
Panania-East Hills R.S.L. Club Limited

ABN 41 001 043 116

Financial Statements
For the Year Ended 31 December 2025

Panania-East Hills R.S.L. Club Limited
Directors' Report
For the Financial Year Ended 31 December 2025

The directors present their report together with the financial statements of Panania-East Hills R.S.L. Club Limited, trading as Panania Diggers for the year ended 31 December 2025 and the auditor's report thereon.

INFORMATION ON DIRECTORS:

The names and qualifications of directors at any time during or since the end of the financial year are:

| | |
|---|--|
| Colin Wallace President Age: 69 | Elected to the Board in 2014. Appointed President in 2020, previously Junior Vice President in September 2017. Member of Panania East Hills RSL Club since 1977. Former Senior Auditor with Australian Taxation Office. Delegate to Western Metropolitan Region of Clubs NSW. Accountant - Commerce Certificate (Accounting Procedures). Delegate to Canterbury-Bankstown LGA Licensing Accord. Delegate to Canterbury-Bankstown LGA ClubGrants Committee. Former player, coach and treasurer of Panania East Hills RSL Cricket Club. Former Coach, Manager and President of St Christopher's Cricket Club. Former Manager St Christopher's Rugby League Club. Former Representative Coach of BDCA. Member of Club Directors Institute. Board Representative to Bankstown City Aged Care Trust. Sporting Liaison Director for St Christopher's Rugby League Club, St Christopher's Junior Rugby League Club. |
| Michael Beckers Senior Vice President Age: 62 | Appointed to the Board in 2014. Appointed Senior Vice President in 2024. Member of Panania East Hills RSL Club since 1982. Delegate to Western Metropolitan Region of Clubs NSW. Marketing Certificate attained in 1986. General Manager Steel Industry since 1997. General Manager Construction Industry since 2000. Player Panania RSL Soccer Club from 1980-2001. Player Panania RSL Cricket Club 2010. Manager Panania RSL Soccer Club 2003-2006. Member of Club Directors Institute. |

Panania-East Hills R.S.L. Club Limited
Directors' Report
For the Financial Year Ended 31 December 2025

| | |
|---|---|
| Robert McAndrew Director Age: 79 | Appointed to the Board in October 2017. Member of Panania East Hills RSL Club since 1969. Delegate to Western Metropolitan Region of Clubs NSW. Former Engineering Office with Pacific Power. Electrical Trades Certificate. Electrical Engineering Certificate. Original Player-Panania East Hills RSL Cricket Club. Life Member Panania East Hills RSL Cricket Club. Life Member East Hills Rugby League Football Club. Former Secretary East Hills Rugby League Football Club. Sporting Liaison Director for Panania RSL Cricket Club. Member of Club Directors Institute. Delegate to Canterbury-Bankstown LGA Licensing Accord. Delegate to Canterbury-Bankstown LGA Club Grants Committee. |
| Leo Weston Director Age: 61 | Appointed to the Board in April 2019. Member of Panania East Hills RSL Club since 1997. Member of Panania RSL Sub Branch since 1997. President Panania RSL Sub Branch since 2017. Served in the Royal Australian Navy. Electrical Trades Certificate. Associate Diploma in Electrical Maintenance. Sporting Liaison Director for the Tennis Association. Member of Club Directors Institute. Retired Information Technology Manager. |
| Robert Bell Junior Vice President Age: 65 | Elected to the Board in 2020. Appointed Junior Vice President in 2024. Managing Director, PKF Chartered Accountants Sydney and Newcastle. Bachelor of Business (with credit) - UTS. Fellow of Chartered Accountants Australia and New Zealand (CAANZ). Registered Tax Agent. Registered Auditor. President, Panania RSL Youth Soccer Club - 2009 to present. Auditor, Kokoda Track Memorial Walkway. Sporting Liaison Director for Panania RSL Soccer Club. |
| Helen Finn Director Age: 70 | Appointed to the Board in November 2021. Member of Panania East Hills RSL Club since 1973. Retired. BSc (Microbiology and Genetics majors) 1977. Occupational Hygienist, WorkCover 1979-2014. Member of Club Directors Institute. |

Panania-East Hills R.S.L. Club Limited
Directors' Report
For the Financial Year Ended 31 December 2025

Audrey Smith
Director
Age: 65

Appointed to the Board in April 2024.
Diploma Business Administration.
Lead Auditor Quality Management Systems ISO 9001:2015
Internal Auditor Quality Management Systems ISO 9001:2015
Currently working as Quality Compliance and Warranty Administrator.
Former Netball Coach Bankstown Sports Netball Club.
Former Secretary and event's organiser of Westfields Sports High School Rowing Teams.
Justice of the Peace.
Member of the Club Directors Institute.

