

Sutherland United Services Club Ltd

ACN 001 028 771

trading as

Club On East

Annual Report

For the year ended 30 June, 2025

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FINANCIAL REPORT OF SUTHERLAND UNITED SERVICES CLUB LTD
FOR THE YEAR ENDED 30 JUNE, 2025

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Sutherland United Services Club Ltd
ACN 001 028 771

Directors' Report

Your directors present their report, together with the financial statements for Sutherland United Services Club Ltd (the company) for the year ended 30 June, 2025.

Directors

The names of directors of the company during the financial year and at the date of this report are:

Name	Occupation	Number of years as director of company	Director meetings	
			Eligible to attend	Meetings attended
Anthony Hogan - President	Entertainment Manager	5	12	12
Rebecca Brabazon - Deputy President	Finance Manager	3	12	12
Thomas Nadin	Retired	3	12	12
Ross William Perry - Treasurer	Licensed Private Investigator	2	12	6
John Scott Barker (resigned 24/11/2024)	Retired	2	5	4
Lisa Price (Appointed 24/11/2024)	Recruitment and Resourcing Team Lead	1	7	6
Katherine Forman (Appointed 24/11/2024)	General Manager (Operations)	1	7	6

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

Contribution on winding up

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution of the company states that each member is required to contribute a maximum of \$2 toward meeting any outstanding obligations of the entity. As at 30 June, 2025, the total amount that members of the company were liable to contribute if the company was wound up is \$35,078 (2024: \$30,136).

Principal activities

The principal activities of the company during the financial year were the operation of a licensed club providing social and sporting activities for members and their guests. There were no significant changes in the nature of the company activities during the year.

Short and long term objectives

The principal long-term and short-term objectives of the company are to operate a licensed social club for the use of the members and their guests.

Strategy for achieving the objectives

The Board of Directors and management regularly address cash flow forecasts and apply budgetary controls to monitor the financial condition of the company.

Sutherland United Services Club Ltd
ACN 001 028 771

Directors' Report

Core Properties

The directors determine that the following property is core property of the company, under the Registered Clubs Act 1976 (NSW):

1-7 East Parade, Sutherland

Auditor 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.

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

A Hogan
- President



Dated this 31st day of October, 2025.



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTOR OF SUTHERLAND UNITED SERVICES CLUB LTD

We declare that to the best of our knowledge and belief, during the year ended 30 June 2025 there have been:

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

**Hemant Nisar – Director Audit Services
Registered Company Auditor**

Hayes Knight Audit (NSW) Pty Ltd

Dated at Sydney on the 31st of October 2025

Sutherland United Services Club Ltd

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June, 2025

	Note	2025 \$	2024 \$
Sales revenue	2(a)	8,741,351	7,178,481
Other revenue	2(b)	72,643	171,326
Net revenue		<u>8,813,994</u>	<u>7,349,807</u>
Expenses			
Cost of goods sold	3(a)	1,006,538	979,141
Depreciation and amortisation	3(b)	751,729	645,929
Administration and general expenses	3(c)	5,867,296	4,942,773
Total expenses		<u>7,625,562</u>	<u>6,567,843</u>
Profit before income tax		1,188,432	781,964
Income tax expense	4	-	-
Profit after income tax	14	<u>1,188,432</u>	<u>781,964</u>
Profit attributable to members of the entity		1,188,432	781,964
Other comprehensive income, net of tax		-	-
Total comprehensive income attributable to members of the entity		<u>1,188,432</u>	<u>781,964</u>

