

HORNSBY
RSL CLUB

2025 ANNUAL REPORT



ABOUT THIS REPORT

Hornsby RSL Ltd's Annual Report provides a comprehensive account of organisational performance for the financial year 1 July 2024 to 30 June 2025. It reflects the Board's continued focus on transparency, sound corporate governance, and strategic planning to ensure the long-term sustainability of the organisation.

Throughout the 2024/25 period, Hornsby RSL undertook key initiatives aligned with its mission of serving the community by delivering exceptional customer service, maintaining first-class facilities, and strengthening its reputation as a community-orientated hospitality provider.

This Annual Report reaffirms Hornsby RSL's commitment to its members, to the wider community, and to fostering a supportive and rewarding workplace for its employees.

ABOUT US

Established in 1956, Hornsby RSL has proudly been part of the Hornsby community for nearly 70 years. While our club has grown and changed with the times, our commitment has always remained the same – to honour the ANZAC legacy, support veteran welfare, and create a welcoming place for members and guests. Guided by remembrance and service, we continue to uphold our proud RSL traditions while providing first-class facilities and experiences that bring people together.

Today, Hornsby RSL is more than a club – it is a cornerstone of the Hornsby Shire. As one of the region's largest employers and a key community asset, we play an important role in supporting the local economy while also enriching the lives of those who live here. Our venue is a place where friends and families come together to share meals, enjoy entertainment, celebrate milestones, and connect with one another. From quiet catch-ups to large gatherings, Hornsby RSL remains the heart of the community – a place where everyone feels at home.

CONTENTS

4	Year in Numbers and Year in Review
6	President's Report
10	CEO's Report
12	Community Highlights and Sub Club Stories
16	Board of Directors
17	Financial Reports
18	Director's Report
22	Auditor's Independence Declaration
23	Statement of Profit or Loss and Other Comprehensive Income
24	Statement of Financial Position
25	Statement of Changes in Equity
26	Statement of Cash Flows
27	Notes to the Financial Statements
49	Director's Declaration
50	Independent Auditor's Report

OUR YEAR IN NUMBERS

NUMBER OF STAFF



208

Full-time 66
Part-time 22
Casual 120

STAFF WITH EXCEPTIONAL LENGTH OF SERVICE



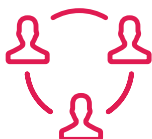
21% of staff
employed for
over 10 years



631,898

Total drinks sold

MAJOR EMPLOYER OF YOUTH



45% of staff are younger
than 24 years

NUMBER OF MEMBERS



33,832

Visitation
increase by
7.5%

Number of Life
Members

15

Percentage of Members
that live within
a 5km radius
55.6%



209,186

Main meals sold



613,975

Raffle tickets sold

MAJOR EMPLOYER OF LOCALS



83% of staff live
within a 5km radius



13,032

Live show tickets sold

OUR YEAR IN REVIEW

Despite a year of significant change, the Club stayed true to our customer-first mission, bringing members and the wider community together to enjoy memorable experiences, support local causes, and celebrate what makes our community special. This is our year in review.

Paris Olympics Fri 26 Jul

The 2024 Paris Olympics brought our community together to celebrate the dedication, spirit, and achievements of our Olympic heroes. At the RSL, members and guests united to cheer and share in the excitement of world-class sport.

Charity Raffle RFS Thu 1 Aug

The Hornsby RSL team showed their community spirit, coming together to raise funds for the Hornsby Rural Fire Brigade. To support this important cause, staff raffled off five George Foreman Grills at the end of each raffle – with the funds raised totally \$4,000.

Battle of the Bands Sun 16 Nov

The Showroom came alive for Battle of the Bands, part of Hornsby After Dark, where talented amateur bands went head-to-head for a \$2,000 cash prize. With many music lovers in the audience, the night was full of energy and great tunes.

Xmas X-Travaganza Mon 9 Dec

Kids enjoyed \$10 meals, gingerbread decorating, a Santa meet & greet, and a mega toy raffle. All proceeds went to Hornsby Hospital Paediatrics and Hornsby Women's Shelter. We raised \$3,656 for our fundraiser, which the Club proudly matched – bringing the grand total to \$7,312!

NYE Tue 31 Dec

We rang in the New Year with the ultimate Motown-themed party in The Showroom! Everyone dressed to impress in their best Motown style, and guests were treated to dazzling disco balls, records and gold décor, and a thrilling midnight countdown.

Tequila Tasting Dinner Thu 26 Feb

One of our many sold-out Tasting Dinners, the Tequila Tasting was a standout. Guests savoured a perfectly paired meal while enjoying an expert-led tasting. The Rock (our almost life-size guest!) made a surprise appearance and proved a hit for photo opportunities.

Las Vegas Round Sun 2 Mar

We brought Vegas to Hornsby with an epic NRL Las Vegas Round Watch Party. We enjoyed a day of glitz, glamour, and footy fever over the weekend to kick off the NRL 2025 season in style!

Patrons enjoyed awesome bar specials, chances to win merchandise and our Vegas show girls.

ANZAC Day Fri 25 Apr

ANZAC Day 2025 was, as always, a meaningful occasion for our community to come together, reflect, and honour the courage of all who have served.

It remains a significant day on the RSL calendar, where staff and members alike gather to commemorate.

Lest we forget.



PRESIDENT'S REPORT



It is a great privilege to be able to present my first annual report as President of Hornsby RSL Club. I have tremendous respect for the previous boards and Presidents that have served our great club over the last 69 years. On behalf of the board, I would like to extend my appreciation to Rob Kennerley our previous President for his outstanding service and leadership over the last 5 years.

The past 12 months were exceedingly challenging for the organisation, our members and the board with disruptive elements that attempted to derail the purposeful momentum that the board was committed too, in elevating performance, accountability and results.

Thankfully those disruptive elements are behind us, and the board accepted the clear message from our members of their expectations, and we have worked hard in the last 12 months to get back on track and deliver better outcomes for our employees, members, guests, the greater community.

I would like to acknowledge our dedicated and hard-working staff for everything they have done to ensure our members and guests enjoyed a wonderful experience each time they visited our club. Our people are our most important investment, and we value everything that they do for our club and our members.

This recognition extends to our Chief Financial Officer, Andy Fung who played a pivotal role in guiding our organisation through the transition between CEO's. Under extreme circumstances Andy's leadership and commitment delivered stability to the organisation, protecting the organisation from aggressive elements and delivering business as usual in extremely unusual times. Our members can be proud of the fact we have such genuinely talented and committed team members amongst our ranks.

During this transition, the board undertook an exhaustive search for our new CEO, and the board reviewed more than eighty candidates. We commenced the first round of interviews on the 2nd of January 2025. The board had a truly sharp vision of the qualities it was looking for in our new CEO, and we were delighted to announce David Gearing as our new CEO who commenced on the 24th of April 2025.

As you will read in the reports that follow, in a brief period David and his leadership team have already made an extremely positive impact in all aspects of the operations and performance of our club.

Vision and Purpose

Our members would know our mission is to inspire excellence through exceptional service, cutting edge facilities and meaningful partnerships that build lasting connections.