ATTENDANCE AT CLUB BOARD MEETINGS

The number of meeting of directors held during the year and the number of meetings attended by each director were as follows:

| Number of meetings held: 12 | Number Attended | Number Held* |
|-----------------------------|-----------------|--------------|
| C. Wallace | 11 | 12 |
| M. Beckers | 12 | 12 |
| R. McAndrew | 11 | 12 |
| L. Weston | 11 | 12 |
| R. Bell | 11 | 12 |
| H. Finn | 11 | 12 |
| A. Smith | 12 | 12 |

**Number of meetings held during the time the director held office during the year.*

CLUB SECRETARY

The following person held the position of Club Secretary at the end of the financial year.

Ian Lowndes has been employed with Panania East Hills R.S.L. Club (Panania Diggers) for the past 31 years formerly holding the position of Operations Manager.

Ian was appointed in the capacity as Club Secretary and Chief Executive Officer in 2019.

Ian is a member of the CDI (Club Directors Institute).

PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the financial year consisted of the conduct and promotion of a licensed social club for members of the company.

REVIEW AND RESULTS OF OPERATIONS

The net surplus for the year amounted to \$338,071 compared with a net surplus of \$155,095 for the prior year. This resulted after charging \$814,425 (2024: \$744,502) for depreciation and after charging \$nil (2024: \$nil) for income tax.

Panania-East Hills R.S.L. Club Limited
Directors' Report
For the Financial Year Ended 31 December 2025

MEMBERSHIP

The Club is a company limited by guarantee and without share capital. The number of members at 31 December 2025 and a comparison with last year is as follows:

| | <u>2025</u> | <u>2024</u> |
|---------------------------------|---------------|---------------|
| Life Members | 4 | 4 |
| Returned Service League Members | 80 | 75 |
| Associate Members | 13,495 | 14,146 |
| TOTALS | <u>13,579</u> | <u>14,225</u> |

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year.

OBJECTIVES

The company has the following short-term objectives:

The primary short-term objective of the Club is providing superior service and high-quality facilities for its members and the local community.

The company has the following long-term objectives:

The long-term objective of the Club remains consistent with providing its members and their guests with the very best in service, in a relaxed food, beverage, events and entertainment space all year round.

STRATEGY FOR ACHIEVING OBJECTIVES

The Club has continued to invest in the Club's facilities ensuring the Club continues to be an attractive place for its members and guests. The Club continues to maintain control over its own financial future.

The Club has carefully monitored its operational performance to ensure that costs and expenditure are appropriate for the Club.

PERFORMANCE MEASUREMENT AND KEY PERFORMANCE INDICATORS

The Club has detailed budgets and cash flows developed for the ensuing year. The Club's performance for each month is scrutinised and reviewed against budgets. Some of the criteria are as follows:

- Gross profit margins
- Detailed profit and loss accounts
- Balance sheet analysis
- Cash flow

Non-Financial Performance is assessed by a variety of measures including:

- Membership numbers
- Patron feedback
- Staff involvement and feedback
- Comparison to industry trends and initiatives

Panania-East Hills R.S.L. Club Limited
Directors' Report
For the Financial Year Ended 31 December 2025

LIABILITY OF MEMBERS

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 \$4.40 each towards meeting any outstanding obligations of the company. At 31 December 2025, the total amount that the members of the company would be liable to contribute if the company was wound up is \$59,747.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is included in this report.

Signed in accordance with a resolution of the directors.

12th

Dated at Panania this day of February 2026.

A handwritten signature in cursive script, appearing to read 'C Wallace', is written over a horizontal dotted line.

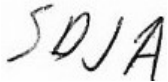
COLIN WALLACE, President

Panania-East Hills R.S.L. Club Limited

**Auditor's Independence Declaration to the Directors of Panania-East Hills R.S.L. Club Limited
For the Financial Year Ended 31 December 2025**

In accordance with the requirements of the *Corporations Act 2001*, I declare that, 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.