The accompanying notes form part of these financial statements

Sutherland United Services Club Ltd

Statement of Financial Position For the year ended 30 June, 2025

	Note	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,875,072	1,925,345
Trade and other receivables	6	46,381	100,431
Inventories	7	101,092	68,067
Financial assets	8	1,423	1,423
Other assets	9	196,868	171,949
Total current assets		<u>3,220,836</u>	<u>2,267,215</u>
Non-current assets			
Property, plant and equipment	10	22,081,573	21,510,648
Total non-current assets		<u>22,081,573</u>	<u>21,510,648</u>
Total assets		<u>25,302,409</u>	<u>23,777,863</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	891,529	557,340
Employee provisions	12	283,197	299,174
Total current liabilities		<u>1,174,726</u>	<u>856,514</u>
Employee provisions	12	17,903	-
Total non-current liabilities		<u>17,903</u>	<u>-</u>
Total liabilities		<u>1,192,629</u>	<u>856,514</u>
Net assets		<u>24,109,780</u>	<u>22,921,348</u>
EQUITY			
Retained earnings	13	10,423,904	9,235,472
Asset revaluation surplus	15	13,685,876	13,685,876
Total equity		<u>24,109,780</u>	<u>22,921,348</u>

The accompanying notes form part of these financial statements

Sutherland United Services Club Ltd

Statement of Changes in Equity For the year ended 30 June, 2025

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance as at 1 July 2023	8,453,508	13,685,876	22,139,384
Profit for the year ended	781,964	-	781,964
Other comprehensive income, net of tax	-	-	-
Balance as at 30 June, 2024	<u>9,235,472</u>	<u>13,685,876</u>	<u>22,921,348</u>
Balance as at 1 July 2024	9,235,472	13,685,876	22,921,348
Profit for the year ended 30 June, 2025	1,188,432	-	1,188,432
Other comprehensive income, net of tax	-	-	-
Balance as at 30 June, 2025	<u>10,423,904</u>	<u>13,685,876</u>	<u>24,109,780</u>

The accompanying notes form part of these financial statements

Sutherland United Services Club Ltd

Statement of Cash Flows For the year ended 30 June, 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Cash receipts from customers		9,706,348	7,908,676
Payments to suppliers and employees		(7,489,461)	(6,612,600)
Interest received		33,183	24,406
Net cash inflow from operating activities	14(a)	2,250,070	1,320,482
 Cash flows from investing activities			
Payment for property, plant and equipment		(1,324,343)	(1,183,846)
Proceeds from sale of plant and equipment		24,000	130,000
Net cash outflow from investing activities		(1,300,343)	(1,053,846)
 Cash flows from financing activities			
Net increase in (repayment of) borrowings		-	(2,187)
Net cash outflow from financing activities		-	(2,187)
 Net increase in cash and cash equivalents		949,727	264,449
Cash and cash equivalents at start of the financial year		1,925,345	1,660,896
Cash and cash equivalents at end of year	14(b)	2,875,072	1,925,345

The accompanying notes form part of these financial statements

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

The financial statements are for Sutherland United Services Club Limited as ('Company') an individual entity, incorporated and operating in Australia. Sutherland United Services Club Limited is a company limited by guarantee.

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. The adoption of these standards did not have material impact on the financial statements.

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

Note 1 — Statement of material accounting policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 31 October 2025 by the directors of the company.

(b) Accounting policies

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(i) Revenue

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and amount of Goods and Services Tax (GST). Revenue is recognised for the major business activities as follows:

Sales revenue

Sales revenue is recognised when the goods or services are provided.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Commission revenue

Commission revenue is recognised when control of a right to receive consideration for the provision of services has been attained.

Poker machine takings

Poker machine revenue is recognised when net takings from the poker machines are recorded.

(ii) Income tax

The charge for current income tax expense is based on the portion of profit attributable to non-members, income from third parties and investment income. The balance of net income is not taxable under the mutuality principle as determined in accordance with the Income Tax Assessment Act 1997.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recording of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to Equity, in which case the deferred tax is adjusted directly against Equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

(iii) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(iv) Property, plant & equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or amortisation.

Property

The clubhouse building, and the freehold land on which it stands, were separately independently valued as at 30 June, 2023 by S B Estates Pty Ltd. In these financial statements, the freehold land is recorded at valuation as at 30 June, 2023, whilst the clubhouse building is recorded at valuation, net of depreciation, as at 30 June, 2023 plus improvements, at depreciated value, since that date.