Add to this, our vision to be the heart of our community, delivering exceptional experiences, fostering meaningful connections, and delivering a thriving future through innovation and inclusivity.

Under David's leadership the board is confident that our club is well positioned to deliver on our mission and vision, already we have seen significant positive progress in the levels of community engagement, employee engagement, people and culture, stakeholder management, vendor negotiation, supplier agreements, fiscal outcomes, governance and controls raised to a level that is acutely aligned to the needs of the organisation.

Our members can gain great confidence from the fact we now have highly professional leadership working as a united collective to deliver for our employees, our members, and our community.

Positive Change

We have welcomed a lot of new talent to the team over that last 12 months bringing a refreshing level of enthusiasm, qualification, competency, experience, and professionalism that has enabled us to deliver positive achievements.

Our financial performance has been elevated to a new level, supported by strong leadership and management who truly understand our business model and are skilled in delivering on the organisation's needs. This has been evidenced by:

- Meaningful cost reduction
- Professional negotiations
- Effective cost control and wastage reduction
- Improved cash flow and profitability.

Community engagement has also seen a significant improvement under our new leadership with the Board and leadership team striving to work more openly and collaboratively within the community including:

- Hornsby Council and local government collaboration and engagement
- HRSL Sub-branch support and initiatives
- Partnerships with local sporting associations
- Local business and Chamber of Commerce collaboration.



We have also been active with our thirteen sporting and social sub clubs and as a club we are immensely proud of the support that each of our sub clubs bring to their members and the community activities they support including:

- Billiards and Snooker continue to prosper
- Table Tennis being extremely active
- Our Pipe Band are exceptional and hard working
- Monthly representation and engagement are excellent
- The Rifle Club has been extraordinarily successful in competitions.

Member engagement has reached new levels with a fresh and professional approach to our marketing and entertainment under the leadership of Alison Brown. The team are working hard to bring new offerings and promotions that add value to our members and their guests. Some of the highlights include:

- Our Biggest ANZAC Day on record
- New member only promotions
- Bolstered live entertainment agenda
- Fresh and new venue activations.

The board is fully committed to better connecting and driving value to the broader local community not only through the ClubGRANTS program but entering new partnerships and sponsorships with local groups that are looking to drive better outcomes for the stakeholders they serve.

Challenges

It is important to acknowledge we still face many headwinds in the current economic environment including the current cost-of-living crisis, interest rate variability, shifting governmental policies and influences, legislative uncertainty, environmental responsibilities, and the high levels of compliance within our industry.

Much like our members household budgets, we are managing energy costs, higher inventory costs, insurance cost escalation, CPI adjustments and the general maintenance and cost increases that apply to operating the organisation. Our management team has already started effective negotiation with suppliers and stakeholders to minimise the impacts as much as possible.

Strategic View

When I reflect on our current board, I believe that the adversity we faced in recent times has further unified our resolve and our commitment to delivering the best outcomes for our members and our community.

We have continued to elevate our commitment to training and continuous professional development, reviewing and upgrading our charters, subcommittee activities, amending our policies and procedures, risk assessment and strategic planning. We have learned from the difficult position we found ourselves in and we are already seeing the positive result of the tough decisions that we made during those times.

Some saw the board's decision to appoint a new auditor as unnecessary, but the decision has proven to be insightful, with strong expertise in our industry the process uncovered several areas of additional scrutiny and future consideration including some rectification and adjustment. Openness and transparency have always been something this board values, and you can be confident this is an ongoing commitment to all aspects of our strategic planning and decision making.

What is Ahead

As we move towards 2026 and beyond, the board and management are actively engaged in various growth and development opportunities that will continue to bring value to our members and guests as well as help our organisation diversify our revenue streams and provide additional profitability and growth, including:

- Greater investment into our people
- Enhanced member experience
- Increased Community support
- More dynamic venue activations
- Independent Living Units feasibility
- Explore our carpark expansion options
- Extended trading opportunities
- Progress our hotel and accommodation solutions
- Identify and explore potential amalgamations and partnerships
- Asset growth and diversification.

You can see that there is much work to do outside the walls of 4 High Street, and you can be assured that your board and management will continue to strive to deliver the best outcomes in serving the needs of our members and our community.

Gratitude

I would like to make special mention of our former President and long-standing director, Colin Bourke who we lost on the 14th of April 2025. Colin was enthusiastic about all things Hornsby RSL and was always able to provide feedback on ways our club could improve. Colin's passion for the club was matched by his passion for horses, and we miss his regular tips, stories, and the lively banter in the Brew Bar.

I would like to extend my gratitude to all our members who as a collective stood by the board and granted us the opportunity to work hard to drive a stronger and more resilient club for our members, and our community.

With a renewed and highly professional management team now in place, you can be confident that our future is now much brighter, our ability to grow and invest in the programs we have committed too are now a reality.

Thank you to our "Life Members" for their outstanding service and contribution to our club over many years, and to all the volunteers that have supported club initiatives over the last year.

In closing, I would again like to thank all of our hardworking and dedicated team for their ongoing commitment to delivering great experiences for our members, without you, our club and our members would not enjoy the fantastic service that you deliver.

Together, we are shaping not just the club of today, but the legacy we will hand to the next generation. I thank you for your support and look forward to an even stronger year ahead.



John Warren JP
President
Hornsby RSL Club



CEO'S REPORT



Dear Members,

It is with great pleasure that I present my first report as Chief Executive Officer of Hornsby RSL Club Ltd.

At the outset, I would like to sincerely thank each and every one of you for your ongoing support throughout my first seven months in this role. Your warm welcome and encouragement have made my transition both smooth and rewarding.

After being appointed by the Board, I was thrilled to return home to the beautiful North Shore of Sydney, leaving Port Macquarie behind for this exciting new opportunity. From day one, the Members, management, and staff have been incredibly accommodating, and I have felt part of the team ever since. Hornsby RSL's strong community spirit and local ownership truly set it apart, and that is what makes our Club so special.

Community Engagement and Giving Back

One of my greatest passions in this role is driving community engagement and ensuring our Club supports those who need it most, individuals and groups that would otherwise go without. Through the ClubGRANTS program, we raised over \$656,000 across Category 1, Category 2, and Category 2 In-Kind Grants this year, an outstanding achievement. I'm proud to say we anticipate even greater outcomes next year, with expected growth across our entire Club and proposed modifications to our trading hours.

In addition, we are preparing to launch the Hornsby RSL Junior Sports Academy, a sponsorship program aimed at supporting grassroots sport across the Hornsby Shire. We've already engaged with numerous junior sports clubs and are in early discussions with the local PCYC to roll out the program by late 2025.

We will also be increasing our presence at Hornsby After Dark events, including the night markets. With giveaways and entertainment such as face painting and balloon artists, we aim to strengthen our Club's visibility and engagement within the local community.

Governance, Strategy & Leadership

Since commencing my role, I've had the privilege of working closely with the Board to review and enhance our governance frameworks and policies. Members can take great confidence in knowing your Board operates at a high level of diligence and professionalism.

