Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Financial Statements

For the Year Ended 30 September 2026

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

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For the Year Ended 30 September 2026

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Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Directors' Report
30 September 2026

Your Directors present their report on Karuah & District R.S.L. Club Limited for the financial year ended 30 September 2026.

Directors

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

Names	Position	Years' Service
S. Brock	President	2
G. Roworth	Director	1
E. Wilson	Director	1
C. Buddle	Director	1
L. Woolley	Director	1
J. Kirkpatrick	Director	1
P. Christian	Director	1
T. Waller	Director	Appointed 7/12/2025
G. Browning	Temporary Director	Appointed 2/6/2026
A. Third	-	Resigned 5/11/2025
M. Walkden	-	Resigned 28/10/2025

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

Club secretary

The following person held the position of Club secretary at the end of the financial year:

Mr Chris Fraser (CEO) has been the Club secretary from 1 August 2022.

Principal activities

The principal activity of Karuah & District R.S.L. Club Limited during the financial year was the conduct of a Licensed Club.

No significant changes in the nature of the Club's activity occurred during the financial year.

Operating results

The profit of the Club after providing for income tax amounted to $ 230,126 (2025: $ 1,111,025).

Review of operations

Gross profit from bar and cafe trading amounted to $1,356,665 and gross profit percentage of 63% was obtained from sales of $2,166,135.

Net gaming revenue amounted to $2,608,487 and compares with $2,391,447 in 2025.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Directors' Report
30 September 2026

Meetings of Directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
S. Brock	11	11
G. Roworth	11	11
E. Wilson	11	10
C. Buddle	11	10
L. Woolley	11	9
J. Kirkpatrick	11	11
P. Christian	11	11
T. Waller (appointed 7/12/2025)	9	9
G. Browning (appointed 2/6/2026)	5	5
A. Third (resigned 5/11/2025)	1	-
M. Walkden (resigned 28/10/2025)	1	-

Members guarantee

Karuah & District R.S.L. Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $2 for members, subject to the provisions of the Club's constitution.

At 30 September 2026 the collective liability of members was $13,392 (2025: $12,900).

Significant changes in state of affairs

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

After balance date events

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

Environmental issues

The Club's operations are subject to environmental regulations under the laws of the Commonwealth and State of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 September 2026 has been received and can be found on page 4 of the financial report.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Directors' Report
30 September 2026

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the Club industry. No information is included on the likely developments in the operations of the Club and the expected results of those operations.

Mandatory Director Training

Under the Registered Clubs Amendment (Disclosures) Regulation 2019, the Club is required to disclose to its members certain information relating to mandatory training requirements undertaken by Directors. As the Club has annual gaming machine profits of more than $1 million, the Regulation prescribes that all Directors must complete their mandatory training within 12 months of appointment unless otherwise exempt.

All Directors have completed the mandatory training requirements.

Disclosure of Core & Non-Core Property

Pursuant to Section 41J(2) of the Registered Club Acts for the financial year ended 30 September 2024:

Lot No.	Current Usage	Address	Classification
1/1245134	Clubhouse and Car Park	436 Tarean Road	Core
175/753196	Clubhouse and Car Park	20 Bundabah Street	Core
176/753196	Clubhouse and Car Park	22 Bundabah Street	Core
24/24364	Investment Property	434 Tarean Road	Core
25 & 26/24364	Investment Property	19 - 21 Bundabah Street	Core
28/24364	Investment Property	25 Bundabah Street	Non-Core
1782/609636	Investment Property	5 Barclay Street	Non-Core

Indemnification and insurance of officers

The Club has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Club, other than conduct involving a wilful breach of duty in relation to the Club.

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



Director: ..... Director: .....

Dated 27 October 2026

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Karuah & District R.S.L. Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2026, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

HLB Mann Judd Assurance (Newcastle) Pty Limited
(An authorised audit company)



M.J. O'Connor
Director

NEWCASTLE

20 October 2026

HLB MANN JUDD ADVISORY AND ACCOUNTING
HLB Mann Judd Assurance (Newcastle) Pty Ltd 37 126 556 330
Level 1, 426 King Street, Newcastle West NSW 2302
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E: mailbox@hlbnewcastle.com.au

Liability Limited by a scheme approved under Professional Standards Legislation.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Independent Audit Report to the members of Karuah & District R.S.L. Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Karuah & District R.S.L. Club Limited (the Club), which comprises the statement of financial position as at 30 September 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Directors' declaration.

