



Palm Beach RSL Sub-Branch Club Limited

ABN 22 001 049 154

Financial Statements

For the Year Ended 31 December 2025

Palm Beach RSL Sub-Branch Club Limited

ABN 22 001 049 154

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For the Year Ended 31 December 2025

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Palm Beach RSL Sub-Branch Club Limited

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Directors' Report 31 December 2025

The directors present their report on Palm Beach RSL Sub-Branch Club Limited for the financial year ended 31 December 2025.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Bryan Webster	(Resigned - 16/7/2025)
Qualifications	Retired Regional Manager
Experience	20 years on the Board
Special responsibilities	President
Neil Smith	(Resigned - 09/04/2026)
Qualifications	Retired Director of 4 Public Companies
Experience	16 years on the Board
Special responsibilities	Treasurer - Finance Committee
James Woodward	(Resigned - 13/05/2026)
Qualifications	Sole Trader / Photographer
Experience	15 years on the Board
Special responsibilities	Sports Committee
Brett Babicci	
Qualifications	Human Resources Director
Experience	2 years on the Board
Special responsibilities	President from 16/07/2025
Russell Marsh	
Qualifications	Bus Operator / Operations Supervisor
Experience	14 years on the Board
Special responsibilities	House Committee
Michael Rouhan	(Appointed - 17/03/2025, Resigned - 15/08/2025)
Experience	Working for Border Force on Ships
Special responsibilities	House Committee
John Erickson	(Appointed - 17/04/2026)
Qualifications	Director Customers and Operations
Special responsibilities	Director
Hans Henrik Wang	(Appointed - 17/04/2026)
Qualifications	Organisational Transformation & Leadership Development
Special responsibilities	Treasurer

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Directors' Report 31 December 2025

1. General information

Information on directors

Christopher Hendrikson	(Appointed - 17/04/2026)
Qualifications	Retired Production Planner / Purchasing Officer
Experience	17 years on Prior Club Boards
Special responsibilities	House Committee
Bradley O'Connor	(Appointed - 17/04/2026)
Qualifications	Owner Operator of Hotels and Gaming Venues
Special responsibilities	Director
Christine McGoldrick	(Appointed - 18/05/2026)
Qualifications	Business Owner & Real Estate Agent
Special responsibilities	Director

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

Principal activities

The principal activities of Palm Beach RSL Sub-Branch Club Limited during the financial year are those of a licensed club.

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

Short term objectives

The Company's short term objectives are to:

- Keep and maintain best facilities for members and grow profitability.
- Build our membership base.
- Remain financial and to build our cashflow to achieve the above.

Long term objectives

The Company's long term objectives are to:

- Maintain and improve facilities for its members.
- Grow our membership and to offer the best club house for our members.

Strategy for achieving the objectives

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

- The Company strives to attract and obtain quality staff.

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Directors' Report 31 December 2025

1. General information

Strategy for achieving the objectives

- The Board encourages staff to maintain high standards to the members and provides staff with ongoing training in pursuit of this objective.
- The Board is committed to meeting high standards of governance and to providing clear professional accountability to members.
- The Board maintains a thorough and careful control over the Company's finances to ensure the Company remains viable, and to allow continual refurbishment and maintenance of the facilities for members.

Performance measures

The following measures are used within the Company to monitor performance:

Key Performance Indicators	2025	2024
Bar gross profit to bar sales	61%	59%
Bistro gross profit to bistro sales	0%	56%
Poker machine trading profit to takings	79%	82%
Bar wages to bar sales	42%	42%
Bistro wages to bistro sales	0%	63%
Cash on hand	\$60,717	\$96,006
Net loss	(\$13,338)	(\$393,545)

Limitation of members' liability

Palm Beach RSL Sub-Branch Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of 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 per member, subject to the provisions of the company's constitution.

At 31 December 2025 the collective liability of members was \$ 3,016 (2024: \$ 3,282).

Palm Beach RSL Sub-Branch Club Limited

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Directors' Report

31 December 2025

2. Other items

Going concern

The Board of Directors continues to monitor income and costs and to seek opportunities and new alliances in order to ensure the ongoing viability of the Club's operations.

Notwithstanding these measures, the ability of the Club to meet its obligations as and when they fall due is dependent on the ability of the Club to perform in line with budgets and cash flow projections and successfully generate sufficient funds through trading and membership.

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

Should the Club be unable to continue as a going concern, the Club may be required to realise assets at values different to those stated in the financial statements and the classification of assets and liabilities could be affected.