A key focus of my tenure has been establishing a high-performance senior management team, with strategic appointments in:

- Marketing (Alison Brown)
- Human Resources (Mark Tirant)
- Operations (Luke Coombs)

Together, we have launched new and engaging promotions for Members, including:

- Members Badge Draws
- Happy Hour on Wednesday and Friday evenings
- \$6 Beer of the Month
- Online Mega Raffles
- \$48K Cash Giveaway
- Special event raffles (e.g. Kids Toy Raffles, Father's Day Raffles)

Our school holiday programs have also been a standout, with events such as:

- Science Lab
- Slime Lab
- Ultimate Magic Show
- Unicorn High Tea
- Halloween Kids Disco

I'd like to extend special thanks to the Marketing Department for their outstanding work, particularly in launching our new Club website, which has greatly enhanced our online presence.

Staff Development and Compliance

Our Human Resources team has successfully updated key procedures to better support our valued staff, including the rollout of new employee agreements and handbooks. We've placed a strong focus on compliance and professional development, partnering with Barringtons Training Company to deliver training in:

- Robbery Response
- Food Handling (Standard & Advanced)
- Customer Service Excellence
- AML/CTF Risk Awareness and Oversight
- RCG Oversight for Senior Management and the Board

We've also engaged an external WH&S consultant to audit and enhance our workplace safety standards, ensuring we meet the highest benchmarks for safety across the Club.

Renovations & Strategic Development

One of the highlights of my appointment has been the unwavering support from the Board in exploring enhancements to our facilities. Drawing from my experience in venue renovations, I've been working with architects on plans to upgrade several key areas of the Club. These projects are set to begin rolling out over the next 12 months and aim to significantly enhance the Member experience and attract new patronage.

Alongside this, we've begun strategic reviews of the Club's investment properties to explore opportunities for Independent Living Units and short-term accommodation. With my background in property development, I look forward to working with Council and stakeholders to determine the best path forward for the benefit of our Members and the broader Hornsby community.

Financial Performance

Since commencing as CEO, I'm proud to report that the Club has experienced record trading performance. For the last six months:

- EBITDA: \$4,018,505
- Net Profit Before Tax: \$1,454,850
- Total Revenue: \$18.4 million (+11.8% from previous year)

Key trading areas include:

- Bar Revenue: \$1.8 million (flat)
- Catering Sales: \$2.7 million (flat)
- Gaming Revenue: \$12.9 million (+18.7%)
- Keno Revenue: \$32,378 (+67%)
- TAB Commissions: \$15,072 (+30%)

We've achieved an additional \$750,000 in bottom-line profit through strategic cost management — savings which will now be reinvested into refurbishing and upgrading key areas of the Club, including:

- A revamped Level One bar with a fresh food and beverage offering
- Upgrades to the Brew Bar for premier sports viewing
- Extended trading hours — proposing a 4:00 AM closing, 7 days a week

Membership Update

Membership growth remains strong and continues to be a cornerstone of our success. As at the end of June, the Club recorded:

- 1-Year Memberships: 3,726
- 1-Year Senior/Pensioner: 1,162
- 3-Year Memberships: 13,467
- 5-Year Memberships: 9,949
- 10-Year Memberships: 3,670
- Perpetual Memberships: 1,650
- Club Life Memberships: 18
- Junior Memberships: 190

Total Members: 33,832

Acknowledgements

I would like to make special mention of Andy Fung, who acted as caretaker CEO prior to my appointment. His commitment and dedication to the Club during that interim period were nothing short of exemplary. On behalf of the Club, thank you Andy, for your excellent work.

Finally, I would like to thank our President, Mr. John Warren, and the Board of Directors for their continued support and guidance. My thanks also go to Alison, Mark, Daniel, the broader management team, and our dedicated staff. Their tireless efforts ensure Hornsby RSL Club continues to thrive and serve its Members with excellence.

It has been an honour to serve as your CEO, and I look forward to leading the Club into an exciting and prosperous future.

Warm regards,



David Gearing
Chief Executive Officer
Hornsby RSL Club

COMMUNITY HIGHLIGHTS



Each year, Hornsby RSL contributes through the ClubGRANTS program, partnering with trusted local organisations to deliver meaningful impact.

Our funding prioritises veteran welfare, support for people with disabilities, youth programs, and essential community services, ensuring we play a vital role in building a stronger community for all local residents.

**In 2024, we funded 38 projects
for a total investment of**

\$207,128

SOME KEY ORGANISATIONS INCLUDED

Learning Links	\$17,500
Fair Fight Foundation – Supertee Project	\$14,000
Hornsby Woodworking Mens Shed	\$10,078
Cancer Council NSW – Relay for Life	\$10,000
RSL & Service Clubs Association	\$10,000
RSL LifeCare	\$10,000
The Shepherd Centre - For Deaf Children	\$9,300
Northside CALD Carers Network	\$8,000
StreetWork Australia	\$7,500
Assistance Dogs Australia	\$7,000
Vision Australia	\$7,000
Hornsby Ku-Ring-Gai Community College	\$6,500
Epilepsy Action Australia	\$6,000
Stroke Recovery Association NSW	\$6,000
Revolve Recycling Foundation	\$5,550
Arrow Bone Marrow Transplant Foundation	\$5,000
Cancer Patients Foundation	\$5,000
Dance for Parkinson's Australia	\$5,000
Youthsafe	\$5,000

COMMUNITY HIGHLIGHTS



The Veteran Wellbeing Project

\$10,000

The Veteran Wellbeing Support Project delivered vital outcomes for veterans and families in the Hornsby LGA, enhancing wellbeing, connection, and access to essential services. Fully funded through a HRSL ClubGRANT, the 12-month initiative enabled RSL LifeCare Veteran Services to provide free practical and wellbeing support tailored to local needs.

From July 2024 to June 2025, the project achieved strong results:

- \$10,130 in financial assistance to veterans and families
- 89 DVA claims for 34 veterans
- Advocacy for 18 veterans in appeals and disputes
- Housing support for 12 veterans at risk of homelessness
- 24 wellbeing consultations
- Employment and training help for 8 veterans
- Referrals for 11 veterans to external services

These efforts strengthened financial stability, housing security, and access to health, education, and employment resources. The project also promoted social connection through counselling, community engagement, and programs such as the Spur Equine Program for veterans with PTSD or service-related injuries.

Promoted through RSL Sub-Branches, Council centres, libraries, and local media, the initiative reached a wide audience and encouraged service uptake. Overall, it benefited more than 4,200 residents, including 2,164 veterans and dependents, fostering a stronger, more connected Hornsby community.



Hornsby Ku-ring-gai
Community College

Artful Connections: Building Community Through Creativity

\$6,500

Over the past year, the Art Therapy Program made a profound impact in the Hornsby community by reducing social isolation, fostering participation, and promoting independence among refugees, seniors, and people living with disabilities.

Led by experienced art therapists, three eight-week courses offered creative, hands-on sessions in painting, craft, and origami. The classes provided a safe and welcoming space for participants to express themselves, connect with others, and build confidence through creativity.