Plant and equipment

Plant and equipment - comprising the plant and equipment, fixtures and fittings, poker machines and motor vehicles - are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset employment and subsequent disposal.

Depreciation

The depreciable amounts of all fixed assets, including building improvements and capitalised leased assets, but excluding land, are depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use.

Building improvements have been, and will continue to be, depreciated in accordance with Australian Accounting Standard "AASB 116: Property, Plant and Equipment", subject to the revaluation as at 30 June, 2023.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

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

<u>Class of fixed assets</u>	<u>Depreciation Rate</u>
Building and improvements	2.72% to 20%
Plant and equipment	2.5% to 33.3%
Furniture and fittings	1% to 27%
Motor vehicles	8.33% to 25%
Poker machines	20% to 27%

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

Each asset class carrying amount is written down immediately to its recoverable amount if the class carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset will be transferred to retained earnings.

(iv) Employee benefits

Provision is made for company liability for employee entitlement benefits arising from services rendered by the employees to the end of the reporting date. Employee entitlements that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year are classified as non-current.

Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

(v) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not legal ownership are transferred to the company, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

(vi) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position

(vii) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an on-going basis. Debts which are known to be uncollectible are written-off. A provision for doubtful debts is established when there is objective evidence that the company may not be able to collect all amounts due according to the original terms of receivables.

(viii) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expenses. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the Statement of Cash Flows net of GST that is recoverable from, or payable, to the ATO.

(ix) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

(x) Trade and other payables

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

(xi) Provisions

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

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

(xiii) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e., trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, in which case they are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, in which case they are classified as current assets.

If, during the period, the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Such assets are subsequently measured at fair value.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed within twelve months after the end of the reporting period, in which case they are classified as current assets.

Financial liabilities

Non-derivative financial liabilities, excluding financial guarantees, are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's-length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

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

(xii) Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset fair value less costs to sell and value in use, is compared to the asset carrying value. Any excess of the asset carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

(xiv) Critical Accounting Estimates and Judgments

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

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company which may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of an asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(xv) Comparative figures

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

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

	2025 \$	2024 \$
Note 2 — Revenue		
(a) <u>Revenue from continuing operations</u>		
Sales revenue		
Bar sales	3,066,160	2,516,003
Coffee shop sales	-	-
	<u>3,066,160</u>	<u>2,516,003</u>
Revenue from gambling facilities		
Net poker machine takings	4,886,433	3,958,342
Keno commission	71,935	60,632
TAB commission	29,075	26,293
Bingo and raffle income	212,814	154,400
	<u>5,200,257</u>	<u>4,199,667</u>
Revenue from rendering of services		
Commission received	71,482	65,411
Functions room income	271,131	217,250
Member subscriptions	60,591	61,094
	<u>403,203</u>	<u>343,755</u>
Other revenue		
Sundry income	71,731	119,056
	<u>71,731</u>	<u>119,056</u>
Total gross revenue from ordinary activities	<u>8,741,351</u>	<u>7,178,481</u>
(b) <u>Other income</u>		
GST subsidy received	17,153	16,920
Interest received	33,183	24,406
Profit from sale of non-current assets	22,307	130,000
Recovery of prior year revaluation decrease	-	-
	<u>72,643</u>	<u>171,326</u>
Note 3 — Expenses		
(a) <u>Cost of goods sold</u>		
Bar trading	1,006,538	979,141
Coffee shop trading	-	-
	<u>1,006,538</u>	<u>979,141</u>
(b) <u>Depreciation and amortisation</u>		
Furniture and fittings	83,653	32,718
Motor vehicles	4,000	6,557
Plant and equipment	195,694	198,014
Building improvements	146,542	128,361
Poker machines	321,842	280,279
Total depreciation and amortisation	<u>751,729</u>	<u>645,929</u>