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

(i) giving a true and fair view of the Club's financial position as at 30 September 2026 and of its financial performance for the year ended; and

(ii) 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 - Simplified Disclosures. 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 Club in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 30 September 2026, but does not include the financial report and our auditor's report thereon.

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

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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Independent Audit Report to the members of Karuah & District R.S.L. Club Limited

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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Directors for the Financial Report

The Directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club 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 Australian Auditing Standards - Simplified Disclosure requirements 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 Club's internal control.

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Independent Audit Report to the members of Karuah & District R.S.L. Club Limited

- 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 Club'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 Club to cease to continue as 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.

HLB Mann Judd Assurance (Newcastle) Pty Limited
(An authorised audit company)



M.J. O'Connor
Director

NEWCASTLE

28 October 2026

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Directors' Declaration

In the Directors' opinion:

1. The financial statements and notes, as set out on pages 9, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards - Simplified Disclosures; and

    b. give a true and fair view of the financial position as at 30 September 2026 and of the performance for the year ended on that date of the Club.

2. There are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Director: ..... Director: .....

Dated 27 October 2026

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 September 2026

	Note	2026 $	2025 $
Bar sales		**2,004,787**	1,907,075
Less: Bar cost of goods sold		**(711,069)**	(648,501)
Cafe sales		**161,348**	171,815
Less: Cafe cost of goods sold		**(98,401)**	(102,605)
Gross profit		**1,356,665**	1,327,784
Gaming machine net clearances		**2,608,487**	2,391,447
Tab and Keno Commissions		**150,358**	166,547
Raffles and bingo revenue		**268,224**	251,950
Other revenue from contracts with customers	2	**86,250**	100,861
Other income from ordinary activities	2	**107,165**	88,351
Other income from non ordinary activities	2	**-**	782,345
Borrowing cost expense		**(24,740)**	(39,740)
Bar trading expenses		**(422,913)**	(408,715)
Cafe expenses		**(188,744)**	(177,999)
Gaming machine trading expenses		**(644,458)**	(587,378)
Tab and Keno expenses		**(256,679)**	(220,459)
Raffle and bingo expenses		**(229,818)**	(234,427)
Occupancy expenses		**(509,634)**	(511,077)
Club promotion and entertainment expenses		**(261,241)**	(222,610)
Depreciation and amortisation expenses		**(641,543)**	(586,206)
Administrative expenses		**(1,191,085)**	(814,532)
Profit / (Loss) on sale of plant and equipment		**16,000**	(2,128)
Profit before income tax		**222,294**	1,304,014
Income tax expense/(benefit)		**(7,832)**	192,989
Profit / (loss) after income tax		**230,126**	1,111,025
Other comprehensive income			
Fair value adjustments - club land and buildings	9(a)	**-**	2,182,211
Total other comprehensive income		**-**	2,182,211
Total comprehensive income / (loss)		**230,126**	3,293,236

The accompanying notes form part of these financial statements.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Statement of Financial Position
As At 30 September 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**1,131,903**	984,514
Trade and other receivables	8	**38,091**	28,926
Inventories - at cost		**46,652**	50,917
Prepayments		**39,878**	159,206
TOTAL CURRENT ASSETS		**1,256,524**	1,223,563
NON-CURRENT ASSETS			
Property, plant and equipment	9	**7,630,544**	7,665,130
Investment property	10	**2,249,070**	2,220,000
Deferred tax assets	6	**81,635**	80,537
Intangible assets	11	**559,320**	309,320
Right-of-use assets	12	**46,869**	69,352
TOTAL NON-CURRENT ASSETS		**10,567,438**	10,344,339
TOTAL ASSETS		**11,823,962**	11,567,902
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**306,192**	251,086
Short-term borrowings	14	**11,269**	11,366
Employee benefits		**209,153**	205,170
Lease liabilities		**23,471**	22,107
TOTAL CURRENT LIABILITIES		**550,085**	489,729
NON-CURRENT LIABILITIES			
Long-term borrowings	14	**284,301**	295,529
Deferred tax liabilities	6	**256,378**	263,112
Employee benefits		**7,869**	858
Lease liabilities		**26,989**	50,460
TOTAL NON-CURRENT LIABILITIES		**575,537**	609,959
TOTAL LIABILITIES		**1,125,622**	1,099,688
NET ASSETS		**10,698,340**	10,468,214
EQUITY			
Reserves		**2,802,144**	2,802,144
Retained Earnings		**7,896,196**	7,666,070
TOTAL EQUITY		**10,698,340**	10,468,214