Matters or circumstances arising after the end of the year

From 31 December 2025 to the date of this report, no matters or circumstances have arisen which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Bryan Webster	5
Neil Smith	6
James Woodward	12
Brett Babicci	12
Russell Marsh	11
Michael Rouhan	5

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Directors' Report
31 December 2025

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2025 has been received and can be found on page 6 of the financial report.

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

Brett Babicci
President:
Brett Babicci

Hans Wrang
Treasurer:
Hans Henrik Wang

Dated this 12th day of June 2026



Morgan Veale & Co

Business Development Consultants
Chartered Accountants

PO Box 363
Avalon Beach NSW 2107
Suite 7, 11-13 Avalon Parade
Avalon Beach NSW 2107

M: 0408 161 881

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Principal: Kevin A Veale BA FCA

ABN 39 641 271 163

Palm Beach RSL Sub-Branch Club Ltd
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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Palm Beach RSL Sub-Branch Club Ltd

I declare that to the best of my knowledge and belief, during the year ended 31 December 2025 in relation to Palm Beach RSL Sub-Branch Club Ltd, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Kevin A Veale BA FCA
Registered Auditor

Morgan Veale & Co
Chartered Accountants
Suite 7, 11-13 Avalon Parade
Avalon Beach NSW 2107

Dated 12 June 2026

Palm Beach RSL Sub-Branch Club Limited

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2025**

		2025	2024
	Note	\$	\$
Revenue	4	1,941,505	2,698,468
Finance income	5	-	7
Other income	4	48,091	77,057
Employee benefits expense		(750,319)	(1,372,415)
Depreciation and amortisation expense		(171,177)	(181,552)
Other expenses		(1,049,476)	(1,597,396)
Finance expenses	5	(31,962)	(17,714)
Loss before income tax		(13,338)	(393,545)
Income tax expense		-	-
Loss for the year		(13,338)	(393,545)
Other comprehensive income			
Loss and total comprehensive income for the year		(13,338)	(393,545)

The accompanying notes form part of these financial statements.

Palm Beach RSL Sub-Branch Club Limited

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Statement of Financial Position As At 31 December 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	60,717	96,006
Inventories	8	35,870	26,129
Other financial assets	9	750	750
Other assets	12	16,871	5,899
TOTAL CURRENT ASSETS		<u>114,208</u>	<u>128,784</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	497,413	528,837
Intangible assets	11	110,745	110,745
Right-of-use assets	13	116,482	177,255
TOTAL NON-CURRENT ASSETS		<u>724,640</u>	<u>816,837</u>
TOTAL ASSETS		<u>838,848</u>	<u>945,621</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	446,755	446,419
Borrowings	15	125,751	98,207
Lease liabilities	13	49,397	49,397
Employee benefits	18	73,831	103,324
Other financial liabilities	17	15,867	15,263
TOTAL CURRENT LIABILITIES		<u>711,601</u>	<u>712,610</u>
NON-CURRENT LIABILITIES			
Borrowings	15	97,217	134,998
Lease liabilities	13	79,018	135,090
Long-term provisions	16	37,103	35,676
TOTAL NON-CURRENT LIABILITIES		<u>213,338</u>	<u>305,764</u>
TOTAL LIABILITIES		<u>924,939</u>	<u>1,018,374</u>
NET ASSETS		<u>(86,091)</u>	<u>(72,753)</u>
EQUITY			
Retained earnings		<u>(86,091)</u>	<u>(72,753)</u>
TOTAL EQUITY		<u>(86,091)</u>	<u>(72,753)</u>

The accompanying notes form part of these financial statements.

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**Statement of Changes in Equity
For the Year Ended 31 December 2025**

2025

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2025	(72,753)	(72,753)
Loss for the year	(13,338)	(13,338)
Balance at 31 December 2025	<u>(86,091)</u>	<u>(86,091)</u>

2024

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2024	320,792	320,792
Loss for the year	(393,545)	(393,545)
Balance at 31 December 2024	<u>(72,753)</u>	<u>(72,753)</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2025

	2025	2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,990,200	2,786,559
Payments to suppliers and employees	(1,849,665)	(2,899,315)
Interest received	-	7
Net cash provided by operating activities	24 <u>140,535</u>	<u>(112,749)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(78,980)</u>	<u>(32,192)</u>
Net cash (used in) investing activities	<u>(78,980)</u>	<u>(32,192)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from directors' loans	30,801	41,699
Repayment of borrowings	(41,038)	(27,166)
Payment of lease liabilities	<u>(86,607)</u>	<u>(65,739)</u>
Net cash (used in)/provided by financing activities	<u>(96,844)</u>	<u>(51,206)</u>
Net increase/(decrease) in cash and cash equivalents held	(35,289)	(196,147)
Cash and cash equivalents at beginning of year	<u>96,006</u>	<u>292,153</u>
Cash and cash equivalents at end of financial year	7 <u><u>60,717</u></u>	<u><u>96,006</u></u>

The accompanying notes form part of these financial statements.