Participants developed artistic skills, formed friendships, and built supportive networks. Many re-enrolled, reflecting the program's success in creating belonging and joy. For Ukrainian refugees, the sessions eased integration into the local community, while seniors and those with health challenges reported feeling more socially connected and motivated.

Outcomes included stronger social connections, improved emotional wellbeing, and higher self-esteem. Participants also showed greater resilience and communication skills, with several proudly exhibiting their artwork at the 100-year anniversary exhibition.

Evaluation through surveys and observation confirmed significant improvements in wellbeing and engagement. Feedback praised the inclusive, compassionate environment that helped individuals overcome loneliness and rediscover purpose.

The program demonstrated the transformative power of art to heal, connect, and empower, building a stronger, more inclusive Hornsby community where everyone feels they belong.

COMMUNITY HIGHLIGHTS



HORNSBY MEN'S SHED

Hornsby Woodworking Men's Shed Upgrade Project

\$5,078

The Hornsby Woodworking Men's Shed (HWMS) made a major impact on the Hornsby community, providing equipment, training, and facilities for men and women to develop practical skills, pursue personal growth, and contribute through community service. In 2022 and 2023, members produced and donated over 440 toys each year to organisations including Wesley Mission, the Salvation Army, and Lifeline, bringing joy to families across the district.

In 2023, HWMS launched the Shed Update Project to replace ageing equipment and improve facilities for safety, efficiency, and capacity. Upgrades included repainting floors, redesigning the entrance, installing shelving and tool storage, improving machinery layout, and adding a central computer system. New machinery such as a woodturning lathe, router, and sander enhanced productivity, alongside a new communal table for members.

Further improvements in 2024, funded by additional grants, replaced outdated equipment with a Laguna Bandsaw, Carbatec Spindle Sander, and sharpening station. Superseded machinery was donated to other Men's Sheds via AMSA.

With around 180 members, HWMS remains a vital community hub fostering connection, learning, and service. The Shed Update Project has revitalised its operations, ensuring it continues to preserve craftsmanship, embrace innovation, and enrich lives across the Hornsby community.



SUB CLUB STORIES

Hornsby RSL supports a wide range of community clubs and activities through access to our premium sporting facilities, direct funding, and in-kind assistance.

This investment enables sporting, recreational, and social groups to grow, while fostering participation, connection, and wellbeing across all ages.

The Year That Was – Hornsby RSL Sporting Bodies

2024–25 was another memorable year for the Hornsby RSL Sporting Bodies, filled with achievements, milestones, and strong community spirit.

The Adult Dance Group celebrated its remarkable 50th Anniversary, marking the occasion with over 100 guests at a Dinner Dance in The Showroom, a joyful night honouring five decades of dance, friendship, and fun.

Our Football and Hockey teams enjoyed a fantastic year of teamwork and competition, bringing players together across all levels to share their love of the game.

For those who enjoy a blend of sport and leisure, Golf, Rifle Club, Darts, and Indoor Bowls continued to provide opportunities for friendly competition, connection, and recreation throughout the year.

It was a standout year for Billiards & Snooker, with 2024 Club Champion Adrian Law reaching the final four in the Australian Open, a major achievement that brought great pride to the club.

Inspired by the Paris 2024 Olympic Games, both the Swimming and Gymnastics clubs started the year with renewed enthusiasm, encouraging participation and celebrating the spirit of athletic excellence.

The Hornsby RSL Pipe Band remained a much-loved presence at community events, with ANZAC Day once again the highlight of their year. Notably, Jim Ponton represented the club at the Kansai Highland Games, where he won first prize in a solo competition.

The Computer Club also enjoyed a successful year, highlighted by a special presentation on website security by Adam Cassar, founder of eCompanies and Peakhour.io.

The year concluded with the popular Sporting Bodies Tournament in September, where members competed in Indoor Bowls, Snooker, Table Tennis, and Darts before enjoying a social lunch at the Club.

Together, these groups continue to make Hornsby RSL a vibrant hub of community, camaraderie, and sport.

Adult Dance
Billiards & Snooker
Computer Club
Darts
Football
Golf
Gymnastics
Hockey
Indoor Bowls
Hornsby RSL
Pipe Band
Rifle Club
Swimming
Table Tennis



BOARD OF DIRECTORS

Hornsby RSL Ltd is led by a Board of Directors who volunteer their time to represent members and ensure strong corporate governance.

Elected by the membership, the Board guides strategy, overseeing financial stewardship, diversification, and long-term sustainability, while upholding the Club's community-focused mission.