The accompanying notes form part of these financial statements.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Statement of Changes in Equity
For the Year Ended 30 September 2026

2026

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 October 2025	**7,666,070**	**2,802,144**	**10,468,214**
Profit attributable to members	**230,126**	**-**	**230,126**
Balance at 30 September 2026	**7,896,196**	**2,802,144**	**10,698,340**

2025

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 October 2024	6,555,045	619,933	7,174,978
Profit attributable to members	1,111,025	-	1,111,025
Fair value adjustment - Club land and buildings	-	2,182,211	2,182,211
Balance at 30 September 2025	7,666,070	2,802,144	10,468,214

The accompanying notes form part of these financial statements.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Statement of Cash Flows
For the Year Ended 30 September 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**5,852,274**	5,518,883
Payments to suppliers and employees		**(4,812,802)**	(4,455,827)
Interest received		**13,633**	5,011
Borrowing costs		**(24,740)**	(39,740)
Net cash provided by / (used in) operating activities		**1,028,365**	1,028,327
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**16,000**	-
Purchase of property, plant and equipment		**(584,474)**	(500,447)
Purchase of investment property additions		**(29,070)**	-
Purchase of gaming machine licences		**(250,000)**	-
Net cash used by investing activities		**(847,544)**	(500,447)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(11,325)**	(366,511)
Repayment of leases		**(22,107)**	(20,824)
Net cash provided by / (used in) financing activities		**(33,432)**	(387,335)
Net increase / (decrease) in cash and cash equivalents held		**147,389**	140,545
Cash and cash equivalents at beginning of year		**984,514**	843,969
Cash and cash equivalents at end of financial year	7	**1,131,903**	984,514

The accompanying notes form part of these financial statements.

1 Material Accounting Policy Information

(a) Basis of preparation

These general purpose have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

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

(b) Income tax

The income tax expense / (benefit) for the year comprises current income tax expense / (benefit) and deferred tax expense / (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Current and deferred income tax expense / (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

1 Material Accounting Policy Information

(c) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at their nominal amount as it has been determined that they are not materially different from their present value.

(d) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

Key estimates - impairment

The Club assesses impairment at the end of the reporting year by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(f) Leases

At inception of a contract, the Club assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Club where the Club is lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Club uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentive;

- lease payments of under extension options if lessee is reasonably certain to exercise the options; and

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

1 Material Accounting Policy Information

(f) Leases

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated amortisation and impairment losses.

Right-of-use assets are amortised over the lease term or useful life of the underlying asset whichever is the shortest.

(g) Financial liabilities

i) Classification

The Club is using the measured at amortised cost method for all its financial liabilities. The financial liabilities of the Club comprise trade payables, bank loans and hire purchase liabilities.

Liabilities measured at amortised cost are financial liabilities where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Recognition and derecognition

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The Club derecognises financial liabilities when, and only when, the Club's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(h) Authorisation of Financial Statements

The financial statements were authorised for issue on 27 October 2026 by the Directors.

