\$	\$
<b>Amounts received or due and receivable by Ernst &amp; Young (Australia) for:</b>		
An audit of the financial report of the entity	56,500	56,300
Other non-audit services	19,920	40,541
	<u>76,420</u>	<u>96,841</u>

## Consolidated entity disclosure statement

The Club has no subsidiaries. Therefore, disclosure of subsidiaries and their country of tax residency, as required by the *Corporations Act 2001*, does not apply to the Club as the Club is not required by accounting standards to prepare consolidated financial statements.


## Directors' declaration

In accordance with a resolution of the directors of Pittwater RSL Club Limited (the "Club"), I state that:

In the opinion of the directors:

- a. The financial statements and notes of the Club for the financial year ended 31 December 2025 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Club's financial position as at 31 December 2025 and its performance for the year ended on that date; and
  - ii. complying with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Regulations 2001*;
- b. There are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.
- c. the consolidated entity disclosure on page 24 required by section 295(3A) of the *Corporations Act* is true and correct.

Signed in accordance with a resolution of directors.

  
L Arnold  
President  
24 April 2026



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## **Independent auditor's report to the members of Pittwater RSL Club Limited**

### **Opinion**

We have audited the financial report of Pittwater RSL Club Limited (the Company), which comprises the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement 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 ended on that date; and
- b. Complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

### **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Information other than the financial report and auditor's report thereon**

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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## **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001; and
- b. The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. The consolidated entity disclosure statement that is true and correct and is free of 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 relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



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

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

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.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham'.

Daniel Cunningham  
Partner  
Sydney  
24 April 2026