



Sussex Inlet RSL Club Ltd

ABN 38 001 026 535

Annual Report - 30 June 2025

Sussex Inlet RSL Club Ltd
Contents
30 June 2025

Directors' report	2
Auditor's independence declaration	6
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	28
Independent auditor's report	29

General information

The financial statements cover Sussex Inlet RSL Club Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Sussex Inlet RSL Club Ltd's functional and presentation currency.

Sussex Inlet RSL Club Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/- Morton & Cord
70 North Street
NOWRA NSW 2541

Principal place of business

200 Jacobs Drive
SUSSEX INLET 2540

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2025. The directors have the power to amend and reissue the financial statements.

Sussex Inlet RSL Club Ltd

Directors' report

30 June 2025

The directors present their report, together with the financial statements, on the Club for the year ended 30 June 2025.

Directors

The following persons were directors of the Club during the whole of the financial year and up to the date of this report, unless otherwise stated:

Richard Blagrove
Tracey Rizzi
Stephen Robb
Joanne Pendlebury
Ron Clarke-Bruce
David Durant
Terence Valentine
John Kinsey
Lynn Webber (from January 2025)
David Woodbridge (to December 2024)

Objectives

Short term objectives

- Increasing the level of membership and visitation of the Club
- Maintaining its overall viability in terms of liquidity, credit control, legislative and regulatory compliance
- Debt management and financial controls
- Sound cash management
- Provide members and visitors the best possible amenity and experience

Long term objectives

- Asset replacement and capital investment
- Increased member services through diversification of facilities and services

Strategy for achieving the objectives

The Club continues to develop policies and procedures listed below to ensure the finances are managed appropriately and in consideration to the current economic climate.

- Development of a comprehensive master budget with cash-flow forecasts adopted by the board annually and adjusted as necessary.
- Forecasting planned capital works programs.
- Renewal program for Clubhouse assets
- Risk management processes to identify cash-flow effects from the current high inflationary economic environment
- Investment plan implementation of excess cash into term deposits at market-competitive rates
- Development and implementation of a conservative cash management policy.

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- Trading as a Licensed Club

Operating Result

The table below shows a reconciliation of Sussex Inlet RSL Club Ltd earnings before interest, income tax, depreciation, amortisation, gains and impairment losses. This is referred to as EBITDA. Also included are any gains and impairment losses.

Sussex Inlet RSL Club Ltd
Directors' report
30 June 2025

	2025	2024	Change	Change
	\$	\$	\$	%
Net profit before tax				
Net profit attributable to members after tax	<u>1,105,215</u>	<u>646,417</u>	<u>458,798</u>	71%
Add back:				
Interest expense	6,610	8,670	(2,060)	(24%)
Depreciation expense	690,632	642,633	47,999	7%
Tax expenses	<u>124,221</u>	<u>82,393</u>	<u>41,828</u>	51%
EBITDA	<u>1,926,678</u>	<u>1,380,113</u>	<u>546,565</u>	

The Club achieved another solid financial result in the 2025 financial year. This result allowed the Club to invest a further \$541,411 in term deposits, bringing the total amount invested to \$2,571,411, while also renewing and upgrading Clubhouse assets.

Through its budgeting process, the board and management have achieved a result in excess of its forecasted profit

Future developments

During the next 12 to 24 months, the Director's foreshadow significant capital investment. At the time of this report, these capital upgrades have yet to be firmed up or committed to. These capital upgrades include:

- Continued roof restoration and part replacement
- Joining, expansion and upgrade of front decks
- Sussex Shores upgrades/renovation
- Bowling and fishing sub-clubs facilities upgrade

Information on directors

Name: Richard Blagrove
Title: Director
Experience and expertise: Board member since 2020
Special responsibilities: President

Name: Tracey Rizzi
Title: Director
Experience and expertise: Board member since 2021
Special responsibilities: Senior Vice President

Name: Joanne Pendlebury
Title: Director
Experience and expertise: Board member since 2021
Special responsibilities: Junior Vice President

Name: Ronald Clarke-Bruce
Title: Director
Experience and expertise: Board member since 2019 (with previous years experience)

Name: Stephen Robb
Title: Director
Experience and expertise: Board member since 2017

Sussex Inlet RSL Club Ltd
Directors' report
30 June 2025

Name: Terence Valentine
Title: Director
Experience and expertise: Board member since 2021

Name: John Kinsey
Title: Director
Experience and expertise: Board member since 2023