2 Revenue & Other Income

	2026 $	2025 $
Revenue from contracts with customers		
- Trading revenue	**5,193,204**	4,888,834
Other revenue from contracts with customers		
- Rent received - investment properties	**38,041**	54,277
- Licence fee received - Bridgeview	**25,400**	25,400
- Membership subscription	**22,627**	21,025
- Net other bar sales	**182**	159
Total other revenue from contracts with customers	**86,250**	100,861
Total revenue from contracts with customers	**5,279,454**	4,989,695
Other income from ordinary activities		
- Interest received	**13,633**	5,011
- Commissions received	**47,773**	41,626
- Rebate for GST on gaming machine duty	**17,180**	17,180
- Other contract income	**-**	(15,383)
- Sundry income	**28,579**	39,917
Total other income from ordinary activities	**107,165**	88,351
Other revenue from non-ordinary activities		
- Fair value increase - investment properties	**-**	782,345
Total other revenue from non-ordinary activities	**-**	782,345
Total Revenue & Other Income	**5,386,619**	5,860,391

(a) Revenue and other income

The Club recognises revenue when it transfers control over a product or service to a customer. Revenue is measured based on the amount of consideration expected to be received in exchange for the transfer of the good or service to the customer.

(b) Revenue from contracts with customers

Revenue from the sale of goods is recognised at the point of delivery.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

2 Revenue & Other Income

(b) Revenue from contracts with customers

Gaming machine revenue is recognised at the point of sale and represents the difference between the amounts earned through gaming wagers less the payouts from those wagers. Liabilities are recognised for anticipated payouts for progressive jackpots.

Revenue from membership subscriptions is recognised on a straight-line basis over the period of the membership.

Rent revenue from investment properties are recognised on a straight-line basis over the lease term.

Licence fee revenue from the restaurant is recognised on a straight-line basis over the term of the licensing arrangement.

3 Result for the Year

Expenses

	2026	2025
	$	$
Net (profit) / loss on disposal of non current assets	**(16,000)**	2,128

4 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of Karuah & District R.S.L. Club Limited during the year are as follows:

Key management personnel compensation	**256,993**	154,972

5 Income Tax Expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2026	2025
	$	$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2025: 25%)	**55,573**	326,004
Add:		
Tax effect of:		
- other non-allowable items	**9,516**	7,938
- depreciation on buildings	**68,795**	58,147
- losses not recognised	**16,080**	5,015
	94,391	71,100
Less:		
Tax effect of:		
- building write-off deduction	**(70,578)**	(71,199)
- net adjustment for principle of mutuality apportionment of members income and expenses	**(87,218)**	(132,916)
Income tax expense/(benefit)	**(7,832)**	192,989

6 Tax

Recognised deferred tax assets and liabilities

Deferred tax assets	**81,635**	80,537
Deferred tax liabilities	**256,378**	263,112

7 Cash and Cash Equivalents

Cash on hand	**190,000**	149,651
Cash at bank	**942,493**	835,453
Security deposits	**(590)**	(590)
	1,131,903	984,514

8 Trade and Other Receivables

	2026 $	2025 $
CURRENT		
Trade receivables	**755**	-
Other receivables	**37,336**	28,926
	38,091	28,926

9 Property, Plant and Equipment

LAND AND BUILDINGS		
Freehold land		
At fair value	**1,060,400**	1,060,400
Total Land	**1,060,400**	1,060,400
Building		
At fair value	**5,477,576**	5,460,200
Accumulated depreciation	**(344,681)**	(69,500)
Total buildings	**5,132,895**	5,390,700
Total land and buildings	**6,193,295**	6,451,100
Capital works in progress		
At cost	**317,265**	15,442
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**2,904,603**	2,714,958
Accumulated depreciation	**(2,014,525)**	(1,794,431)
Total plant and equipment	**890,078**	920,527
Gaming machines		
At cost	**1,420,565**	1,393,850
Accumulated depreciation	**(1,190,659)**	(1,115,789)
Total gaming machines	**229,906**	278,061
Total plant and equipment	**1,119,984**	1,198,588
Total property, plant and equipment	**7,630,544**	7,665,130

9 Property, Plant and Equipment

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Gaming Machines	Total
	$	$	$	$	$	$
2026						
Balance at the beginning of year	**15,442**	**1,060,400**	**5,390,700**	**920,527**	**278,061**	**7,665,130**
Additions	**305,550**	**-**	**17,375**	**185,919**	**75,630**	**584,474**
Disposals - written down value	**-**	**-**	**-**	**-**	**-**	**-**
Transfers	**(3,727)**	**-**	**-**	**3,727**	**-**	**-**
Depreciation expense	**-**	**-**	**(275,180)**	**(220,095)**	**(123,785)**	**(619,060)**
Balance at 30 September 2026	**317,265**	**1,060,400**	**5,132,895**	**890,078**	**229,906**	**7,630,544**