SDJA



Simon Joyce

Director

12 February 2026

Sydney, New South Wales

Panania-East Hills R.S.L. Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2025

| | Notes | 2025 \$ | 2024 \$ |
|--|-------|--------------------|--------------------|
| Revenue | | | |
| Revenue from contracts with customers | 4 | 8,720,831 | 8,281,004 |
| Other income | 5 | 371,608 | 211,041 |
| Total revenue | | 9,092,439 | 8,492,045 |
| Expenses | | | |
| Cost of goods sold | | (905,862) | (893,437) |
| Club entertainment, marketing and promotion | | (1,303,373) | (1,056,152) |
| Depreciation | | (814,425) | (744,502) |
| Employee benefits | | (2,578,203) | (2,543,673) |
| Finance costs | | (80,430) | (167,376) |
| Grants paid | | (20,825) | (40,587) |
| Impairment loss on receivables | | (3,622) | - |
| Lease payments for short-term/low-value leases | | (60,751) | (36,825) |
| Poker machine licences and taxes | | (1,194,027) | (1,084,697) |
| Property expenses | | (1,073,559) | (1,028,820) |
| Other expenses | | (719,291) | (740,881) |
| Total expenses | | (8,754,368) | (8,336,950) |
| Net surplus before income tax | | 338,071 | 155,095 |
| Income tax expense | 6 | - | - |
| Net surplus for the year | | 338,071 | 155,095 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 338,071 | 155,095 |

The accompanying notes form part of these financial statements.

Panania-East Hills R.S.L. Club Limited
Statement of Financial Position
As at 31 December 2025

| | Notes | 2025 \$ | 2024 \$ |
|--------------------------------------|-------|------------------|------------------|
| Assets | | | |
| Current | | | |
| Cash and cash equivalents | 7 | 802,051 | 765,660 |
| Trade and other receivables | 8 | 197,137 | 202,589 |
| Inventories | 9 | 52,400 | 45,155 |
| Other assets | 10 | 42,892 | 38,044 |
| Total current assets | | 1,094,480 | 1,051,448 |
| Non-current | | | |
| Property, plant and equipment | 11 | 7,708,721 | 7,665,153 |
| Right-of-use assets | 12 | 621,584 | 532,983 |
| Total non-current assets | | 8,330,305 | 8,198,136 |
| Total assets | | 9,424,785 | 9,249,584 |
| Liabilities | | | |
| Current | | | |
| Trade and other payables | 13 | 673,795 | 655,292 |
| Provisions | 14 | 414,677 | 395,573 |
| Borrowings | 15 | 307,114 | 302,438 |
| Lease liabilities | 16 | 128,452 | 138,079 |
| Contract liabilities | 17 | 59,645 | 62,922 |
| Total current liabilities | | 1,583,683 | 1,554,304 |
| Non-current | | | |
| Provisions | 14 | 46,769 | 42,095 |
| Borrowings | 15 | 397,000 | 697,000 |
| Lease liabilities | 16 | 532,590 | 429,513 |
| Total non-current liabilities | | 976,359 | 1,168,608 |
| Total liabilities | | 2,560,042 | 2,722,912 |
| Net assets | | 6,864,743 | 6,526,672 |
| Equity | | | |
| Accumulated funds | | 6,864,743 | 6,526,672 |
| Total equity | | 6,864,743 | 6,526,672 |

The accompanying notes form part of these financial statements.

Panania-East Hills R.S.L. Club Limited
Statement of Changes in Equity
For the Financial Year Ended 31 December 2025

| | Notes | Accumulated Funds \$ | Total Equity \$ |
|-----------------------------|--------------|-------------------------------------|--------------------------------|
| Balance at 1 January 2024 | | 6,371,577 | 6,371,577 |
| Surplus for the year | | 155,095 | 155,095 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 155,095 | 155,095 |
| Balance at 31 December 2024 | | <u>6,526,672</u> | <u>6,526,672</u> |
| Balance at 1 January 2025 | | 6,526,672 | 6,526,672 |
| Surplus for the year | | 338,071 | 338,071 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 338,071 | 338,071 |
| Balance at 31 December 2025 | | <u>6,864,743</u> | <u>6,864,743</u> |

The accompanying notes form part of these financial statements.