Name: David Durant
Title: Director
Experience and expertise: Board member since 2023 (with previous years experience)

Name: Lynn Webber
Title: Director
Experience and expertise: Board member of the Sussex Inlet RSL sub-Branch Ltd

Meetings of directors

The number of meetings of the Club's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board Attended	Full Board Held	Special Board Meeting Attended	Special Board Meeting Held
Richard Blagrove	12	12	1	1
Tracey Rizzi	12	12	1	1
Stephen Robb	11	12	1	1
Joanne Pendlebury	12	12	1	1
Ron Clarke-Bruce	11	12	1	1
David Durant	10	12	1	1
Terence Valentine	12	12	1	1
John Kinsey	12	12	1	1
Lynn Webber (from January 2025)	5	6	-	-
David Woodbridge (to December 2024)	5	6	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Club that occurred during the financial year under review.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$2 each. Honorary members are not required to contribute.

The total liability to contribute in the event of winding up is \$9,268 (2024: \$8,830), based on 4,634 (2023: 4,415) current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Sussex Inlet RSL Club Ltd
Directors' report
30 June 2025

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Blagrove
President



Tracey Rizzi
Senior Vice President

25 August 2025

Auditor's Independence Declaration to the Directors of Sussex Inlet RSL Club Ltd

As lead auditor for the audit of the financial report of Sussex Inlet RSL Club Ltd for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

Morton & Cord

Morton & Cord



Michael Lees
Partner
Nowra
21 August 2025

Sussex Inlet RSL Club Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue	3	7,652,642	7,045,289
Other income	4	416,808	112,366
Interest revenue		117,759	91,997
Expenses			
Cost of sales		(902,535)	(845,326)
Depreciation and amortisation expense		(690,632)	(642,633)
Employee benefits expense		(2,271,400)	(2,191,712)
Finance costs		(6,610)	(8,670)
Other operating expenses	5	(3,086,596)	(2,832,501)
Surplus before income tax expense		1,229,436	728,810
Income tax expense	6	(124,221)	(82,393)
Surplus after income tax expense for the year attributable to the members of Sussex Inlet RSL Club Ltd	22	1,105,215	646,417
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		1,676,529	-
Other comprehensive income for the year, net of tax		1,676,529	-
Total comprehensive income for the year attributable to the members of Sussex Inlet RSL Club Ltd		<u>2,781,744</u>	<u>646,417</u>

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

Sussex Inlet RSL Club Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	7	989,334	764,523
Trade and other receivables	8	21,455	13,464
Inventories	9	48,766	56,540
Financial assets	11	2,571,411	2,030,000
Other	12	258,430	232,120
Total current assets		<u>3,889,396</u>	<u>3,096,647</u>
Non-current assets			
Investment properties	13	2,150,000	1,804,146
Property, plant and equipment	14	12,718,608	11,072,389
Right-of-use assets	10	33,900	50,269
Intangibles	15	645	968
Other	12	5,000	5,000
Total non-current assets		<u>14,908,153</u>	<u>12,932,772</u>
Total assets		<u>18,797,549</u>	<u>16,029,419</u>
Liabilities			
Current liabilities			
Trade and other payables	16	351,777	265,446
Borrowings	17	36,754	36,681
Lease liabilities	18	10,587	37,581
Income tax	6	61,369	53,828
Provisions	19	251,535	267,854
Other	20	69,280	72,284
Total current liabilities		<u>781,302</u>	<u>733,674</u>
Non-current liabilities			
Borrowings	17	173,062	209,148
Lease liabilities	18	-	13,908
Deferred tax	6	131,056	137,079
Provisions	19	32,233	36,618
Other	20	18,015	18,855
Total non-current liabilities		<u>354,366</u>	<u>415,608</u>
Total liabilities		<u>1,135,668</u>	<u>1,149,282</u>
Net assets		<u>17,661,881</u>	<u>14,880,137</u>
Equity			
Reserves	21	6,872,904	5,196,375
Retained surpluses	22	10,788,977	9,683,762
Total equity		<u>17,661,881</u>	<u>14,880,137</u>

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

Sussex Inlet RSL Club Ltd
Statement of changes in equity
For the year ended 30 June 2025