(b) Depreciation

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

Class of Fixed Assets	Depreciation Rate
Buildings	5% PC
Plant and Equipment	10% - 40% PC
Gaming Machines	10% - 50% PC

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(c) Core & non-core property

As required by the Registered Clubs Act 1976 all Clubs are required to specify core and non-core property of the Club. As at 30 September 2026 the balance shown above in Land and Buildings is core. Property disclosed in Note 12 is classified as core and non-core property. For further disclosure of core and non-core property refer to page 3 of the financial statements.

(d) Land & Buildings Revaluation

Land & Buildings are stated at fair value which has been determined based on valuations performed by Preston Rowe Paterson Newcastle & Central Coast Pty Ltd as at 30 June 2025 based on their valuation report dated 9 May 2025.

10 Investment Property

	2026 $	2025 $
Investment property		
At fair value	**2,220,000**	2,220,000
Subsequent additions at cost	**29,070**	-
Total	**2,249,070**	2,220,000

(a) Movements in carrying amounts

Balance at beginning of the period	**2,220,000**	1,437,655
Additions	**29,070**	-
Fair value increment / (decrement)	**-**	782,345
Balance at end of the period	**2,249,070**	2,220,000

(b) Investment Property Revaluation

Investment properties are stated at fair value and cost as disclosed above. Investment property at fair value has been determined based on valuations performed by Preston Rowe Paterson Newcastle & Central Coast Pty Ltd as at 30 June 2025 based on their valuation report dated 9 May 2025. Any subsequent additions since valuation date are deemed to be held at fair value.

11 Intangible Assets

Gaming machine licences - at cost	**559,320**	309,320

(a) Movements in carrying amounts

Balance at beginning of the period	**309,320**	309,320
Additions	**250,000**	-
	559,320	309,320

The Club, as a result of state legislation, received for no cost, gaming machine entitlements. The entitlements can be sold should the Club decide to reduce or cease its gaming machine activities.

11 Intangible Assets

The Club has not recorded these gaming machine licences in the financial statements as there was no fair value on acquisition of these entitlements nor is there a deep and active market to obtain gaming machine entitlement values as required by accounting standards.

Gaming machine entitlements purchased are recorded in the financial statements at the cost of acquisition of those entitlements.

Gaming machine entitlements are considered to have an indefinite life and as a result entitlements acquired and capitalised since the legislation was enacted have not been amortised. An impairment assessment is conducted annually on the entitlements with considerations to its existing use and net present value of expected future cashflows. Impairment losses are recognised when the carrying amount is below the net present value of future cashflows.

12 Right-of-use assets

The Club's lease portfolio includes a leased photocopier and till system. The photocopier lease has a term of 4 years, commencing October 2023, and the till lease has a term of 5 years, commencing April 2024.

	2026	2025
	$	$
Leased equipment	**105,699**	105,699
Accumulated amortisation	**(58,830)**	(36,347)
	46,869	69,352
Movements in carrying amounts		
Opening carrying amount	**69,352**	91,835
Amortisation expense	**(22,483)**	(22,483)
Net carrying amount	**46,869**	69,352
(i) AASB 16 related amounts recognised in the statement of profit or loss		
Interest expense on lease liabilities	**3,753**	5,037
Amortisation of right-of-use assets	**22,483**	22,483
(ii) Total future lease payments at the end of the reporting period		
Future lease payments are due as follows		
Within one year	**25,860**	25,860
One to five years	**28,220**	54,080
	54,080	79,940

13 Trade and Other Payables

	2026	2025
	$	$
Unsecured liabilities		
Accounts payables	**140,204**	63,219
Other payables and accruals	**165,988**	187,867
	306,192	251,086

14 Borrowings

CURRENT		
Secured liabilities:		
Bank loans	**11,269**	11,366
NON-CURRENT		
Secured liabilities:		
Bank loans	**284,301**	295,529
Total borrowings	**295,570**	306,895

(a) Total current and non-current secured liabilities

Bank loans	**295,570**	306,895

(b) The carrying amounts of non-current assets pledged as security are:

Land and Buildings	**6,193,295**	6,451,100
Investment Property	**2,249,070**	2,220,000
	8,442,365	8,671,100

(c) Security

The bank loan and bank overdraft are secured by:

Registered Mortgage over property situated at:

- 5 Barclay Street Karuah NSW;
- 434 Tarean Road Karuah NSW;
- 19-21 Bundabah Street Karuah NSW;
- 25 Bundabah Street Karuah NSW;
- 436 Tarean Road Karuah NSW.