Panania-East Hills R.S.L. Club Limited
Statement of Cash Flows
For the Financial Year Ended 31 December 2025

| | Notes | 2025 | 2024 |
|---|--------------|------------------|------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers and others | | 9,778,090 | 9,263,134 |
| Payments to suppliers and employees | | (8,558,363) | (8,459,642) |
| Interest received | | 7,320 | 12,823 |
| Net cash provided by operating activities | | 1,227,047 | 816,315 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (814,902) | (343,533) |
| Proceeds from sale of property, plant and equipment | | - | 51,254 |
| Net cash used in investing activities | | (814,902) | (292,279) |
| Cash flows from financing activities | | | |
| Net repayments of borrowings | | (295,324) | (299,366) |
| Interest paid | | (80,430) | (167,376) |
| Net cash used in financing activities | | (375,754) | (466,742) |
| Net change in cash and cash equivalents | | 36,391 | 57,294 |
| Cash and cash equivalents at beginning of financial year | | 765,660 | 708,366 |
| Cash and cash equivalents at end of financial year | 7 | 802,051 | 765,660 |

The accompanying notes form part of these financial statements.

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

1. General information

The financial report covers Panania-East Hills R.S.L. Club Limited as an individual entity. Panania-East Hills R.S.L. Club Limited is a company limited by guarantee, incorporated and domiciled in Australia. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The company's principal activities were included in the directors' report.

The principal place of business is 28 Childs Street, Panania, NSW, 2213.

The financial report was authorised for issue by the directors on 12 February 2026.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of revised standards became effective for the first time to annual periods beginning on or after 1 January 2025. The adoption of these revised accounting standards has not had a material impact on the company's financial statements.

Accounting Standards issued but not yet effective and not been adopted early by the company

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the company. The directors are currently assessing the impact such standards will have on the company.

3. Summary of material accounting policy information

Financial reporting framework

The general purpose financial statements of the company have been prepared in accordance with the requirements of the *Corporations Act 2001*.

Statement of compliance

The general purpose financial statements of the company have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation

The financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the company.

The material accounting policy information that has been used in the preparation of these financial statements is summarised below.

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer 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.

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Income taxes

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, unused tax losses and the adjustment recognised for prior periods, where applicable.

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 dining room 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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected losses. Trade receivables are generally due for settlement within 30 days.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, plant and equipment

Depreciation

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

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

| Fixed asset class | Depreciation rate |
|--------------------------------------|--------------------------|
| Buildings and improvements | 2.5 – 10% |
| Plant and equipment – poker machines | 10 – 25% |
| Plant and equipment – others | 10 – 25% |

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| | 2025 | 2024 |
|---------------------|-------------|-------------|
| Plant and equipment | 3 – 5 years | 3 – 5 years |
| Premises | 21 years | 21 years |

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to the short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the company transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Going concern

As at 31 December 2025, the company had a net current asset deficiency position of \$489,203. Based on expected future cash flows and available financing options, the directors are of the view that the company will be able to satisfy its liabilities as and when they fall due and will continue as a going concern.

Significant judgement in applying accounting policies

When preparing the financial statements, the directors undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An allowance for expected credit losses is included, where applicable, for any receivable where the entire balance is not considered collectible. The allowance for expected credit losses is based on the best information at the reporting date.

Inventories

The directors estimate the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

Useful lives of depreciable assets

The directors review their estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain depreciable assets.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated 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.

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

| | 2025 \$ | 2024 \$ |
|--|------------------|------------------|
| 4. Revenue from contracts with customers | | |
| <u>Revenue recognised over time</u> | | |
| Revenue from rendering of services | 6,283,447 | 5,961,203 |
| <u>Revenue recognised at a point in time</u> | | |
| Revenue from sale of goods | 2,437,384 | 2,319,801 |
| Total revenue from contracts with customers | 8,720,831 | 8,281,004 |

How the company recognises revenue

Rendering of services

Revenue relating to gaming income, commissions and member subscriptions is recognised over the period in which the service is provided.

Sale of goods

Sales of goods (bar and cafe sales) are recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer.