Palm Beach RSL Sub-Branch Club Limited

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Notes to the Financial Statements For the Year Ended 31 December 2025

The financial report covers Palm Beach RSL Sub-Branch Club Limited as an individual entity. Palm Beach RSL Sub-Branch Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 31 December 2025 were the conduct of a licensed club.

The functional and presentation currency of Palm Beach RSL Sub-Branch Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 12 June 2026.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

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.

Material accounting policy information relating to the preparation of these financial statements is presented below, and is consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other income

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

(b) Income Tax

The Income Tax Assessment Act 1997 (Amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax assets relating to temporary timing differences and unused tax losses are recognised only to the

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Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Significant Accounting Policies

(b) Income Tax

extent that it is probable that future taxable income will be available to absorb those timing differences and losses.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) 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, which is the deemed cost.

(f) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful lives.

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Significant Accounting Policies

(g) Intangible assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Cash and cash equivalents

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

(i) Leases

Lessee accounting

Leases of real estate from Palm Beach RSL Sub-Branch terminated during the prior year. Previously leased properties continued on a weekly rental basis until the Company signed a new lease for the Clubhouse property and the two adjacent parking areas. Leases of nearby residential properties from Palm Beach RSL Sub-Branch were not renewed with the Company.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Significant Accounting Policies

(i) Leases

with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Long service leave is accrued in respect of employees with more than five years' service with the Company. As the Company has very few employees with service more than five years, the adoption of the basis for long service leave is believed to produce a result which is not materially different from the present value method prescribed by AASB 119: Employee Benefits.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(k) Provisions

Provisions are recognised when the Company 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 estimates of the amounts required to settle the obligations at the end of the reporting period.

(l) Going concern

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

The Company made a trading loss of \$13,338 for the year ended 31 December 2025 with a negative equity position of \$86,091 at that date. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the year were \$189,801. Current liabilities did not exceed total assets.

The Company's ability to meet its obligations as and when they fall due and continue as a going concern is dependent on a number of factors. These include the ability of the Company to perform in line with budgets and cash flow projections, in addition to achieving sustainable levels of trading and membership in the future.

The Board is currently reviewing its operations to determine any possible income enhancements, cost efficiencies and alternative trading operations.

The Board has determined that the going concern assumption is appropriate for the preparation of the financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Summary of Significant Accounting Policies

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2025. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 Revenue and Other Income

Revenue from continuing operations

	2025	2024
	\$	\$
Revenue from contracts with customers		
- revenue from operations	1,835,727	2,637,788
- sundry income	105,778	60,680
Total Revenue	<u>1,941,505</u>	<u>2,698,468</u>

Volunteer services not recognised

No amounts are included in the financial statements for services donated by volunteers.

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Notes to the Financial Statements For the Year Ended 31 December 2025

4 Revenue and Other Income

	2025	2024
	\$	\$
Other Income		
- commissions	27,422	42,756
- other income	20,669	34,301
Total Other Income	<u>48,091</u>	<u>77,057</u>

5 Finance Income and Expenses

Finance income		
- Interest income	-	7
Total finance income	<u>-</u>	<u>7</u>

Finance expenses

Interest expense	18,240	-
Other finance expenses	13,722	17,714
Total finance expenses	<u>31,962</u>	<u>17,714</u>

6 Result for the Year

The result for the year includes the following specific expenses:

Employee benefits expense	750,319	1,372,415
Depreciation and amortisation expense	171,177	181,552
Other expenses	1,049,476	1,597,398
Total expenses	<u>1,970,972</u>	<u>3,151,365</u>

7 Cash and Cash Equivalents

Cash at bank and in hand	60,717	96,006
	<u>60,717</u>	<u>96,006</u>

8 Inventories

Bar stock on hand at cost	35,870	26,129
	<u>35,870</u>	<u>26,129</u>

9 Other Financial Assets

Other financial assets	750	750
	<u>750</u>	<u>750</u>

Palm Beach RSL Sub-Branch Club Limited

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**Notes to the Financial Statements
For the Year Ended 31 December 2025**