14 Borrowings

(d) Unused borrowing facilities

	2026	2025
	$	$
Bank Overdraft	**20,000**	20,000
Investment Property Loan	**18,403**	15,895
	38,403	35,895

15 Contingent Liabilities

Karuah & District R.S.L. Club Limited has bank guarantees totalling $5,000 substituting for security deposits with Tabcorp Holdings Pty Limited.

Mortality Fund

The Club has a contingent liability in respect of those members who qualify for a payment of $100 in the event of their death. The number of eligible members at balance date is 57 (2025: 72).

16 Related Parties

The Club's main related parties are as follows:

(a) Key Management Personnel of the Club

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly, including any Director (whether executive or otherwise) of the Club, is considered key management personnel. Refer to Note 4.

(b) Other Related Parties of the Club

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

16 Related Parties

(b) Other Related Parties of the Club

Transactions and Outstanding Balances with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following relationships and/or transactions occurred with related parties:

- A former Director, Mr M. Walkden, related person is an employee of the Club and receives wage payments under normal terms and conditions.
- A Director, Mr L. Woolley, is President of Karuah Tennis Club which conducts raffles at Karuah RSL and receives net proceeds from these raffles.

17 Capital Commitments

	2026	2025
	$	$
Capital expenditure commitments contracted for:		
Club renovations - planning costs	**170,240**	-
Gaming system upgrades	**162,966**	-
	333,206	-

18 Leasing Commitments

Karuah & District R.S.L. Club Limited leases out investment properties which are managed by a real estate company. The Club receives rent on a monthly basis which is disclosed in Note 2.

19 Auditors' Remuneration

HLB Mann Judd Assurance (Newcastle) Pty Ltd		
- Audit of the financial statements	**25,100**	14,750
- Accounting, taxation and other services	**29,071**	21,350
	54,171	36,100

20 Events After the End of the Reporting Period

The financial report was authorised for issue on 27 October 2026 by the Board of Directors.

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

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931

Compilation Report
30 September 2026

We have compiled the accompanying special purpose financial statements of Karuah & District R.S.L. Club Limited, which comprise the detailed statement of profit or loss and other comprehensive income. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance of the Club that satisfies the information needs of the Directors.

The Responsibility of the Directors

The Directors are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of the information provided by the Directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315 *Compilation of Financial Information*.

Our procedure use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Directors. We do not accept responsibility for the contents of the special purpose financial statements.

HLB Mann Judd Assurance (Newcastle) Pty Limited
(An authorised audit company)

N. Nancarrow CA
Director

NEWCASTLE

20 October 2026

HLB MANN JUDD
ADVISORY AND ACCOUNTING

HLB Mann Judd Assurance (Newcastle) Pty Ltd 37 126 556 330
Level 1, 426 King Street, Newcastle West NSW 2302
T: 02 4928 8380
E: mailbox@hlbnewcastle.com.au

Liability Limited by a scheme approved under Professional Standards Legislation.

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931
Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 September 2026