5. Other income

| | | |
|---|----------------|----------------|
| Rental/hire income | 145,457 | 145,457 |
| Interest income | 7,320 | 12,823 |
| Net gain on sale of property, plant and equipment | - | 51,254 |
| Other income | 218,831 | 1,507 |
| | 371,608 | 211,041 |

6. Income tax expense

| | | |
|----------------------|----------|----------|
| Surplus before tax | 338,071 | 155,095 |
| Domestic tax rate | 25.0% | 25.0% |
| Expected tax expense | (84,518) | (38,774) |

Adjustments:

| | | |
|--|----------|----------|
| - Amount of tax relating to the origination of permanent and temporary differences | 84,518 | 47,733 |
| - Amount of benefit not recognised as a deferred tax asset in the current period | - | (8,959) |
| Actual tax expense | - | - |

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

| | 2025 | 2024 |
|---|------------------|------------------|
| | \$ | \$ |
| 7. Cash and cash equivalents | | |
| Cash at bank and on hand | 802,051 | 765,660 |
| | 802,051 | 765,660 |
| 8. Trade and other receivables | | |
| Current | | |
| Trade receivables | 13,535 | 23,111 |
| Security deposits | 155,000 | 155,000 |
| Loans to related parties | - | 478 |
| Sundry debtors | 28,602 | 24,000 |
| | 197,137 | 202,589 |
| 9. Inventories | | |
| Liquor and other bar stock | 52,400 | 45,155 |
| | 52,400 | 45,155 |
| 10. Other assets | | |
| Current | | |
| Prepayments | 42,892 | 38,044 |
| | 42,892 | 38,044 |
| 11. Property, plant and equipment | | |
| Freehold land at cost | 2,067,895 | 2,067,895 |
| Buildings and improvements at cost | 6,586,699 | 6,517,297 |
| Buildings and improvements accumulated depreciation | (2,289,237) | (2,313,186) |
| | 4,297,462 | 4,204,111 |
| Plant and equipment at cost | 5,313,860 | 5,028,835 |
| Plant and equipment accumulated depreciation | (3,970,496) | (3,635,688) |
| | 1,343,364 | 1,393,147 |
| Total property, plant and equipment | 7,708,721 | 7,665,153 |

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

11. Property, plant and equipment (continued)

| | Freehold Land \$ | Buildings & Improvements \$ | Plant & Equipment \$ | Total \$ |
|--------------------------------------|---------------------------------|--|---|-------------------------|
| Net carrying amount 1 January 2025 | 2,067,895 | 4,204,111 | 1,393,147 | 7,665,153 |
| Additions | - | 343,463 | 471,439 | 814,902 |
| Disposals | - | (81,342) | (62,926) | (144,268) |
| Depreciation | - | (168,770) | (458,296) | (627,066) |
| Net carrying amount 31 December 2025 | <u>2,067,895</u> | <u>4,297,462</u> | <u>1,343,364</u> | <u>7,708,721</u> |

12. Right-of-use assets

| | 2025 \$ | 2024 \$ |
|--|-----------------------|-----------------------|
| Right-of-use assets at cost | 995,700 | 1,184,857 |
| Right-of-use assets accumulated depreciation | (374,116) | (651,874) |
| | <u>621,584</u> | <u>532,983</u> |

| | Right-of-Use Assets \$ | Total \$ |
|--------------------------------------|---------------------------------------|-----------------------|
| Net carrying amount 1 January 2025 | 532,983 | 532,983 |
| Additions | 275,960 | 275,960 |
| Disposals | - | - |
| Depreciation | (187,359) | (187,359) |
| Net carrying amount 31 December 2025 | <u>621,584</u> | <u>621,584</u> |

13. Trade and other payables

Current

| | 2025 \$ | 2024 \$ |
|------------------------------|-----------------------|-----------------------|
| Trade payables | 260,895 | 313,565 |
| Net GST payable | 142,736 | 123,629 |
| Other creditors and accruals | 270,164 | 218,098 |
| | <u>673,795</u> | <u>655,292</u> |

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

| | 2025 \$ | 2024 \$ |
|---|------------------|----------------|
| 14. Provisions | | |
| Current | | |
| Provision for employee benefits | 414,677 | 395,573 |
| | 414,677 | 395,573 |
| Non-current | | |
| Provision for employee benefits | 46,769 | 42,095 |
| | 46,769 | 42,095 |
| 15. Borrowings | | |
| Current | | |
| Credit card payable | 7,114 | 2,438 |
| Commercial bills - secured | 300,000 | 300,000 |
| | 307,114 | 302,438 |
| Non-current | | |
| Commercial bills - secured | 397,000 | 697,000 |
| | 397,000 | 697,000 |
| The company also has an unused \$150,000 overdraft facility. | | |
| 16. Lease liabilities | | |
| Current | | |
| Lease liabilities | 128,452 | 138,079 |
| | 128,452 | 138,079 |
| Non-current | | |
| Lease liabilities | 532,590 | 429,513 |
| | 532,590 | 429,513 |
| Future lease payments in relation to lease liabilities as at period end are as follows: | | |
| Within one year | 175,007 | 176,583 |
| Later than one year but not later than five years | 318,702 | 192,620 |
| Later than five years | 558,871 | 600,526 |
| | 1,052,580 | 969,729 |

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

16. Lease liabilities (continued)

The company has leases for the following premises and equipment:

*The company leases various pieces of gaming equipment, including a digital loyalty system and poker machines. Lease terms vary between 3-5 years with no option of renewal. Payments consist of fixed monthly payments.