10 Property, plant and equipment

	2025	2024
	\$	\$
Plant and equipment		
At cost	977,212	1,009,204
Accumulated depreciation	(678,527)	(656,196)
Total plant and equipment	298,685	353,008
Motor vehicles		
At cost	28,512	28,512
Accumulated depreciation	(28,512)	(28,512)
Total motor vehicles	-	-
Office equipment		
At cost	86,864	99,565
Accumulated depreciation	(74,230)	(81,645)
Total office equipment	12,634	17,920
Leasehold Improvements		
At cost	710,762	710,762
Accumulated depreciation	(692,151)	(686,197)
Total leasehold improvements	18,611	24,565
Poker machines		
At cost	992,634	1,160,555
Accumulated depreciation	(825,151)	(1,027,211)
Total poker machines	167,483	133,344
	497,413	528,837

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:

	Plant and Equipment	Motor Vehicles	Office Equipment	Leasehold Improvements	Poker machines	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2025						
Balance at the beginning of year	353,008	-	17,920	24,565	133,344	528,837
Additions	2,930	-	-	-	76,050	78,980
Disposals - written down value	(34,922)	-	(12,701)	-	(243,991)	(291,614)
Writeback depreciation	34,922	-	12,701	-	243,991	291,614
Depreciation expense	(57,253)	-	(5,286)	(5,954)	(41,911)	(110,404)
Balance at the end of the year	298,685	-	12,634	18,611	167,483	497,413

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Notes to the Financial Statements For the Year Ended 31 December 2025

11 Intangible Assets

	2025	2024
	\$	\$
Poker machine licenses		
Cost	110,745	110,745
	<u>110,745</u>	<u>110,745</u>
Total Intangible assets	<u><u>110,745</u></u>	<u><u>110,745</u></u>

12 Other non-financial assets

Prepayments	16,871	5,899
	<u>16,871</u>	<u>5,899</u>
	<u><u>16,871</u></u>	<u><u>5,899</u></u>

13 Leases

The Company's lease portfolio includes the Clubhouse land and buildings and adjacent carparks. These leases have a 5 year lease term.

The option to extend or terminate are contained in the property leases of the Company.

Right-of-use assets

	Land and Buildings	Total
	\$	\$
Year ended 31 December 2025		
Balance at beginning of year	177,255	177,255
Depreciation charge	(60,773)	(60,773)
	<u>116,482</u>	<u>116,482</u>
Balance at end of year	<u><u>116,482</u></u>	<u><u>116,482</u></u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2025					
Lease liabilities	49,397	79,018	-	128,415	128,415
2024					
Lease liabilities	49,397	135,090	-	184,487	184,487

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Notes to the Financial Statements For the Year Ended 31 December 2025

14 Trade and Other Payables

	2025	2024
	\$	\$
Trade payables	194,608	161,064
GST payable	169,396	241,292
Other payables	82,751	44,063
	<u>446,755</u>	<u>446,419</u>

15 Borrowings

Current		
Unsecured liabilities:		
ATM Clearing	-	3,520
Director and members' loans	72,500	41,699
	<u>72,500</u>	<u>45,219</u>
Secured liabilities:		
Bank loans	53,251	52,988
	<u>125,751</u>	<u>98,207</u>
Non-current		
Secured liabilities:		
Bank loans	97,217	134,998
	<u>97,217</u>	<u>134,998</u>
Total borrowings	<u>222,968</u>	<u>233,205</u>

16 Provisions

Non-current		
Provision for lease make good	37,103	35,676
	<u>37,103</u>	<u>35,676</u>

Movement in carrying amounts

	Provision for lease make good	Total
	\$	\$
Opening balance at 1 January 2025	35,676	35,676
Additional provisions	1,427	1,427
Balance at 31 December 2025	<u>37,103</u>	<u>37,103</u>

17 Other Financial Liabilities

Amounts received in advance	15,867	15,263
	<u>15,867</u>	<u>15,263</u>

Palm Beach RSL Sub-Branch Club Limited

ABN 22 001 049 154

Notes to the Financial Statements For the Year Ended 31 December 2025

18 Employee Benefits

	2025	2024
	\$	\$
Provision for annual and sick leave	36,228	51,535
Provision for long service leave	37,603	51,789
	<u>73,831</u>	<u>103,324</u>

19 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding obligations of the Company. At 31 December 2025 the number of members was 1,508 (2024: 1,641).