	2026 $	2025 $
SUMMARY STATEMENT		
INCOME		
PROFIT/(LOSS) BAR TRADING	870,805	849,859
PROFIT/(LOSS) GAMING MACHINE TRADING	1,964,029	1,804,069
PROFIT/(LOSS) CAFE TRADING	(125,797)	(108,789)
PROFIT/(LOSS) KENO TRADING	28,512	59,915
PROFIT/(LOSS) TAB TRADING	(134,833)	(113,827)
PROFIT/(LOSS) RAFFLE TRADING	38,406	17,523
OTHER INCOME	193,415	189,212
TOTAL	2,834,537	2,697,962
LESS: EXPENSES		
OPERATING EXPENSES	1,961,960	1,548,219
TOTAL EXPENSES	1,961,960	1,548,219
OPERATING PROFIT	872,577	1,149,743
DEDUCT NON CASH CHARGES:		
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	(16,000)	2,128
INVESTMENT PROPERTIES INCREMENT	-	(782,345)
DEPRECIATION	619,060	563,723
AMORTISATION - LEASES	22,483	22,483
INTEREST	20,987	34,703
INTEREST - LEASES	3,753	5,037
	650,283	(154,271)
PROFIT/(LOSS) BEFORE INCOME TAX	222,294	1,304,014
INCOME TAX EXPENSE / (BENEFIT)	(7,832)	192,989
PROFIT/(LOSS) AFTER INCOME TAX	230,126	1,111,025

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931
Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 September 2026

	2026 $	2025 $
BAR TRADING ACCOUNT		
GROSS BAR SALES	2,004,787	1,907,075
TOTAL	2,004,787	1,907,075
LESS: COST OF GOODS SOLD		
OPENING STOCK	48,922	48,639
BAR PURCHASES	819,124	752,749
BEER REBATE	(112,293)	(103,965)
CLOSING STOCK	(44,684)	(48,922)
TOTAL COST OF GOODS SOLD	711,069	648,501
GROSS PROFIT/(LOSS)	1,293,718	1,258,574
GROSS PROFIT % SALES	65%	66%
LESS EXPENSES		
BAR WAGES	365,534	352,703
% WAGES TO SALES	18%	18%
FREIGHT & CARTAGE	15,795	14,383
BAR SUPPLIES & REPAIRS & MAINTENANCE	22,985	24,352
BAR WASTAGE	18,599	17,277
TOTAL	422,913	408,715
BAR TRADING NET PROFIT	870,805	849,859
% SALES	43%	45%
GAMING MACHINES TRADING ACCOUNT		
GAMING MACHINE METERED TURNOVER	33,579,000	29,590,466
LESS: GAMING MACHINE METERED WINS	(30,709,664)	(26,959,874)
LESS: GST LIABILITY	(260,849)	(239,145)
NET REVENUE	2,608,487	2,391,447
LESS EXPENSES		
GAMING MACHINE DUTY	417,050	369,544
CLUB GRANTS	34,746	30,200
CMS MONITORING	30,475	29,219
REPAIRS & MAINTENANCE	55,493	49,486
GAMING MACHINE WAGES	106,694	108,929
TOTAL	644,458	587,378
GAMING MACHINE TRADING PROFIT/(LOSS)	1,964,029	1,804,069
% SALES	75%	75%

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931
Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 September 2026

	2026 $	2025 $
CAFE TRADING ACCOUNT		
GROSS CAFE SALES	161,348	171,815
TOTAL	161,348	171,815
LESS: COST OF GOODS SOLD		
CAFE OPENING STOCK	1,815	1,687
CAFE PURCHASES	98,468	102,733
CAFE CLOSING STOCK	(1,882)	(1,815)
TOTAL COST OF GOODS SOLD	98,401	102,605
GROSS PROFIT / (LOSS)	62,947	69,210
GROSS PROFIT % SALES	39%	40%
LESS EXPENSES		
CAFE WAGES	176,219	158,303
% WAGES TO SALES	109%	92%
EQUIPMENT & REPAIRS & MAINTENANCE	4,557	8,527
SUNDRY PURCHASES	6,817	9,967
WASTAGE - CAFÉ	1,151	1,202
TOTAL	188,744	177,999
CAFE TRADING NET PROFIT	(125,797)	(108,789)
% SALES	(78%)	(63%)
KENO TRADING ACCOUNT		
KENO COMMISSION	138,113	149,997
KENO INCOME	138,113	149,997
LESS: EXPENSES		
KENO WAGES	102,286	84,179
PRINTING & STATIONERY	2,092	680
REPAIRS & MAINTENANCE	5,223	5,223
TOTAL EXPENSES	109,601	90,082
KENO TRADING PROFIT/(LOSS)	28,512	59,915
TAB TRADING ACCOUNT		
TAB COMMISSION	12,245	16,550
TOTAL	12,245	16,550
LESS: TAB EXPENSES		
TAB WAGES	139,373	123,556
STATIONERY & MAINTENANCE	980	724
SERVICE FEES	6,345	4,997
SKY CHANNEL	380	1,100
TOTAL EXPENSES	147,078	130,377
TAB TRADING PROFIT/(LOSS)	(134,833)	(113,827)