	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	5,196,375	9,037,345	14,233,720
Surplus after income tax expense for the year	-	646,417	646,417
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	646,417	646,417
Balance at 30 June 2024	<u>5,196,375</u>	<u>9,683,762</u>	<u>14,880,137</u>
	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	5,196,375	9,683,762	14,880,137
Surplus after income tax expense for the year	-	1,105,215	1,105,215
Other comprehensive income for the year, net of tax	<u>1,676,529</u>	<u>-</u>	<u>1,676,529</u>
Total comprehensive income for the year	<u>1,676,529</u>	<u>1,105,215</u>	<u>2,781,744</u>
Balance at 30 June 2025	<u>6,872,904</u>	<u>10,788,977</u>	<u>17,661,881</u>

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

Sussex Inlet RSL Club Ltd
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,693,818	7,165,516
Payments to suppliers and employees (inclusive of GST)		<u>(6,920,844)</u>	<u>(6,581,680)</u>
		772,974	583,836
Interest received		117,759	59,482
Other revenue		715,424	676,971
Interest and other finance costs paid		(6,610)	(8,670)
Income taxes paid		<u>(122,703)</u>	<u>-</u>
Net cash from operating activities		<u>1,476,844</u>	<u>1,311,619</u>
Cash flows from investing activities			
Payments for investments		(541,411)	(380,000)
Payments for property, plant and equipment	14	(738,811)	(790,155)
Proceeds from disposal of property, plant and equipment		<u>105,103</u>	<u>38,214</u>
Net cash used in investing activities		<u>(1,175,119)</u>	<u>(1,131,941)</u>
Cash flows from financing activities			
Proceeds/(repayment) of leases		(41,902)	(38,745)
Proceeds/(repayment) of other loans		<u>(35,013)</u>	<u>(35,423)</u>
Net cash used in financing activities		<u>(76,915)</u>	<u>(74,168)</u>
Net increase in cash and cash equivalents		224,810	105,510
Cash and cash equivalents at the beginning of the financial year		<u>764,523</u>	<u>659,013</u>
Cash and cash equivalents at the end of the financial year	7	<u>989,333</u>	<u>764,523</u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001 for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Club's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Sale of goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

Rendering of services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

Membership

Income received in advance from membership represents the company's obligation to transfer membership services to members and is recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the services to the member

Note 1. Material accounting policy information (continued)

Customer loyalty program

During the year, the company operates a loyalty reward program where customers accumulated points for dollars spent. The reward points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the reward points and the other components of the sale, such that the reward points are recognised at their fair value. Revenue from the reward points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. This program was terminated on 1 July 2023.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the Club or association, e.g. poker machines, bar and food service in the case of social Clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised Clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure social Clubs continue not to be taxed on receipts from contributions and payments received from members

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently reassessed annually at fair value. Movements in fair value are recognised directly to profit or loss.

Note 1. Material accounting policy information (continued)

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations at least every 5 years by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Poker machines	7-12 years
Plant and equipment	3-20 years
Motor vehicles	8-12 years
Leasehold improvements	40 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Capital works in progress are the cost incurred to date for capital projects that are underway at reporting date. Capital works in progress are not depreciated until they are ready for use and allocated to the appropriate asset category.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Material accounting policy information (continued)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Poker machine entitlements

Poker machine entitlements are considered to be intangible assets with an indefinite life as there is no set term for holding the entitlements. As a result the entitlements are not subject to amortisation. Instead, poker machine entitlements are tested for impairment annually and are carried at cost less accumulated impairment losses. Poker machine entitlements are not considered to have an active market, hence the fair value is calculated using the value in use method based on management's forecasts.

Note 3. Revenue

	2025 \$	2024 \$
<i>Revenue from contracts with customers</i>		
Poker machine revenue	4,097,046	3,821,016
Bar revenue	2,514,648	2,303,699
Entertainment & promotion revenue	7,309	11,164
Bingo & raffles	333,452	306,020
Members subscriptions	44,826	38,785
	<u>6,997,281</u>	<u>6,480,684</u>
<i>Other revenue</i>		
Commission	227,730	200,109
Accommodation receipts - Sussex Shores	242,638	245,004
Other revenue	184,993	119,492
	<u>655,361</u>	<u>564,605</u>
Revenue	<u>7,652,642</u>	<u>7,045,289</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2025

Note 3. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2025 \$	2024 \$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	6,952,455	6,441,899
Services transferred over time	44,826	38,785
	<u>6,997,281</u>	<u>6,480,684</u>

Note 4. Other income

	2025 \$	2024 \$
Net fair value gain on investment properties	345,854	-
Net gain on disposal of property, plant and equipment	10,891	57,637
Rental income	60,063	54,729
	<u>416,808</u>	<u>112,366</u>
Other income		