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

	2025 \$	2024 \$
Note 3 — Expenses (continued)		
(c) <u>Administration and general expenses</u>		
Accounting fees	66,715	45,854
AGM notices	4,226	16,379
Audit fees	39,436	29,050
Bad debt expense	11,116	-
Bank fees and charges	25,286	22,259
Bingo and raffle expenses	297,902	236,544
Cleaning expenses	295,655	240,374
Computer software and support costs	85,925	58,286
Data monitoring fees	61,894	56,767
Director honorarium and expenses	37,538	24,106
Donations	62,738	50,084
Donations in-kind	-	1,155
Electricity	167,328	133,661
Employee leave entitlement provisions	7,769	(22,358)
Fees and charges	22,811	20,558
Fringe benefits tax	3,176	6,562
Fuel and oil	26,748	27,317
Hire of equipment	16,851	7,764
Insurance	215,673	167,333
Legal costs	20,346	35,156
Loss on sale of fixed assets	-	1,502
Meeting expenses	8,617	2,007
Member benefits	49,803	48,485
Motor vehicle expenses	19,487	18,705
Payroll tax	52,849	37,332
Poker machine duty	892,102	685,259
Poker machine software subscriptions	49,632	44,979
Postage	370	2,370
Printing and stationery	132,145	38,147
Promotion	225,905	209,419
Protective clothing and uniform	6,824	5,214
Rates and land taxes	30,240	28,892
Repairs and maintenance	186,610	280,077
Requisites	63,631	41,646
Security	211,106	166,594
Sponsorship	35,738	1,250
Staff amenities	34,152	24,574
Staff training and recruitment	12,016	3,944
Subscriptions	152,832	132,378
Sundry expenses	747	766
Superannuation	224,438	192,071
Telephone	7,515	5,927
Water	20,945	17,675
Wages	1,980,457	1,796,709
	<u>5,867,296</u>	<u>4,942,773</u>

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

	2025 \$	2024 \$
Note 4 — Income tax expense		
The Income Tax Assessment Act 1997 provides that, under the concept of mutuality, Sutherland United Services Club Limited is liable for income tax, based upon net assessable income derived from non-members and from investments in outside entities. In view of these special circumstances, it is not appropriate to compare income tax payable with the net profit disclosed in the Statement of Comprehensive Income.		
The amount set aside for income tax in the Statement of Comprehensive Income has been calculated as follows:		
Portion of income attributed to non-members	3,549,985	2,848,644
Less: Portion of expenses attributed to non-members	<u>(2,792,925)</u>	<u>(2,351,592)</u>
	757,060	497,052
Add: Other assessable income	229,675	306,733
Less: Other deductible expenses	<u>(776,791)</u>	<u>(811,780)</u>
<u>Net taxable income/(tax loss) for the year</u>	<u>209,944</u>	<u>(7,995)</u>
Tax losses (recouped)/ carried forward	<u>(209,944)</u>	<u>7,995</u>
<u>Net taxable income/(tax loss) for the year</u>	<u>-</u>	<u>-</u>
Current income tax applicable to net taxable income/(tax loss) at 30%	-	-
Income tax attributable to operating profit	<u>-</u>	<u>-</u>
Tax losses carried forward at year end \$8,762,401 (30 June 2024: \$8,972,344).		
Note 5 — Cash and cash equivalents		
Cash on hand	352,656	220,000
Cash at bank	<u>2,522,416</u>	<u>1,705,345</u>
	<u>2,875,072</u>	<u>1,925,345</u>
Note 6 — Trade and other receivables		
Trade debtors	46,381	100,431
Less: Provision for doubtful debts	<u>-</u>	<u>-</u>
	<u>46,381</u>	<u>100,431</u>
Note 7 — Inventories		
Finished goods, at cost	101,092	68,067
	<u>101,092</u>	<u>68,067</u>
Note 8 — Financial assets		
Unlisted investments, at cost	<u>1,423</u>	<u>1,423</u>