*The company leases premises at Area A, 26A Childs Avenue, Panania, NSW, 2213. Lease term is for a period of 21 years ending 31 May 2044, with no option of renewal. Payments are made monthly and are subject to annual review based on CPI, other than each fifth, tenth and fifteenth anniversary of the commencement date which is to be reviewed to the greater of the CPI or market rent.

| | 2025 | 2024 |
|---|---------------|---------------|
| | \$ | \$ |
| 17. Contract liabilities | | |
| Current | | |
| Contract liabilities - revenue from rendering of services | 59,645 | 62,922 |
| | <u>59,645</u> | <u>62,922</u> |

18. Related parties

The company's related parties include its key management personnel and related entities.

(a) Key management personnel compensation

| | | |
|---|---------|---------|
| Total key management personnel compensation | 197,276 | 198,643 |
|---|---------|---------|

(b) Compensation of directors

Paid to Directors for their role as Directors of the company, including expenses incurred in the course of attending the company and/or representing the company in an official capacity

| | |
|--------|--------|
| 30,492 | 30,387 |
|--------|--------|

Apart from the details disclosed above in this note, no director has entered into a material contract with the company during the year and there were no material contracts involving other directors' interests existing at year-end.

(c) Balances with related parties

Trade and other receivables

| | | |
|--------------------------|---|-----|
| Loans to related parties | - | 478 |
|--------------------------|---|-----|

19. Remuneration of auditor

SDJA

| | | |
|---|---------------|---------------|
| Audit of the financial report | 19,500 | 18,550 |
| Assistance with preparation of the financial report | 2,850 | 2,750 |
| | <u>22,350</u> | <u>21,300</u> |

Panania-East Hills R.S.L. Club Limited
Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

20. 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 \$4.40 each towards meeting any outstanding obligations of the company. At 31 December 2025, the total amount that the members of the company would be liable to contribute if the company was wound up is \$59,747.

21. Commitments

The company had no material unrecognised contractual commitments as at 31 December 2025.

22. Contingent liabilities

The company had no contingent liabilities as at 31 December 2025.

23. Subsequent events

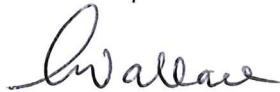
No adjusting or significant non-adjusting events have occurred between 31 December 2025 and the date of authorisation.

Panania-East Hills R.S.L. Club Limited
Directors' Declaration
For the Financial Year Ended 31 December 2025

The directors of the company declare that in the directors' opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the company's financial position as at 31 December 2025 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and
- c) the company does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the *Corporations Act 2001* does not apply to the company.

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



Colin Wallace
President
12 February 2026

Panania-East Hills R.S.L. Club Limited
Independent Auditor's Report to the Members of Panania-East Hills R.S.L. Club Limited
For the Financial Year Ended 31 December 2025

Opinion

We have audited the financial report of Panania-East Hills R.S.L. Club Limited (the company), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information, and the directors' declaration.

In our opinion, the financial report of Panania-East Hills R.S.L. Club Limited has been prepared in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial report, which indicates that as at the year ended 31 December 2025, the company had a net current asset deficiency position of \$489,203. These figures, as well as other assumptions, events or conditions set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern, should the assumptions, events or conditions relied upon do not eventuate or materialise. Our opinion is not modified in respect of this matter.

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

The directors of the company are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

Panania-East Hills R.S.L. Club Limited
Independent Auditor's Report to the Members of Panania-East Hills R.S.L. Club Limited
For the Financial Year Ended 31 December 2025

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 and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the directors of the company determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

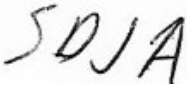
In preparing the financial report, the directors of the company are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the company either intend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

The directors of the company are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/>. This description forms part of our auditor's report.



SDJA



Simon Joyce

Director

12 February 2026

Sydney, New South Wales