Note 5. Other operating expenses

	2025 \$	2024 \$
Administration	247,018	209,481
Advertising, promotional & entertainment	638,865	617,143
Bar indirect expenses	84,538	87,503
Bowling greens	75,710	72,116
Donations & ClubGrants	70,981	62,231
Insurance expenses	174,247	172,181
Light and power	166,867	145,832
Maintenance and property expenses	265,357	275,656
Members expenses	389,462	325,013
Poker machine tax	712,786	653,125
Poker machine indirect expenses	199,509	162,895
Sussex Shores expenses	61,256	49,325
	<u>3,086,596</u>	<u>2,832,501</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2025

Note 6. Income tax

	2025	2024
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Surplus before income tax expense	1,229,436	728,810
Tax at the statutory tax rate of 25%	307,359	182,203
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-deductible differences	32,730	44,192
Net income from members not subject to tax	(215,868)	(144,002)
Income tax expense	124,221	82,393
	2025	2024
	\$	\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	142,577	156,594
Prepayments	12,711	11,599
Provisions	(19,133)	(20,470)
Accruals	(5,099)	(10,644)
Deferred tax liability	131,056	137,079
Movements:		
Opening balance	137,079	108,514
Charged/(credited) to profit or loss	(6,023)	28,565
Closing balance	131,056	137,079
	2025	2024
	\$	\$
<i>Provision for income tax</i>		
Provision for income tax	61,369	53,828

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2025

Note 7. Cash and cash equivalents

	2025	2024
	\$	\$
<i>Current assets</i>		
Cash on hand	278,000	302,000
Cash at bank	711,334	462,523
	<u>989,334</u>	<u>764,523</u>

Note 8. Trade and other receivables

	2025	2024
	\$	\$
<i>Current assets</i>		
Trade receivables	21,455	13,464
	<u>21,455</u>	<u>13,464</u>

Note 9. Inventories

	2025	2024
	\$	\$
<i>Current assets</i>		
Stock on hand - at cost	48,766	56,540
	<u>48,766</u>	<u>56,540</u>

Note 10. Right-of-use assets

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Poker machines - right-of-use	117,936	117,936
Less: Accumulated depreciation	(84,036)	(67,667)
	<u>33,900</u>	<u>50,269</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Poker machines	Total
	\$	\$
Balance at 1 July 2024	50,269	50,269
Depreciation expense	(16,369)	(16,369)
	<u>33,900</u>	<u>33,900</u>
Balance at 30 June 2025	33,900	33,900

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2025

Note 11. Financial assets

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposits	2,571,411	2,030,000

Note 12. Other

	2025 \$	2024 \$
<i>Current assets</i>		
Accrued revenue	68,914	60,292
Prepayments	188,516	170,828
Other current assets	1,000	1,000
	258,430	232,120
<i>Non-current assets</i>		
TAB Security deposit	5,000	5,000
	263,430	237,120

Note 13. Investment properties

	2025 \$	2024 \$
<i>Non-current assets</i>		
Investment property - at independent valuation	2,150,000	1,804,146

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	1,804,146	1,804,146
Revaluation increments	345,854	-
Closing fair value	2,150,000	1,804,146

Valuations of investment properties

An independent valuation by Walsh & Monaghan Pty Ltd of the company's investment property being 'Sussex Shores', 209 Jacobs Drive, was carried out on 24 June 2025, on the basis of fair value in use, resulting in a valuation of \$2,150,000.

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2025

Note 14. Property, plant and equipment

	2025 \$	2024 \$
<i>Non-current assets</i>		
Land and buildings - at independent valuation	9,884,225	8,662,155
Less: Accumulated depreciation	-	(311,410)
	<u>9,884,225</u>	<u>8,350,745</u>
 Leasehold improvements - at cost	 97,529	 97,529
Less: Accumulated depreciation	(6,086)	(3,647)
	<u>91,443</u>	<u>93,882</u>
 Plant and equipment - at cost	 3,664,009	 3,413,808
Less: Accumulated depreciation	(2,293,354)	(2,187,359)
	<u>1,370,655</u>	<u>1,226,449</u>
 Motor vehicles - at cost	 104,285	 104,285
Less: Accumulated depreciation	(83,253)	(74,304)
	<u>21,032</u>	<u>29,981</u>
 Poker machines	 3,029,303	 2,903,010
Less: Accumulated depreciation	(1,792,943)	(1,588,769)
	<u>1,236,360</u>	<u>1,314,241</u>
 Capital works in progress	 114,893	 57,091
	<u>12,718,608</u>	<u>11,072,389</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2025