The company owns shares in a liquor supplier so as to enable the company to purchase liquor from this supplier. The shares cannot be traded on an open market. Due to the short-term nature of the investment, the fair value of the financial asset approximates its carrying amount.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

Note 9 — Other assets

Prepaid expenses	196,868	170,491
Amounts received in advance	-	1,458
	<u>196,868</u>	<u>171,949</u>

Note 10 — Property, plant and equipment

Asset revaluations

The clubhouse building, and the freehold land on which it stands, were separately independently valued as at 30 June, 2023 by S B Estates Pty Ltd. The freehold land was valued at fair market value using the Market Approach Methodology, whilst the building was valued at fair value comprising replacement cost value after taking account of depreciation using the Depreciated Replacement Cost Method. The Valuation Report of the independent valuer records that the "Report Purpose" is for Fair Value accounting purposes under Australian Accounting Standards AASB 116 "Property, Plant and Equipment", and that the valuation assessments contained in the Report were completed in accordance with that Accounting Standard. The valuations resulted in a revaluation increment to the freehold land of \$7,786,800 being recognised in the revaluation surplus as at 30 June, 2023 and a net revaluation increment of \$3,861,145 relating to the clubhouse building. The net revaluation increase attributable to clubhouse building has been recorded as to \$1,875,169 in profit or loss as a recovery of a devaluation of the same amount in a prior year, and \$1,985,876 to Asset Revaluation Surplus, in accordance with Australian Accounting Standard AASB 116 (refer Note 15). Based on directors assessment as at 30 June 2025, there are no indicators of impairment to the carrying value of land and building and has accordingly continued to adopt the 30 June 2023 valuation adjusted for the additions and depreciation since that date.

	Land and Clubhouse \$	Plant, furniture and fittings \$	Motor vehicles \$	Poker machines \$	Total \$
<u>Valuation and Cost</u>					
Balance at 30 June, 2023:					
At valuation - Freehold land	11,700,000				11,700,000
- Clubhouse	12,737,258				12,737,258
At cost	684,592	5,438,452	113,639	2,819,196	9,055,879
Total balances at 30 June, 2024	<u>25,121,850</u>	<u>5,438,452</u>	<u>113,639</u>	<u>2,819,196</u>	<u>33,493,137</u>
Movements during 2025:					
At cost - Additions	227,668	605,052		491,627	1,324,347
- Disposals	-	-	-	(258,879)	(258,879)
Total movements during 2025	<u>227,668</u>	<u>605,052</u>	<u>-</u>	<u>232,748</u>	<u>1,065,468</u>
Total balances at 30 June, 2025	<u>25,349,518</u>	<u>6,043,504</u>	<u>113,639</u>	<u>3,051,944</u>	<u>34,558,605</u>
<u>Accumulated depreciation:</u>					
Balance at 30 June, 2024	5,319,361	4,314,083	88,347	2,260,698	11,982,489
Movement during 2025:					
Depreciation charge for the year	146,542	279,345	4,000	321,842	751,729
Written-off on disposal	-	-	-	(257,186)	(257,186)
Total balances at 30 June, 2025	<u>5,465,903</u>	<u>4,593,428</u>	<u>92,347</u>	<u>2,325,354</u>	<u>12,477,032</u>
<u>Written down value:</u>					
As at 30 June, 2025	<u>19,883,615</u>	<u>1,450,076</u>	<u>21,292</u>	<u>726,590</u>	<u>22,081,573</u>
As at 30 June, 2024	<u>19,802,489</u>	<u>1,124,369</u>	<u>25,292</u>	<u>558,498</u>	<u>21,510,648</u>