20 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 239,958 (2024: \$ 413,175).

21 Auditors' Remuneration

Remuneration of the auditor Kevin Veale, for:
- auditing the financial statements

	16,000	15,000
	<u>16,000</u>	<u>15,000</u>

22 Contingencies

Contingent Liabilities

There is a contingent liability in respect of potential penalties and interest in relating to to late lodgement of amended BAS returns and late payments of BAS and employee superannuation liabilities.

In the opinion of the Directors, the Company did not have any other contingencies at 31 December 2025 (31 December 2024: None).

23 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 20.

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.

(b) Transactions 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.

During the year, a director and a member made short term unsecured loans to the company. At 31 December 2025 the balance of these loans totalled \$72,500. Refer to note 15.

Palm Beach RSL Sub-Branch Club Limited

ABN 22 001 049 154

Notes to the Financial Statements For the Year Ended 31 December 2025

24 Cash Flow Information

(a) Reconciliation of cash

	2025	2024
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	60,717	96,006
	<u>60,717</u>	<u>96,006</u>

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2025	2024
	\$	\$
Loss for the year	(13,338)	(393,545)
Non-cash flows in profit:		
- depreciation	171,177	181,552
- finance costs	31,962	32,192
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(10,972)	15,587
- (increase)/decrease in inventories	(9,741)	34,630
- increase in trade and other payables	940	98,934
- increase/(decrease) in provisions	-	(13,161)
- (decrease) in employee benefits	(29,493)	(68,938)
Cashflows from operations	<u>140,535</u>	<u>(112,749)</u>

25 Events after the end of the Reporting Period

The financial report was authorised for issue on 12 June 2026 by the Board of Directors.

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

26 Statutory Information

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

1087 Barrenjoey Road
Palm Beach NSW 2108

Palm Beach RSL Sub-Branch Club Limited

ABN 22 001 049 154

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 21, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 December 2025 and of the performance for the year ended on that date of the Company.
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 with the continuing support of creditors.

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

Brett Babicci

President

Brett Babicci

Hans Wrang

Treasurer

Hans Henrik Wang

Dated this 12th day of June 2026



Morgan Veale & Co

Business Development Consultants
Chartered Accountants

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Principal: Kevin A Veale BA FCA
ABN 39 641 271 163

Palm Beach RSL Sub-Branch Club Ltd
ABN 22 001 049 154

Independent Auditor's Report

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of **Palm Beach RSL Sub-Branch Club Ltd** ABN 22 001 049 154 ("the company"), which comprises the Statement of Financial Position as at 31 December 2025, the Statement of Profit & Loss and Other Comprehensive Income, the Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In my opinion, the accompanying financial report of Palm Beach RSL Sub-Branch Club Ltd is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of Palm Beach RSL Sub-Branch Club Ltd financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities* and the *Corporations Regulations 2001*.

Material Uncertainty Relating to Going Concern

Attention is drawn to **Note 2(I)** to the financial statements which indicates that the company incurred a net loss of \$13,339 during the year ended 31 December 2025 and, as of that date, it had a deficiency of net assets of \$86,093. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the year were \$189,801. Current liabilities did not exceed total assets. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore whether the company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

My opinion is not modified in respect of this matter.

In the context of my audit of the financial report as a whole, and in forming my opinion thereon, I have concluded that management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.

My conclusions are based on the audit evidence obtained up to the date of my auditor's report and are not a guarantee as to the company's ability to continue as a going concern.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of Palm Beach RSL Sub-Branch Club Ltd in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Palm Beach RSL Sub-Branch Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Independent Auditor's Report (cont)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Palm Beach RSL Sub-Branch Club Ltd annual report for the year ended 31 December 2025, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of Palm Beach RSL Sub-Branch Club Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-profit and Not-for-profit Tier 2 Entities* 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of Palm Beach RSL Sub-Branch Club Ltd 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 or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (cont)

- 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity 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.

I obtain sufficient appropriate audit evidence regarding the financial information of the company or business activities within the company to express an opinion on the financial report. I am responsible for the direction, supervision performance of the company audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

Kevin A Veale BA FCA
Registered Auditor

Morgan Veale & Co
Chartered Accountants
Suite 7, 11-13 Avalon Parade
Avalon Beach NSW 2107

Dated 12 June 2026