Note 14. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land & buildings \$	Plant & equipment \$	Motor vehicles \$	Poker machines \$	Capital works in progress \$	leasehold improvements \$	Total \$
Balance at 1 July 2024	8,350,745	1,226,449	29,981	1,314,241	57,091	93,882	11,072,389
Additions	2,350	295,616	-	383,043	57,802	-	738,811
Disposals	-	-	-	(94,857)	-	-	(94,857)
Revaluation increments	1,676,528	-	-	-	-	-	1,676,528
Depreciation expense	(145,398)	(151,410)	(8,949)	(366,067)	-	(2,439)	(674,263)
Balance at 30 June 2025	<u>9,884,225</u>	<u>1,370,655</u>	<u>21,032</u>	<u>1,236,360</u>	<u>114,893</u>	<u>91,443</u>	<u>12,718,608</u>

Core Properties

- Sussex Inlet RSL Club premises, 200 Jacobs Drive, Sussex Inlet

Non-core Properties

- 'Sussex Shores' 209 Jacobs Drive, Sussex Inlet

Valuations of land and buildings

An independent valuation by Walsh & Monaghan Pty Ltd of the company's land and buildings, being 200 Jacobs Drive, was carried out on 24 June 2025 on the basis of fair value in use resulted in a valuation of \$9,884,225

Note 15. Intangibles

	2025 \$	2024 \$
<i>Non-current assets</i>		
Borrowing costs	645	968

Note 16. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	121,856	119,001
BAS payable	97,913	61,540
Other payables	132,008	84,905
	351,777	265,446

Note 17. Borrowings

	2025 \$	2024 \$
<i>Current liabilities</i>		
NSW Rural Assistance Authority	36,754	36,681
<i>Non-current liabilities</i>		
Bank loans	1,000	1,000
NSW Rural Assistance Authority	172,062	208,148
	173,062	209,148
	209,816	245,829

Security

In respect of bank loans, the Commonwealth Bank of Australia holds the following security.

General Security Interest by Sussex Inlet RSL Club Ltd comprising: First ranking charge over All Present & After Acquired Property

Second Registered Mortgage by Sussex Inlet RSL Club Ltd over Non Residential Real Property located at Jacobs Drive Sussex Inlet NSW 2540.

NSW Rural Assistance Authority - Special Disaster Relief (Bushfire recovery)

The total term of the loan is 10 Years. The Loan is repayable by way of 96 monthly instalments, beginning 31 December 2022. Interest will be charged at a rate of 50% of the 10-year government bond rate, per annum and is subject to change each financial year.

At the date of this report, the current interest payable on this loan is 2.15%

In regards to the Special Disaster Relief (Bushfire Recovery) loan, NSW Rural Assistance Authority holds a Registered First Mortgage over the land and buildings of the Club.

Note 17. Borrowings (continued)

Deed of priority

The Commonwealth Bank of Australia Ltd has signed a Deed of Priority with the NSW Rural Assistance Authority in relation to the security interests listed above.

Financing arrangements

Potential access was available at the reporting date to the following lines of credit:

	2025 \$	2024 \$
Total facilities		
NSW Rural Assistance Authority	208,816	244,829
CBA BetterBusiness Loan	790,000	790,000
CBA - Corporate Charge Card	10,000	10,000
	<u>1,008,816</u>	<u>1,044,829</u>
Used at the reporting date		
NSW Rural Assistance Authority	208,816	244,829
CBA BetterBusiness Loan	1,000	1,000
CBA - Corporate Charge Card	-	-
	<u>209,816</u>	<u>245,829</u>
Unused at the reporting date		
NSW Rural Assistance Authority	-	-
CBA BetterBusiness Loan	789,000	789,000
CBA - Corporate Charge Card	10,000	10,000
	<u>799,000</u>	<u>799,000</u>

Note 18. Lease liabilities

The company leases poker machines under agreements of 3 years. The Club's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Club is restricted from assigning and subleasing the leased asset. The title of the leased assets transfers to the company at the expiration of the lease.

