

Asquith Bowling & Recreation Club Limited

ABN 81 001 039 747

Financial Report

30 June 2026

Asquith Bowling & Recreation Club Limited
Financial Report – 30 June 2026

Contents

Directors’ Report 1

Club Property Declarations 3

Income Statement..... 4

Balance Sheet 5

Cash Flow Statement 6

Statement of Changes in Equity..... 7

Notes to the Financial Statements 8

Directors’ Declaration 19

Independent Audit Report to the Members 20

Auditor’s Independence Declaration 22

Disclaimer of Opinion on Additional Financial Data..... 23

Operating Statement..... 24

Directors' Report

Your directors present their report on Asquith Bowling & Recreation Club Limited for the year ended 30 June 2026.

Directors

The following persons were directors of Asquith Bowling & Recreation Club Limited during the financial year and up to the date of this report:

S Wilson	
P Willis	
R Pilgrim	
S Cormio	
Q Price	(appointed on 29 July 2025)
G Bellenger	(appointed on 19 October 2025)
S Burrows	(appointed on 19 October 2025)
M Loneragan	(resigned on 19 October 2025)
G Barton	(resigned on 19 October 2025)

Principal activities

The Company's principal continuing activities during the year consisted of operating as a registered club, promoting the game of Lawn Bowls and providing amenities to members and their guests.

The entity's short-term objectives are to:

- exceed members and guests needs and expectations on the provision of facilities, products and services.
- support a safe and friendly environment for staff and customers that encourages the principles of the Responsible Service of Alcohol and the Responsible Conduct of Gaming.

The entity's long-term objectives are to:

- provide the community a continual level of high quality services and facilities in a safe and friendly environment.
- generate profits that will be reinvested into improved services and facilities for members and community support.

To achieve these objectives, the entity has adopted the following strategies:

- the board of directors, management and staff together are committed to achieving the best practice principles which are measurable by the continual support of community partnerships whilst exceeding financial benchmarks.
- meeting and surpassing our strategic goals is achieved through constant review and evaluation of business practices using the opinions of members and their guests, staff and professional alliances.

The Company's principal activities assisted in achieving its objectives by providing facilities and services to members and guests, promoting lawn bowls, supporting community partnerships and generating revenue for reinvestment in facilities and community support. No significant changes in the nature of the Company's activities occurred during the year.

Results

	2026 \$	2025 \$
Net Profit/(Loss)	(34,561)	(78,260)

Information on Directors

Director	Time on board	Special Responsibilities	Expertise
S Wilson	Director for 4 years and 6 months	President	Retired Procurement Manager
P Willis	Director for 6 years and 5 months	Vice President	Area Manager Transport NSW
R Pilgrim	Director for 4 years	Director	Business Owner
S Cormio	Director for 2 years and 11 months	Director	School Teacher
Q Price	Director for 1 year	Director	Business Owner
G Bellenger	Director for 8 months	Director	Waste Management
S Burrows	Director for 8 months	Director	Retired

Company Secretary

Mark Maybury held the position of Company Secretary and Chief Executive Officer (CEO) from 15 January 2025 and at the date of signing this report.

Directors' Report

(continued)

Likely developments and expected results of operations

The Club continues to evaluate strategic opportunities to enhance the long-term financial sustainability. These include a potential partial redevelopment of the Club's property in conjunction with Pariter and ongoing discussions concerning a possible amalgamation with Hornsby RSL. At the date of this report, these matters remain subject to further investigation, negotiation, due diligence and the necessary approvals. The Directors are not presently able to reliably estimate the financial effect or ultimate outcome of either proposal. Refer to Note 22 – Events after the reporting period for more information.

Meetings of Directors

The number of meetings of the Company's directors held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Normal Meetings	Special Meetings
Number of meetings held:	11	5
Number of meetings attended by:		
S Wilson	10	5
P Willis	9	4
R Pilgrim	11	5
S Cormio	11	5
Q Price	8	5
G Bellenger	8	4
S Burrows	7	4
M Loneragan	1	-
G Barton	2	1

Members' 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 \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2026, the total amount that members of the Company are liable to contribute if the Company is wound up is \$32,830 (2025: \$31,180).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2026 has been received and included on page 21.