John Warren
President



Terry Clarke
Vice President



Norm Bakker
Director



Kerrie Daynes
Director



Denis Dempsey
Director



Sharon Ho
Director

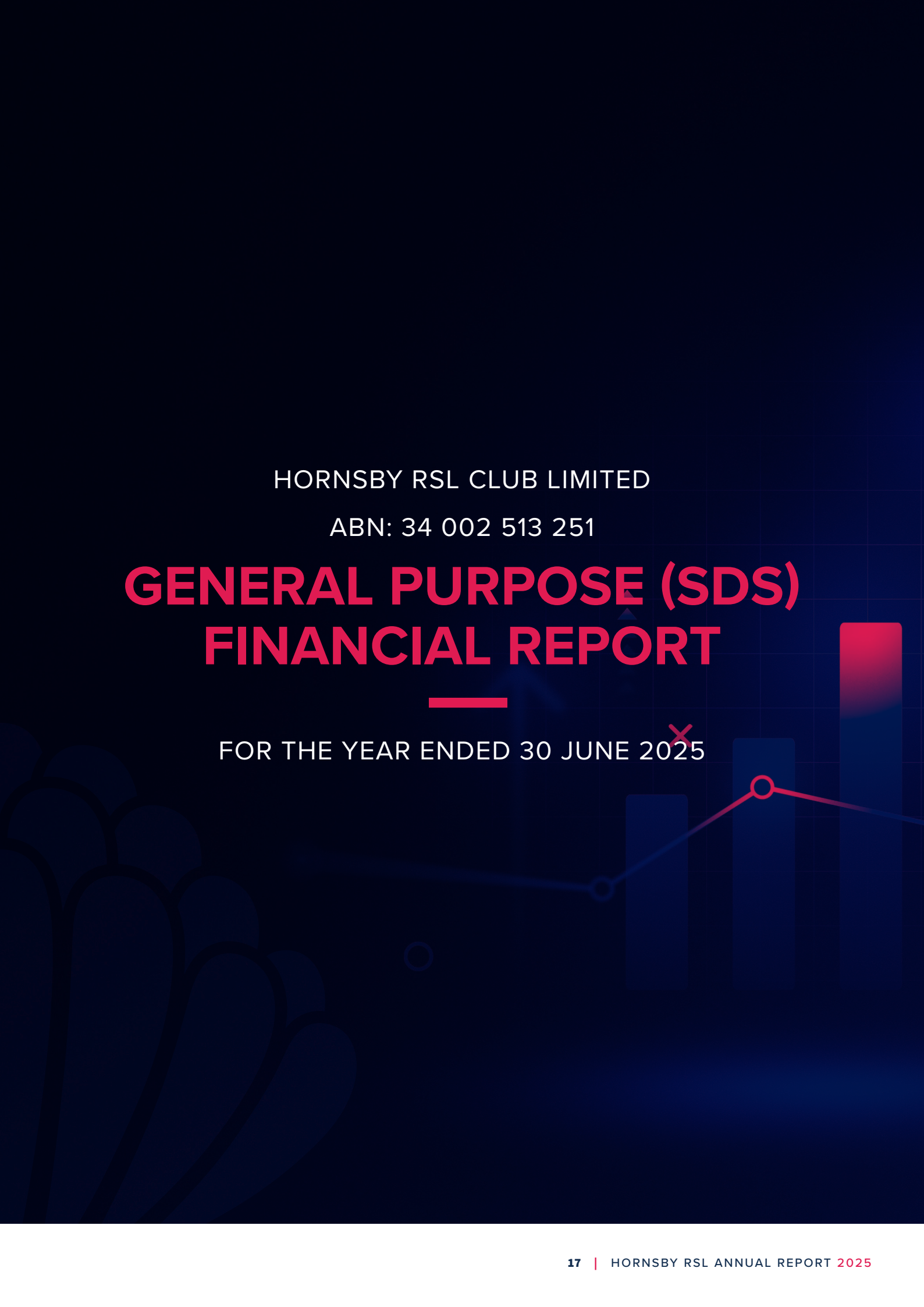


Rob Kennerley
Director

HORNSBY RSL CLUB LIMITED

ABN: 34 002 513 251

GENERAL PURPOSE (SDS) FINANCIAL REPORT



FOR THE YEAR ENDED 30 JUNE 2025

DIRECTOR'S REPORT

The directors submit their report on Hornsby RSL Club Limited (the "Club") for the year ended 30 June 2025.

Directors

The names of the Company's 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.

Name	Details
John Warren	President Committees: Building, Remuneration and Audit, Investigating/Disciplinary Sports secretary Member of the Australian Institute of Company Directors State Construction Manager NSW, ACT & SA - Energybuild Pty Ltd Director - Business Fitness Group Pty Ltd Director - Innovative Tradies Club Pty Ltd Director - Aware4 Pty Ltd Patron - Hornsby RSL Computer Club Former President of Hornsby Chamber of Commerce President of Hornsby RSL Social Golf Club Past President and Life Member of Hornsby RSL Football Club
Terence Clarke	Vice President Sports Convener Committees: Building, Remuneration and Audit, Investigating/Disciplinary Member of the Australian Institute of Company Directors Graduate of the Institute of Transport Studies with certificate in Coach Management Small business owner since 1992 Committee member and life member of Hornsby RSL Football Club Patron of Hornsby RSL Hockey Club
Norman Bakker	Director Committees: Investigating/Disciplinary Over 50 years of experience in the entertainment industry including director of entertainment agencies and production companies (1968-1983) and entertainment manager of Hornsby RSL (1984-2003). The latter role included booking all shows, managing the club's night spot and all promotional activities.
Denis Dempsey	Director Committees: Building, Investigating/Disciplinary Small business owner Captain and life member of Hornsby RSL Social Golf Club President and life member of Hornsby RSL Indoor Bowls Club Life member of Hornsby RSL Football Club
Robert Kennerley	Director Committees: Building, Remuneration and Audit, Investigating/Disciplinary Member of the Australian Institute of Company Directors Fitness Institute Australia Certificate III (Fitness Instructor) Fitness Institute Australia Certificate IV (Personal Trainer) Occupation: Aircraft Maintenance Engineer (Qantas Airways) - Current

Name	Details
Wai Han Ho (Sharon)	Director Committees: Investigating/Disciplinary, Cybersecurity Sports secretary PhD in Information Technology Member of the Australian Institute of Company Directors Management and technical lead roles in government and community service sectors Treasurer of Hornsby RSL Table Tennis Club since 2001
Kerrie Daynes	Director Committees: Remuneration and Audit, Investigating/Disciplinary, Cybersecurity Graduate Certificate in Management (Professional Practice) Graduate member of the Australian Institute of Company Directors Director of several financial institutions from 2004 to present Previously held senior roles at Services Australia Secretary of Hornsby RSL Table Tennis Club since 2018

Directors meetings

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

	Directors' meetings	
	No. of meetings attended	No. of meetings held
R Kennerley	13	13
T Clarke	12	13
N Bakker	8	13
D Dempsey	11	13
WH Ho (Sharon)	12	13
J Warren	12	13
K Daynes	11	13

Dividends

As the Company is limited by guarantee it is prohibited from distributing dividends.

Principal activities

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

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

Operating results for the year/period

The net profit after tax of the Club for the year ended 30 June 2025 was \$1,455,191 (for the period ended 2024: \$209,875).

DIRECTOR'S REPORT

Objectives and strategy

Short-term objectives

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

Long-term objectives

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

Strategy

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

Measurement of performance

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

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

Significant changes in the state of affairs

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

Significant events after the reporting period

There were 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.

Likely developments and expected results

Likely developments in the operations of the Club and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Club.

Environmental regulation and performance

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

Membership liability

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

	2025	2024
	\$	\$
Number of members	33,642	34,220

The total amount that members of the Club are liable to contribute if the Club is wound up is \$67,284 (for the period ended 2024: \$68,440).

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.

Indemnification of auditor

To the extent permitted by law, the Company 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.

Directors' report

Auditor's declaration

The directors have received a declaration from the auditor of Hornsby RSL Club Limited. This has been included on page 5 of the report.

Signed in accordance with a resolution of the directors.



J Warren
Director
30 September 2025

T Clarke
Director
30 September 2025

AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Auditor's independence declaration to the directors of Hornsby RSL Club Limited

As lead auditor for the audit of the financial report of Hornsby RSL Club Limited for the financial year ended 30 June 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 & Young'.

Ernst & Young

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

Daniel Cunningham
Partner
Sydney
30 September 2025

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

		For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
	Notes		
Revenue from contracts with customers	4	39,610,146	18,342,263
Other income	5.a	331,709	151,982
Raw materials and consumables used		(3,980,408)	(2,045,370)
Employee benefits expense	5.b	(13,421,783)	(6,495,642)
Gaming duties and monitoring fees		(7,645,551)	(3,372,272)
Depreciation expense	5.c	(4,909,235)	(2,507,691)
Property expenses		(3,461,384)	(1,623,425)
Entertainment, marketing and promotional costs		(2,084,626)	(1,007,350)
Security expenses		(490,932)	(225,339)
Software expenses		(242,695)	(97,160)
Welfare, ClubGrants and Sub-Club expenses		(560,671)	(230,159)
Consultancy and professional fees		(610,168)	(146,977)
Other expenses		(811,148)	(357,807)
Finance income	5.d	45,513	19,017
Finance costs	5.e	(333,222)	(208,582)
Profit before tax		1,435,545	195,488
Income tax benefit	6	19,646	14,387
Profit for the year/period		1,455,191	209,875
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent year/period (net of tax):			
Gain on revaluation of asset		15,440,721	-
Total comprehensive income for the year/period, net of tax		16,895,912	209,875