The company leases office equipment under agreements of less than 5 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets and leases liabilities

Note 18. Lease liabilities (continued)

	2025 \$	2024 \$
<i>Current liabilities</i>		
Lease liability	10,587	37,581
<i>Non-current liabilities</i>		
Lease liability	-	13,908
	<u>10,587</u>	<u>51,489</u>
<i>Future cash outflow/lease payments - maturity analysis</i>		
Future lease payments are due as follows:		
Within one year	10,674	42,696
One to five years	-	10,674
	<u>10,674</u>	<u>53,370</u>

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 30 June 2025 was \$5,142 (2024: \$6,636).

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Club is a lessee are shown below:

Statement of profit or loss and other comprehensive income	2025 \$	2024 \$
Interest expense on lease liabilities	1,794	3,951
Depreciation expense on right-of-use assets	16,369	31,963
	<u>18,163</u>	<u>35,914</u>

Note 19. Provisions

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	120,736	140,480
Long service leave	130,799	127,374
	<u>251,535</u>	<u>267,854</u>
<i>Non-current liabilities</i>		
Long service leave	32,233	36,618
	<u>283,768</u>	<u>304,472</u>

Sussex Inlet RSL Club Ltd
Notes to the financial statements
30 June 2025

Note 20. Other

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Accrued expenses	33,200	30,504
Membership revenue received in advance	36,080	35,982
Subsidies and grants received in advance	-	5,798
	<u>69,280</u>	<u>72,284</u>
<i>Non-current liabilities</i>		
Membership revenue received in advance	<u>18,015</u>	<u>18,855</u>
	<u>87,295</u>	<u>91,139</u>

Note 21. Reserves

	2025	2024
	\$	\$
Revaluation surplus reserve	<u>6,872,904</u>	<u>5,196,375</u>

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	Revaluation surplus reserve	Total
	\$	\$
Balance at 1 July 2024	5,196,375	5,196,375
Revaluation - gross	<u>1,676,529</u>	<u>1,676,529</u>
Balance at 30 June 2025	<u>6,872,904</u>	<u>6,872,904</u>

Note 22. Retained surpluses

	2025	2024
	\$	\$
Retained surpluses at the beginning of the financial year	9,683,762	9,037,345
Surplus after income tax expense for the year	<u>1,105,215</u>	<u>646,417</u>
Retained surpluses at the end of the financial year	<u>10,788,977</u>	<u>9,683,762</u>

Note 23. Key management personnel disclosures

Name	Position
Richard Blagrove	President
Tracey Rizzi	Snr Vice President
Joanne Pendlebury	Jnr Vice President
Ronald Clarke-Bruce	Director
Stephen Robb	Director
Terence Valentine	Director
John Kinsey	Director
David Durant	Director
Lynn Webber	Director
Matthew Murray	General Manager/Company Secretary

Compensation

The aggregate compensation made to key management personnel of the company is set out below:

	2025 \$	2024 \$
Aggregate compensation	151,537	143,857

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Morton & Cord, the auditor of the Club:

	2025 \$	2024 \$
<i>Audit services -</i>		
Audit of the financial statements	19,400	18,800
<i>Other services -</i>		
Preparation of the tax return	2,650	2,600
Advisory services	7,350	9,846
	10,000	12,446
	29,400	31,246

Note 25. Commitments

	2025 \$	2024 \$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment - bistro furniture	-	75,000
Ongoing roof restoration and part replacement	150,000	130,000
Purchase of gaming machines	267,350	250,000
Sussex Shores upgrades	40,000	-
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	455,000
Total commitment	-	455,000
	-	-
Net commitment recognised as liabilities	-	455,000

The company has committed to purchasing new gaming machines with a total value of \$267,350. These machines are expected to be installed in November 2025, and the payment is anticipated to be made in January 2026.

The company has continued to be committed to restoration and part replacement works to the roof. The total expected cost is to be no more than \$150,000; however, this is yet to be finalised.

Note 26. Related party transactions

Parent entity

Sussex Inlet RSL Club Ltd is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Transactions with related parties

There were no transactions with related parties during the current financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Sussex Inlet RSL Club Ltd
Directors' declaration
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Club's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Blagrove
President



Tracey Rizzi
Senior Vice President

25 August 2025

Independent Auditor's Report to the Members of Sussex Inlet RSL Club Ltd

Opinion

We have audited the financial report of Sussex Inlet RSL Club Ltd (the company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Sussex Inlet RSL Club Ltd is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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 2025, 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.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.



Morton & Cord



Michael Lees

Partner

Nowra

25 August 2025