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

Stephen Wilson

Stephen Wilson (Aug 24, 2026 10:14:00 GMT+10)

S Wilson
President

Paul Willis

P Willis
Vice President

Asquith
24 August 2026

Club Property Declarations

Pursuant to section 41E(5) of the Registered Clubs Act 1976, the Directors declare that, for the financial year ended 30 June 2026, the classifications of the property held are as follows:

Property Address	Current Usage	Classification
1 Lodge Street, Asquith NSW 2077	Clubhouse, Car park, Sporting Facilities	Core Property

Notes to Members

1. Section 41E(5) of the Registered Clubs Act 1976 requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - a) The premises of the Club; or
 - b) Any facility provided by the Club for use of its members and their guests; or
 - c) Any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - a) The property has been valued by a qualified valuer within the meaning of section 41E(6) of the Registered Clubs Act 1976; and
 - b) The disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and
 - c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.
5. The disposal requirements in section 41E(1), and what constitutes a disposal for the purposes of section 41E, are modified in certain circumstances by the Registered Clubs Act 1976 and the Registered Clubs Regulation 2025. For example, the requirements in paragraph 4 above do not apply to:
 - a) Core property that is leased or licensed for a period not longer than 10 years on terms that have been the subject of a valuation by a qualified valuer; and
 - b) Core property that is leased or licensed to a telecommunications provider for a telecommunication tower.

Income Statement

For the year ended 30 June 2026

	Notes	2026 \$	2025 \$
Revenue from operations			
Sale of Good and Services	2	3,100,660	2,916,525
Other Income	2	42,008	19,661
		3,142,668	2,936,186
Expenses from operations			
Borrowing costs	3	1,035	1,990
Bowls (Men's and Women's)		60,081	55,874
Bowls contractor		122,464	119,793
Cleaning		98,553	97,786
Cost of goods sold	3	638,302	610,158
Depreciation and amortisation expenses	3	282,636	282,165
Electricity and gas		107,756	89,097
Employee benefits expense		818,525	784,960
Insurance		92,557	105,926
Poker machine gaming tax		103,169	50,157
Promotions		73,002	46,332
Raffles		137,124	116,035
Repairs and maintenance		119,215	129,647
Television subscriptions		60,182	58,942
Other expenses from continuing operations		462,628	465,584
		3,177,229	3,014,446
Profit/(Loss) before income tax		(34,561)	(78,260)
Income tax expense		-	-
Profit/(Loss) from continuing operations		(34,561)	(78,260)
Total changes in equity		(34,561)	(78,260)

The above income statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2026

	Notes	2026 \$	2025 \$
Current assets			
Cash and cash equivalents	4,18	787,665	668,737
Receivables	5,18	40,159	50,657
Inventories	6	42,560	38,106
Other	7	16,450	17,705
Total current assets		<u>886,834</u>	<u>775,205</u>
Non-current assets			
Property, plant and equipment	8	3,492,317	3,662,212
Intangible assets	9	281,976	281,976
Total non-current assets		<u>3,774,293</u>	<u>3,944,188</u>
Total assets		<u>4,661,127</u>	<u>4,719,393</u>
Current liabilities			
Payables	10,18	179,581	207,255
Interest bearing liabilities	11,18	4,326	4,245
Provisions	12	62,639	52,472
Other	13	11,060	16,095
Total current liabilities		<u>257,606</u>	<u>280,067</u>
Non-current liabilities			
Interest bearing liabilities	14,18	5,003	9,518
Provisions	15	3,895	2,941
Other	16	6,677	4,360
Total non-current liabilities		<u>15,575</u>	<u>16,819</u>
Total liabilities		<u>273,181</u>	<u>296,886</u>
Net assets		<u>4,387,946</u>	<u>4,422,507</u>
Equity			
Retained profits	17	<u>4,387,946</u>	<u>4,422,507</u>
Total equity		<u>4,387,946</u>	<u>4,422,507</u>

The above balance sheet should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2026