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931
Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 September 2026

	2026 $	2025 $
RAFFLE & BINGO TRADING ACCOUNT		
RAFFLE & BINGO TICKET SALES	268,224	251,950
TOTAL	268,224	251,950
LESS: EXPENSES		
RAFFLE & BINGO EXPENSES	222,517	227,126
BINGO WAGES	7,301	7,301
TOTAL EXPENSES	229,818	234,427
RAFFLE & BINGO TRADING PROFIT/(LOSS)	38,406	17,523
OTHER INCOME		
COMMISSION RECEIVED	47,773	41,626
INTEREST RECEIVED	13,633	5,011
MEMBERS SUBSCRIPTIONS	22,627	21,026
RENT RECEIVED - RENTAL PROPERTIES	38,041	54,277
LICENCE FEE RECEIVED - BRIDGE VIEW	25,400	25,400
GAMING MACHINE GST REBATE	17,180	17,180
DONATIONS RECEIVED	-	(400)
SUNDRY INCOME	28,579	13,312
KARUAH KONNECT INCOME	-	(15,383)
NET PROFIT / (LOSS) - BAR SUNDRIES	182	159
INSURANCE PROCEEDS	-	27,004
TOTAL	193,415	189,212
LESS: EXPENSES		
CLUB PROMOTION & ENTERTAINMENT		
ADVERTISING & PROMOTION	60,942	23,955
ANZAC DAY EXPENSES	2,403	2,900
COURTESY BUS	20,351	19,534
MEMBERS AMENITIES	21,842	37,130
NET FUNCTIONS EXPENSES	-	965
ENTERTAINMENT	107,084	108,201
REDEMPTION POINTS	23,081	20,349
COURTESY BUS WAGES	25,538	9,576
	261,241	222,610

Karuah & District R.S.L. Club Limited

ABN 64 000 882 931
Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 September 2026

	2026 $	2025 $
OCCUPANCY EXPENSES		
CLEANING EXPENSES	15,921	19,321
CLEANING WAGES	126,798	106,572
CONTRACT GREEN KEEPER	65,592	63,148
ELECTRICITY & GAS	89,212	87,107
LEASE LANDS	16,820	16,500
PEST CONTROL	2,545	3,080
RATES & TAXES	27,696	27,305
RENTAL PROPERTY	28,984	24,724
REPAIRS & MAINTENANCE	115,081	142,024
REPAIRS & MAINTENANCE - GREENS	3,135	6,098
SECURITY	6,796	4,149
TELEPHONE	11,054	11,049
	509,634	511,077
ADMINISTRATIVE EXPENSES		
ACCOUNTANCY & AUDIT FEES	57,521	38,081
ANNUAL MEETING EXPENSES	127	350
BAD DEBTS	185	-
BANK CHARGES	18,999	17,686
CASH DISCREPANCIES	1,960	3,457
DIRECTORS EXPENSES	39,739	31,133
DONATIONS	38,065	31,751
FBT EXPENSE	3,707	4,633
INSURANCE	152,262	118,917
LEGAL COSTS	2,129	4,515
MORTALITY EXPENSES	600	200
MOTOR VEHICLE EXPENSES	8,584	6,612
PAYROLL TAX	29,990	16,911
PRINTING, POSTAGE & STATIONERY	2,973	3,626
SALARIES - ADMINISTRATION	511,335	307,399
STAFF DRINKS	2,671	2,581
STAFF SUNDRY EXPENSES	37,810	14,950
STAFF TRAINING	15,300	15,859
SULLAGE FEES	19,142	12,885
SUBSCRIPTIONS & CONSULTING	19,453	38,674
SUPERANNUATION CONTRIBUTIONS	180,527	134,162
SUNDRY	41,060	3,468
UNIFORMS	6,946	6,682
	1,191,085	814,532
TOTAL EXPENSES	1,961,960	1,548,219