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 30 June 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	7	5,912,564	3,461,145
Trade and other receivables	8	105,212	117,836
Inventories	9	355,092	312,627
Prepayments		252,908	405,486
Total current assets		6,625,776	4,297,094
Non-current assets			
Financial assets	10	15,000	15,000
Property, plant and equipment	11	121,565,875	107,635,790
Right-of-use assets	13	107,321	108,932
Intangible assets	12	1,956,224	1,956,224
Total non-current assets		123,644,420	109,715,946
Total assets		130,270,196	114,013,040
Liabilities			
Current liabilities			
Trade and other payables	14	2,756,585	2,518,988
Interest-bearing loans and borrowings	15	1,174,720	1,809,947
Lease liabilities	13	734,669	1,255,440
Employee benefit liabilities	16	1,174,567	1,334,346
Contract liabilities		93,247	213,922
Total current liabilities		5,933,788	7,132,643
Non-current liabilities			
Interest-bearing loans and borrowings	15	1,691,730	2,866,449
Lease liabilities	13	453,458	684,922
Employee benefit liabilities	16	170,790	184,005
Deferred tax liabilities	6	10,063,887	8,198,376
Contract liabilities		336,919	222,933
Total non-current liabilities		12,716,784	12,156,685
Total liabilities		18,650,572	19,289,328
Net assets		111,619,624	94,723,712
Equity			
Members benefit fund	17.a	37,500	40,100
Asset revaluation reserve	17.b	66,174,293	50,733,572
Retained earnings		45,407,831	43,950,040
Total equity		111,619,624	94,723,712

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Note	Members benefit fund \$	Asset revaluation reserve \$	Retained earnings \$	Total equity \$
At 1 July 2024		40,100	50,733,572	43,950,040	94,723,712
Profit for the year		-	-	1,455,191	1,455,191
Other comprehensive income		-	15,440,721	-	15,440,721
Total comprehensive income for the year		-	15,440,721	1,455,191	16,895,912
Transfers to reflect lapsed mortality memberships	17.a	(2,600)	-	2,600	-
At 30 June 2025		37,500	66,174,293	45,407,831	111,619,624
At 1 January 2024		40,700	50,733,572	43,739,565	94,513,837
Profit for the period		-	-	209,875	209,875
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	209,875	209,875
Transfers to reflect lapsed mortality memberships	17.a	(600)	-	600	-
At 30 June 2024		40,100	50,733,572	43,950,040	94,723,712

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	For the year from 1 July 2024 to 30 June 2025	For the period from 1 January 2024 to 30 June 2024
Note	\$	\$
Operating activities		
Receipts from operations	44,046,578	20,535,373
Payments to suppliers and employees	(37,256,203)	(17,405,816)
Rental income	113,133	48,491
Interest received	45,513	19,017
Interest paid	(333,222)	(208,582)
Net cash flows from operating activities	6,615,799	2,988,483
Investing activities		
Purchase of property, plant and equipment	(1,550,190)	(3,662,670)
Net cash flows used in investing activities	(1,550,190)	(3,662,670)
Financing activities		
Proceeds from borrowings	-	1,558,000
Repayment of borrowings	(1,809,946)	(1,846,478)
Payment of principal portion of lease liabilities	(804,244)	(709,421)
Net cash flows used in financing activities	(2,614,190)	(997,899)
Net increase/(decrease) in cash and cash equivalents	2,451,419	(1,672,086)
Cash and cash equivalents at 1 July/1 January	3,461,145	5,133,231
Cash and cash equivalents at 30 June	7 5,912,564	3,461,145

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. Corporate information

The financial statements of Hornsby RSL Club Limited (the "Club") for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors on 30 September 2025.

Hornsby 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 4 High Street, Hornsby, NSW 2077.

The financial statements cover the year from 1 July 2024 to 30 June 2025 whilst the comparatives period cover six months from 1 January 2024 to 30 June 2024. Hence, the comparative period is not entirely comparable.

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

2. Accounting policies

a. Basis of preparation

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

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar (\$).

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 30 June 2025. The Club intends to adopt these new and amended standards, when they become effective.

c. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- 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.

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

d. Cash and cash equivalents

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

e. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient, the Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at the transaction price under AASB 15 *Revenue from contracts with customers*.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Club's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Club's financial assets at amortised cost includes trade and other receivables.

Trade and other 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). They are generally due for settlement within 30 days and therefore all are classified as current. 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 trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the EIR method, less allowance for expected credit losses (ECLs).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Club's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Club has transferred substantially all the risks and rewards of the asset, or (b) the Club has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Club has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Club continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Club also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Club has retained.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

e. Financial instruments (continued)

i. Financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Club could be required to repay.

Impairment

The Club recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as interest-bearing loans and borrowings, lease liabilities and trade and other payables.

The Club's financial liabilities include trade and other payables, lease liabilities and interest-bearing loans and borrowings.

Subsequent measurement

Trade and other payables

Trade and other payables are 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. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Club incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

e. Financial instruments (continued)

ii. Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

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. Prepayments

Prepayments are carried at amortised cost and represent goods and services paid for the services paid for by the Group prior to the end of the financial period that have not been received.

h. Property, plant and equipment

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

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

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

Plant and equipment	4 to 20 years
Poker machines	4 to 5 years
Buildings	40 years

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

i. 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

Club as a lessee

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

(i) Right-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 lives of the assets, as follows:

Plant and equipment

5 years

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

j. Impairment of non-financial assets

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

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

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

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

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

k. 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.

l. Employee benefits

Long service leave and annual leave

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

l. Employee benefits (continued)

Superannuation contributions

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

m. 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.

n. 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.

o. 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.

p. Finance costs

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

q. 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 in the countries where the Club operates and generates taxable income.

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

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

ii. Deferred tax

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Accounting policies (continued)

q. Taxes (continued)

iii. Goods and services tax (GST)

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

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

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

Cash flows are included in the statement of cash flows on a gross basis and the GST component of statement 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.

r. Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation of assets and liabilities but resulting in no impact to the over all profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 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 borrowings rate (IBR)

The Club cannot readily determine the interest rate implicit in the lease, therefore, it uses its 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 30 June 2025

4. Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Club's revenue from contracts with customers:

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Type of good or service		
Services	30,732,173	13,779,472
Sale of goods	8,877,973	4,562,791
Total revenue from contracts with customers	39,610,146	18,342,263
Geographical markets		
Australia	39,610,146	18,342,263
Total revenue from contracts with customers	39,610,146	18,342,263
Timing of revenue recognition		
Goods and services transferred at a point in time	39,411,151	18,266,654
Services transferred over time	198,995	75,609
Total revenue from contracts with customers	39,610,146	18,342,263

5. Other income and expenses

a. Other income

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Rental income	113,133	48,491
Other income	218,576	103,491
	331,709	151,982

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

5. Other income and expenses (continued)

b. Employee benefits expense

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Salaries and wages	10,157,702	4,930,107
Superannuation expense	1,207,706	598,629
Other employee benefits expense	2,056,375	966,906
	<u>13,421,783</u>	<u>6,495,642</u>

All contributions to superannuation are to defined contribution plans.