	Notes	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		3,777,974	3,226,428
Payments to suppliers and employees (inclusive of goods and services tax)		(3,565,664)	(3,079,823)
		<u>212,310</u>	<u>146,605</u>
Borrowing costs		(1,035)	(1,990)
Interest received		1,385	2,481
Net cash inflow (outflow) from operating activities	20	<u>212,660</u>	<u>147,096</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(114,298)	(143,001)
Proceeds from sale of property, plant and equipment		25,000	-
Net cash inflow (outflow) from investing activities		<u>(89,298)</u>	<u>(143,001)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(4,434)	(6,988)
Net cash inflow (outflow) from financing activities		<u>(4,434)</u>	<u>(6,988)</u>
Net increase (decrease) in cash held		118,928	(2,893)
Cash at the beginning of the financial year		668,737	671,630
Cash at the end of the financial year	4	<u><u>787,665</u></u>	<u><u>668,737</u></u>

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

Statement of Changes in Equity

For the year ended 30 June 2026

	Notes	2026 \$	2025 \$
Total equity at the beginning of the financial year		4,422,507	4,500,767
Total recognised income and expense for the year	17	(34,561)	(78,260)
Total equity at the end of the financial year		4,387,946	4,422,507

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

Notes to the Financial Statements

30 June 2026

Note 1. Summary of significant accounting policies

The financial statements are for Asquith Bowling & Recreation Club Limited (the Company), incorporated and domiciled in Australia. Asquith Bowling & Recreation Club Limited is a company limited by guarantee.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001. The Company is a not-for-profit entity for financial reporting purposes.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards and the presentation and disclosure requirements of AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. Material accounting policy information is set out below and has been applied consistently unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and on a historical cost basis, except where another measurement basis is required by an Australian Accounting Standard. Amounts are presented in Australian dollars and rounded to the nearest dollar.

The financial statements were authorised for issue by the directors on 24 August 2026.

Material Accounting Policy Information

(a) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue is recognised for the major business activities as follows:

(i) *Poker Machines*

Revenue is recognised as the net amount cleared from all machines.

(ii) *Other*

A sale is recorded when the goods or services have been provided to the customer.

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

(b) Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(c) Property, plant and equipment

Property, plant and equipment is measured using the cost model and is carried at cost less, where applicable, accumulated depreciation and accumulated impairment losses.

Freehold Property

Freehold land and buildings are measured on the cost basis. The carrying amount of freehold land and buildings is reviewed to ensure it is not in excess of the recoverable amount based on valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Notes to the Financial Statements

30 June 2026 (continued)

Note 1. Summary of significant accounting policies (continued)

(c) Property, plant and equipment(continued)

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

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

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

Buildings	40 years
Plant and equipment	1-20 years

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

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

(d) Leases

At inception of a contract, the Entity 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 Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised 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 Entity uses the incremental borrowing rate.

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

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments 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.

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 depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Notes to the Financial Statements

30 June 2026 (continued)

Note 1. Summary of significant accounting policies (continued)

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the balance sheet.

Notes to the Financial Statements

30 June 2026 (continued)

Note 1. Summary of significant accounting policies (continued)

(g) Employee Benefits (continued)

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution as per current legislation to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's balance sheet.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(i) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(l) Intangibles

Poker machine Entitlements

Entitlements are recognised at cost of acquisition. Entitlements have an infinite life. Entitlements are tested annually for impairment and carried at cost less accumulated impairment losses.

Notes to the Financial Statements

30 June 2026 (continued)

Note 1. Summary of significant accounting policies (continued)

(m) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Comparative Figures

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

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 company.

Key Estimates

Impairment

The freehold land and buildings were independently valued on 30 June 2024. The valuation was based on the fair value in accordance with *AASB 116: Property, Plant and Equipment*. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At 30 June 2026, the directors have performed a directors' valuation on freehold land and buildings. The directors have reviewed the key assumptions made by the valuers and do not believe there has been a significant change in the assumptions at 30 June 2026. They directors therefore believe that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2026.

(q) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or a non-recurring basis, depending on the requirements of the applicable Accounting Standard.

'Fair value' is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Notes to the Financial Statements

30 June 2026 (continued)

	2026 \$	2025 \$
Note 2. Revenue		
Revenue from continuing operations		
Sale of goods	1,319,668	1,347,978
Services	1,780,992	1,568,547
	<u>3,100,660</u>	<u>2,916,525</u>
Revenue from outside continuing operations		
Interest	1,385	2,481
Profit on Sale of Fixed Assets	23,443	-
Poker Machine Rebate	17,180	17,180
	<u>42,008</u>	<u>19,661</u>
Revenue from operations	<u><u>3,142,668</u></u>	<u><u>2,936,186</u></u>

Note 3. Profit/(Loss) from continuing operations**Net gains and expenses**

Profit/(loss) before income tax includes the following specific net gains and expenses:

Expenses

<i>Cost of Goods Sold</i>		
Bar	638,302	610,158
<i>Depreciation and Amortisation</i>		
Buildings	95,094	96,099
Plant and equipment	183,498	182,022
Right-of-use asset – photocopier	4,044	4,044
Total depreciation and amortisation	<u>282,636</u>	<u>282,165</u>
<i>Interest</i>		
Cash Redemption Terminal	-	52
Right-of-use asset	1,035	1,938
Total interest	<u>1,035</u>	<u>1,990</u>
Net loss/(gain) on disposal of non-current assets	<u>(23,443)</u>	<u>16,435</u>

Note 4. Current assets – Cash and cash equivalents

Cash at bank and on hand	<u>787,665</u>	<u>668,737</u>
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The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	787,665	668,737
Less: Bank overdrafts	-	-
Balances per cash flow statement	<u>787,665</u>	<u>668,737</u>

Note 5. Current assets – Receivables

Trade Debtors	8,260	10,219
ATM and EFTPOS receivable	12,067	24,006
Other debtors	18,400	15,000
Poker machine GST rebate	1,432	1,432
	<u>40,159</u>	<u>50,657</u>

Other debtors

These amounts generally arise from transactions outside the usual operating activities of the Company. Interest is not normally charged. Collateral is not normally obtained.

Notes to the Financial Statements

30 June 2026 (continued)

	2026	2025			
	\$	\$			
Note 6. Current assets – Inventories					
Retail stock – at cost	42,560	38,106			
Note 7. Current assets – Other					
Prepayments	16,450	17,705			
Note 8. Non-current assets – Property, plant and equipment					
Land and buildings					
Freehold land at cost	497,310	497,310			
Buildings and improvements at cost	4,565,009	4,524,859			
Less: Accumulated depreciation	(2,200,091)	(2,104,998)			
	2,364,918	2,419,861			
Total land and buildings	2,862,228	2,917,171			
Plant and equipment					
At cost	2,332,893	2,375,547			
Less: Accumulated depreciation	(1,711,213)	(1,642,959)			
	621,680	732,588			
Right-of-use Assets					
At cost	20,200	20,200			
Less: Accumulated amortisation	(11,791)	(7,747)			
	8,409	12,453			
Total property, plant and buildings	3,492,317	3,662,212			
Reconciliations					
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are as set out below.					
	Freehold land	Buildings and	Plant and	Right-of-use	Total
	\$	improvements	equipment	Assets	\$
		\$	\$	\$	
Carrying amount at 1 July 2025	497,310	2,419,861	732,588	12,453	3,662,212
Additions	-	40,151	74,147	-	114,298
Disposals	-	-	(1,557)	-	(1,557)
Depreciation/amortisation expense	-	(95,094)	(183,498)	(4,044)	(282,636)
Carrying amount at 30 June 2026	497,310	2,364,918	621,680	8,409	3,492,317
				2026	2025
				\$	\$
Note 9. Non-current assets – Intangible assets					
Poker machine entitlements				281,976	281,976
Note 10. Current liabilities – Payables					
Trade creditors				45,071	27,076
Accrued charges and other payables				88,504	85,977
Net Business Activity Statement liabilities				46,006	42,083
Other creditors				-	52,119
				179,581	207,255

Notes to the Financial Statements

30 June 2026 (continued)

	2026 \$	2025 \$
Note 11. Current liabilities – Interest bearing liabilities		
Photocopier Lease	4,326	4,245
Note 12. Current liabilities – Provisions		
Employee entitlements	58,736	47,238
Other	3,903	5,234
	<u>62,639</u>	<u>52,472</u>
Note 13. Current Liabilities – Other		
Room hire in advance	1,273	500
Subscriptions in advance	9,787	15,595
	<u>11,060</u>	<u>16,095</u>
Note 14. Non-current liabilities – Interest bearing liabilities		
Photocopier Lease	5,003	9,518
Note 15. Non-current liabilities – Provisions		
Employee entitlements	3,895	2,941
Note 16. Non-current liabilities – Other		
Subscription in advance	6,677	4,360
Note 17. Reserves and retained profits		
Retained profits at the beginning of the financial year	4,422,507	4,500,767
Net profit/(loss)	(34,561)	(78,260)
Retained profits at the end of the financial year	<u>4,387,946</u>	<u>4,422,507</u>

Note 18. Financial instruments

(a) Interest rate risk exposures

The entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the entity intends to hold fixed rate assets and liabilities to maturity.