c. Depreciation expense

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Depreciation of plant and equipment	4,855,615	2,480,458
Depreciation of right-of-use asset	53,620	27,233
	<u>4,909,235</u>	<u>2,507,691</u>

d. Finance income

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Interest income on deposits	45,513	19,017

e. Finance costs

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Bank loan interest	219,663	130,613
Hire purchase and chattel mortgage	13,577	6,855
Interest expenses on lease liabilities	99,982	71,114
	<u>333,222</u>	<u>208,582</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. Income tax

The major components of income tax benefit for the year/period ended 2025 and 2024 are:

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Current income tax:		
Current income tax on taxable income	174,707	-
Utilisation of carried forward losses	(174,707)	-
Deferred tax:		
Relating to the origination and reversal of temporary differences	(19,646)	(14,387)
Income tax expense reported in the statement of profit or loss	(19,646)	(14,387)

Reconciliation of tax benefit and the accounting profit multiplied by Australia's domestic tax rate for 2025 and 2024:

	For the year from 1 July 2024 to 30 June 2025 \$	For the period from 1 January 2024 to 30 June 2024 \$
Accounting profit before tax	1,435,545	195,488
At Australia's statutory income tax rate of 30% (2024: 25%)	430,664	58,646
Other non-temporary differences	43,887	(25,715)
Members only income	(390,211)	(249,208)
Members only expenses	662,660	609,872
Effect of mutuality	(646,648)	(401,605)
Recognition of previously unrecognised deferred tax assets	(174,707)	-
Others	54,709	(6,377)
Income tax benefit reported in the statement of profit or loss	(19,646)	(14,387)

Deferred tax

Deferred tax relates to the following:

	1 July 2024 \$	Deferred tax recognised in profit or loss \$	Deferred tax recognised in OCI \$	30 June 2025 \$
Leased assets	(33,296)	(37,840)	-	(71,136)
Accruals	-	23,949	-	23,949
Provisions	101,950	74,073	-	176,023
Property, plant and equipment	(165,352)	(40,536)	-	(205,888)
Revaluation reserve - land through equity	(8,101,678)	-	(1,885,157)	(9,986,835)
Deferred tax liabilities	(8,198,376)	19,646	(1,885,157)	(10,063,887)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. Income tax (continued)

	1 January 2024	Deferred tax recognised in profit or loss	Deferred tax recognised in OCI	30 June 2024
	\$	\$	\$	\$
Leased assets	(23,445)	(9,851)	-	(33,296)
Provisions	100,818	1,132	-	101,950
Property, plant and equipment	(188,258)	22,906	-	(165,352)
Revaluation reserve - land through equity	(8,101,678)	-	-	(8,101,678)
Others	(200)	200	-	-
Deferred tax liabilities	(8,212,763)	14,387	-	(8,198,376)

The Club has tax losses that arose in Australia of \$2,825,805 (for the period ended 2024: \$3,408,161) that are available indefinitely for offsetting against future taxable profits of the Club.

7. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and on hand	4,151,953	3,461,145
Short-term deposits	1,760,611	-
	5,912,564	3,461,145

8. Trade and other receivables

	2025	2024
	\$	\$
Trade debtors	61,123	77,575
Provision for doubtful debts	-	(861)
	61,123	76,714
Sundry debtors	44,089	41,122
	105,212	117,836

9. Inventories

	2025	2024
	\$	\$
Inventory for food and beverage	355,092	312,627

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

10. Financial assets

	2025	2024
	\$	\$
Listed securities	15,000	15,000

11. Property, plant and equipment

	Land and building \$	Plant and equipment \$	Poker machines \$	Work in progress \$	Total \$
Cost					
At 1 July 2024	95,068,991	30,411,067	16,649,759	123,951	142,253,768
Additions	-	217,012	1,312,155	21,023	1,550,190
Valuation adjustment	14,381,009	-	-	-	14,381,009
Write-off	-	-	-	(89,474)	(89,474)
Disposals	-	-	(1,146,155)	-	(1,146,155)
At 30 June 2025	109,450,000	30,628,079	16,815,759	55,500	156,949,338
Accumulated depreciation					
At 1 July 2024	1,784,580	20,225,235	12,608,163	-	34,617,978
Depreciation charge for the year	1,160,290	1,770,635	1,924,690	-	4,855,615
Write-back of accumulated depreciation	(2,944,870)	-	-	-	(2,944,870)
Disposals	-	-	(1,145,260)	-	(1,145,260)
At 30 June 2025	-	21,995,870	13,387,593	-	35,383,463
Net book value					
At 30 June 2025	109,450,000	8,632,209	3,428,166	55,500	121,565,875
At 30 June 2024	93,284,411	10,185,832	4,041,596	123,951	107,635,790

The freehold land and buildings were independently valued by Howden Insurance Brokers Pty Ltd on 30 June 2025. The valuation model is based on fair value of the land plus depreciated replacement cost of the buildings. The critical assumptions adopted in determining the valuation were the location, zoning and use of the land and buildings, and comparative recent property sales in the area.

The directors have reviewed the key assumptions made by the independent valuers in 2025. They concluded that these assumptions remain materially unchanged and are satisfied that the carrying values do not exceed the recoverable amount of the land and buildings as at 30 June 2025. The directors do not believe that there has been a material movement in the fair values since the last independent valuation.

Core properties

- Clubhouse and premises at 4 High Street, Hornsby NSW 2077

Non-core properties

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

12. Intangible assets

	Poker machine licences \$
Cost	
At 1 July 2024	1,956,224
At 30 June 2025	1,956,224
Amortisation and impairment	
At 1 July 2024	-
At 30 June 2025	-
Net book value	
At 30 June 2025	1,956,224
At 30 June 2024	1,956,224

Licences with indefinite useful life

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

13. Leases

Club as a lessee

The Club has lease contracts for items of property, plant and equipment used in its operations. Leases of poker machines generally have a lease term of 3 years, while other plant and equipment generally have a lease term of 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 with lease terms of 12 months or less and leases with low value. The Club applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Right-of-use assets \$
At 1 July 2024	108,932
Additions	52,009
Depreciation expense	(53,620)
At 30 June 2025	107,321

Set out below are the carrying amounts of lease liabilities:

	2025 \$	2024 \$
Current	734,669	1,255,440
Non-current	453,458	684,922
	1,188,127	1,940,362

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

13. Leases (continued)

Presented below is a maturity analysis of undiscounted future lease payments:

	2025	2024
	\$	\$
Not later than 1 year	803,642	1,448,783
Later than 1 year and not later than 5 years	486,696	823,348
	1,290,338	2,272,131

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 30 June 2025 and 2024 was nil.

14. Trade and other payables

	2025	2024
	\$	\$
Trade payables	925,474	1,023,287
Other payables and accrued expenses	1,831,111	1,495,701
	2,756,585	2,518,988

Terms and conditions of trade and other payables

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

15. Interest-bearing loans and borrowings

	2025	2024
	\$	\$
Current		
Secured bank loan	1,092,500	1,719,500
Hire purchase and chattel mortgage	87,716	104,024
Deferred charges	(5,496)	(13,577)
	1,174,720	1,809,947
Non-current		
Secured loan	1,673,000	2,765,500
Hire purchase and chattel mortgage	19,017	106,732
Deferred charges	(287)	(5,783)
	1,691,730	2,866,449

Terms and conditions of bank loans

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

Weighted average interest rates of bank loans is 6.09% (for the period ended 2024: 6.22%) and asset finance facilities is 9.10% (for the period ended 2024: 9.38%).