Notes to the Financial Statements

30 June 2026 (continued)

Note 18. Financial instruments (continued)

		Fixed interest maturing in:					
2026							
	Notes	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non- Interest Bearing \$	Total \$
Financial assets							
Cash and cash equivalents	4	200,549	5,476	-	-	581,640	787,665
Receivables	5	-	-	-	-	40,159	40,159
		<u>200,549</u>	<u>5,476</u>	<u>-</u>	<u>-</u>	<u>621,799</u>	<u>827,824</u>
Weighted average interest rate		1.25 %	4.25%				
Financial liabilities							
Payables	10	-	-	-	-	179,581	179,581
Lease Liabilities	11,14	-	4,326	5,003	-	-	9,329
		<u>-</u>	<u>4,326</u>	<u>5,003</u>	<u>-</u>	<u>179,581</u>	<u>188,910</u>
Weighted average interest rate			7.60%	7.60%			
Net financial assets (liabilities)		<u>200,549</u>	<u>1,150</u>	<u>(5,003)</u>	<u>-</u>	<u>442,218</u>	<u>638,914</u>
		Fixed interest maturing in:					
2025							
	Notes	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non- Interest Bearing \$	Total \$
Financial assets							
Cash and cash equivalents	4	157,374	5,246	-	-	506,117	668,737
Receivables	5	-	-	-	-	50,657	50,657
		<u>157,374</u>	<u>5,246</u>	<u>-</u>	<u>-</u>	<u>556,774</u>	<u>719,394</u>
Weighted average interest rate		0.70 %	4.40%				
Financial liabilities							
Payables	10	-	-	-	-	207,255	207,255
Lease Liabilities	11,14	-	4,245	9,518	-	-	13,763
		<u>-</u>	<u>4,245</u>	<u>9,518</u>	<u>-</u>	<u>207,255</u>	<u>221,018</u>
Weighted average interest rate			7.60%	7.60%			
Net financial assets (liabilities)		<u>157,374</u>	<u>1,001</u>	<u>(9,518)</u>	<u>-</u>	<u>349,519</u>	<u>498,376</u>

(b) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Notes to the Financial Statements

30 June 2026 (continued)

Note 19. Remuneration of directors

	2026 \$	2025 \$
Income paid or payable, or otherwise made available to directors in connection with the management of affairs of the Company	Nil	Nil
The number of directors whose total income from the Company was within the specified bands are as follows:		
\$0 - \$10,000	7	7

Note 20. Reconciliation of net profit/(loss) to net cash inflow (outflow) from operating activities

	2026 \$	2025 \$
Net profit/(loss)	(34,561)	(78,260)
Depreciation and amortisation	282,636	282,165
Loss/(profit) on disposal of property, plant and equipment	(23,443)	16,435
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other debtors	10,498	(30,697)
(Increase)/Decrease in inventories	(4,454)	(2,069)
(Increase)/Decrease in prepayments	1,255	(8,117)
Increase/(Decrease) in creditors and accruals	(27,674)	(1,959)
Increase/(Decrease) in other operating liabilities	(2,718)	(18,497)
Increase/(Decrease) in provisions	11,121	(11,905)
Net cash inflow (outflow) from operating activities	212,660	147,096

Note 21. Related parties

Transactions between related parties are on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated.

Key Management Personnel compensation

Total key management personnel benefits	168,463	164,058
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Related Party Contracts

Total Payments to Director – J Maher for electrical work	-	11,277
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Notes to the Financial Statements

30 June 2026 (continued)

Note 22 – Events after the reporting period

During the financial year, the Company commenced consideration of a number of strategic options intended to support the long-term financial sustainability of the Club.

The Company has been considering a proposal from Pariter for the potential redevelopment of part of the Club's property for retirement living purposes. On 25 May 2026, the Board resolved to continue investigating the partial redevelopment option and not to proceed with the proposed full-site redevelopment option. The partial redevelopment proposal contemplates the Club retaining ownership of the underlying land and entering into a long-term lease arrangement with the developer.

The Club has also been considering a potential amalgamation proposal with Hornsby RSL. The Board did not resolve to accept the amalgamation proposal during the financial year but determined that discussions should continue to enable the proposal to be further evaluated.

Subsequent to 30 June 2026, discussions in relation to both strategic options continued. In July 2026, the Board authorised management to progress proposed confidentiality and exclusivity arrangements with Hornsby RSL, subject to amendments sought by the Club, and continued discussions with Pariter regarding proposed heads of agreement and further due diligence.

At the date the financial statements were authorised for issue, the Club had not entered into a binding redevelopment agreement with Pariter or an agreement to amalgamate with Hornsby RSL. Accordingly, no amounts have been recognised in the financial statements in respect of either proposal. The proposals remain subject to further negotiation, due diligence, legal documentation and any necessary Board, member, regulatory and other approvals. The ultimate financial effect of these matters cannot presently be reliably estimated.

Directors' Declaration

In accordance with a resolution of the directors of Asquith Bowling & Recreation Club Limited (the Company), the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 17, 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 of the Company as at 30 June 2026 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Stephen Wilson
Stephen Wilson (Aug 24, 2026 10:14:00 GMT+10)

S Wilson
President

Paul Willis

P Willis
Vice President

Asquith
24 August 2026

Independent Audit Report to the Members of Asquith Bowling & Recreation Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Asquith Bowling & Recreation Club Limited (the Company), as set out on pages 4 to 18, which comprises the balance sheet as at 30 June 2026, the income statement, cash flow statement and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Asquith Bowling & Recreation Club Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then 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. 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 (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 Asquith Bowling & Recreation Club Limited, 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 audit opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 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. 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.

Responsibilities of the Directors for the Financial Report

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

Independent Audit Report to the Members of Asquith Bowling & Recreation Club Limited (continued)

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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events 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.

Ben McEwan

Ben McEwan CA
Registered Company Auditor

Newcastle
24 August 2026

McEwan and Partners Pty Limited
Chartered Accountants

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Asquith Bowling & Recreation Club Limited for the year ended 30 June 2026.

Ben McEwan

Ben McEwan CA
Registered Company Auditor

Newcastle
24 August 2026

McEwan and Partners Pty Limited
Chartered Accountants

Disclaimer of Opinion on Additional Financial Data of Asquith Bowling & Recreation Club Limited

The additional financial data set out on page 23 is in accordance with the books and records of Asquith Bowling & Recreation Club Limited (the Company) and is made subject to the auditing procedures applied in the statutory audit of the Company for the year ended 30 June 2026.

It will be appreciated that the statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Company) in respect of the additional financial data, including any errors or omissions therein however caused.

Ben McEwan

Ben McEwan CA
Registered Company Auditor

Newcastle
24 August 2026

McEwan and Partners Pty Limited
Chartered Accountants

Operating Statement

30 June 2026

	2026 \$	2025 \$
Profit/(Loss) from		
Bar Trading	393,516	467,262
Poker Machine Trading	841,514	739,009
Keno Trading	6,757	16,221
TAB Trading	(41,170)	(28,681)
Men's Bowling Club Trading	(2,356)	822
Women's Bowling Club Trading	(1,118)	4,667
Bowls Trading	(35,386)	(63,608)
Social Trading	(154,257)	(153,865)
Kitchen Trading	4,097	723
	1,011,597	982,550
Administration and Other Expenses		
Administration	564,830	551,762
Depreciation and amortisation	197,903	196,865
Employee Benefits Expense	297,121	307,174
Repairs and Maintenance	72,827	71,021
	1,132,681	1,126,822
Net Trading Profit/(Loss)	(121,084)	(144,272)
Other Income		
Advertising	2,000	-
ATM Rebate	19,427	17,826
Courtesy Bus Donations	3,046	2,324
Interest	1,175	2,236
Membership Subscriptions	34,800	34,800
Profit on Sale of Fixed Assets	23,443	-
Sponsorship	500	7,591
Sundry	2,132	1,235
	86,523	66,012
Net Profit/Loss	(34,561)	(78,260)
EBITDA \$	249,111	205,895
EBITDA %	8.0%	7.0%

The above operating statement has not been subject to audit – refer to the Disclaimer on page 22.