Carrying value of land and buildings at 30 June 2025 pledged as collateral is \$77,000,000 (for the period ended 2024: \$69,000,000). The carrying value of poker machines and other equipment pledged as collateral at 30 June 2025 is \$130,179 (for the period ended 2024: \$198,065).

26

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

15. Interest-bearing loans and borrowings (continued)

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

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

Terms and conditions of hire purchase and chattel mortgage

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

	2025 \$	2024 \$
Facilities available		
Asset finance facilities	-	1,000,000
Bank lending facilities	2,765,500	4,485,000
Bank guarantees	100,000	100,000
Bank overdraft	50,000	50,000
Corporate credit cards	80,000	80,000
	2,995,500	5,715,000
Facilities utilised at reporting date		
Asset finance facilities	-	191,396
Bank lending facilities	-	4,485,000
	-	4,676,396
Facilities not utilised at reporting date		
Asset finance facilities	-	808,604
Bank lending facilities	2,765,500	-
Bank guarantees	100,000	100,000
Bank overdraft	50,000	50,000
Corporate credit cards	80,000	80,000
	2,995,500	1,038,604

16. Employee benefit liabilities

	2025 \$	2024 \$
Current		
Annual leave	655,844	692,624
Long service leave	518,723	641,722
	1,174,567	1,334,346
Non-current		
Long service leave	170,790	184,005

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. Members benefit fund and reserve

a. Members benefit fund

	2025	2024
	\$	\$
Members benefit fund	37,500	40,100
		Members benefit fund
		\$
At 1 January 2024		40,700
Transfers to reflect lapsed mortality memberships		(600)
At 30 June 2024		40,100
Transfers to reflect lapsed mortality memberships		(2,600)
At 30 June 2025		37,500

Members benefit fund

The members benefit fund is an amount set aside for the payment of funeral benefits to eligible members. The payment of this benefit is at the discretion of the Directors, and at 30 June 2025 there were 12 (for the period ended 2024: 16) members eligible for a \$500 benefit and 105 (for the period ended 2024: 107) eligible for a \$300 benefit.

b. Reserve

Nature and purpose of reserve

Asset revaluation reserve

The asset revaluation reserve records revaluations of non-current assets. Generally the balance in the reserve will reflect the after tax gain on non-current assets. The Club's land and buildings were revalued as at 30 June 2025.

18. Related party disclosures

a. Key management personnel

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

Andy Fung, Chief Financial Officer	
Daniel Yun, Compliance Manager	
James Nicholas, Executive Chef	
Alison Brown, Marketing Manager	(Appointed: 2 June 2025)
David Gearing, Chief Executive Officer	(Appointed: 21 April 2025)
Stuart Gabriel, Human Resources Manager	(Resigned: 20 August 2024)
Daisy Brown, Chief Operating Officer	(Resigned: 9 August 2024)
Mario Machado, Chief Executive Officer	(Resigned: 6 August 2024)

b. Key management personnel compensation

The key management personnel compensation was \$1,139,862 for the year ended 30 June 2025 (for the period ended 2024: \$563,491).

In accordance with resolutions by members at the previous annual general meeting, the total honorariums paid to directors was \$96,826 (for the period ended 2024: \$48,640) which is included in the above total compensation of key management personnel. Other expenses paid for the directors not included in the above totalled \$18,895 for the year ended 30 June 2025 (for the period ended 2024: \$5,981).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

18. Related party disclosures (continued)

c. Transactions with related parties

The following table provides the total amount of transactions that have been entered into with other parties for the relevant financial year/period.

		AV services and equipment \$	Entertainment services \$
Other related parties:			
GNB Productions	2025	90,753	-
	2024	92,208	-
Norman Bakker	2025	-	3,025
	2024	-	1,815

Terms and conditions of transactions with related parties

From time to time, key management personnel of the Club, or their related entities, may purchase goods and services from the Club.

From time to time, certain directors have provided additional services to the Club. Except for the disclosures below, the value of these services are immaterial and details of these service arrangements are available on request from the CEO.

The Club engaged GNB Productions ("GNB") to provide services including cabling works, audiovisual, IT and related equipment purchases. GNB is related to a senior executive, and so the engagement with GNB is considered a related party transaction.

The Club engaged Norman Bakker to provide entertainment services. Norman Bakker is a director and so the engagement is considered a related party transaction.

19. Commitments and contingencies

Commitments

There were no commitments as at the reporting period which would have a material effect on the Club's financial statements as at 30 June 2025 (for the period ended 2024: \$nil).

Contingent liabilities

	2025 \$	2024 \$
Bank guarantees	100,000	100,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

20. Auditor's remuneration

The auditor of Hornsby RSL Club Limited is Ernst & Young (Australia) (for the period ended 2024: Brigden & Partners Pty Ltd).

	2025	2024
	\$	\$
Amounts received or due and receivable by Ernst & Young (Australia) (for the period ended 2024: Brigden & Partners Pty Ltd):		
An audit of the financial report of the entity	62,500	40,000
Other non-audit services	4,500	5,870
	<u>67,000</u>	<u>45,870</u>

21. Member's guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the entity. At 30 June 2025, the number of members was 33,642 (for the period ended 2024: 34,220) and the total members liability was \$67,284 (for the period ended 2024: \$68,440).

22. Events after the reporting period

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

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Consolidated entity disclosure statement

As at 30 June 2025

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.

DIRECTOR'S DECLARATION

Directors' declaration

In the opinion of the directors of Hornsby RSL Club Limited (the "Club"), I state that:

- a. the financial statements and notes of the Club for the financial year ended 30 June 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 30 June 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 31 required by section 295(3A) of the *Corporations Act* is true and correct.

Signed in accordance with a resolution of directors.



J Warren
Director
30 September 2025



T Clarke
Director
30 September 2025

INDEPENDENT AUDITOR'S REPORT



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Independent auditor's report to the members of Hornsby RSL Club Limited

Opinion

We have audited the financial report of Hornsby RSL Club Limited (the Company), which comprises the statement of financial position as at 30 June 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 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 30 June 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.

INDEPENDENT AUDITOR'S REPORT



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Responsibilities of the directors for the financial report

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

- ▶ 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
- ▶ 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:

- ▶ 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
- ▶ 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.

INDEPENDENT AUDITOR'S REPORT



**Shape the future
with confidence**

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- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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 & Young'.

Ernst & Young

A handwritten signature in black ink that appears to read 'Daniel Cunningham'.

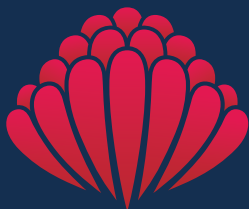
Daniel Cunningham
Partner
Sydney
30 September 2025

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