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

	2025 \$	2024 \$
Note 11 — Trade and other payables		
Trade payable	462,685	275,726
Accruals	126,350	69,035
Other payables	302,494	212,579
	<u>891,529</u>	<u>557,340</u>
Note 12 — Employee provisions		
Current		
Annual leave	132,227	127,151
Long service leave	150,970	140,023
Other leave	-	32,000
	<u>283,197</u>	<u>299,174</u>
Non-Current		
Long service leave	17,903	-
	<u>17,903</u>	<u>-</u>
A provision has been recognised for employee entitlements relating to:- - Annual leave and Long Service Leave. The liability is measured as expected future payments to be made in respect of services provided by employees as at the reporting date. The probability and timing of annual leave and long service leave expected to be taken are estimated on the basis of historical data.		
Note 13 — Retained earnings		
Retained earnings	<u>10,423,904</u>	<u>9,235,472</u>
Movement:		
Balance at beginning of the year	9,235,472	8,453,508
Profit for the year	1,188,432	781,964
Balance at year end	<u>10,423,904</u>	<u>9,235,472</u>

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

	2025 \$	2024 \$
Note 14 — Notes to Statement of Cash Flows		
(a) <u>Reconciliation of the operating profit after tax to the net cash flows from operations</u>		
Operating profit/(loss) after income tax	1,188,432	781,964
Non-cash flow items in operating profit:		
Depreciation and amortisation	751,729	645,929
Loss from sale of non-current assets		1,502
Profit from sale of non-current assets	(22,307)	(130,000)
Changes in assets and liabilities:		
Accounts receivable	54,049	(34,251)
Inventories	(33,025)	3,773
Prepaid expenses	(26,377)	(11,677)
Accounts payable	334,186	85,340
Income received in advance	1,458	260
Provision for employee entitlements	1,926	(22,358)
Net cash (outflow) from operating activities	<u>2,250,070</u>	<u>1,320,482</u>
(b) <u>Reconciliation of cash and cash equivalents</u>		
Cash at bank	2,522,416	1,705,345
Cash on hand	352,656	220,000
	<u>2,875,072</u>	<u>1,925,345</u>

(c) Cash flows presented on a net basis

Cash flows arising from poker machines, Keno and TAB trading are presented on a net basis in the Statement of Cash Flows.

Note 15 — Asset revaluations

The clubhouse building, and the freehold land on which it stands, were separately independently valued as at 30 June, 2023 – refer Note 10. The independent valuation resulted in revaluation increment to the clubhouse building, net of depreciation, of \$3,861,045 and to freehold land of \$7,786,800 to the respective book values as at 30 June, 2023.

In compliance with Australian Accounting Standard AASB116, "Property, Plant and Equipment":-

(a) \$1,875,169 relating specifically to the clubhouse building was recognised in the Statement of Profit or Loss for the year ended 30 June 2023 representing recovery of a previous revaluation decrement;

(b) The balance of the clubhouse building revaluation increment, being \$1,985,876, was recognised under other comprehensive income and accumulated under Asset revaluation reserve as at 30 June, 2023.

(c) The revaluation increment of \$7,786,800 relating specifically to the freehold land was recognised as other comprehensive income and accumulated under Asset revaluation reserve as at 30 June, 2023.

Note 16 — Contributed equity

The company is limited by guarantee. In the event of a winding-up of the company, the Constitution states that each member is required to contribute a maximum of \$2 toward meeting any outstanding obligations of the company.

Note 17 — Contingent liabilities

The Directors are aware of 2 claims lodged with the workers compensation insurer. These claims are confidential and sensitive in nature and the insurer is handling such claims. At this stage, it is not known if the claims will succeed. The Directors are unable to quantify the extent of any potential liability, if any. The Directors are not aware of any other contingent liabilities as at the date of this report.

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

	2025 \$	2024 \$
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Note 18 — Events subsequent to reporting date

There have been no events which have occurred between balance date and the date of these accounts which will materially impact the company.

Note 19 — Related-party transactions

For payment to key management personnel, refer to note 20.

Transactions with directors involving the sale of trading stock occurred within the normal club-member relationship on terms and conditions no more favourable than those available on similar transactions to other club members.

As approved at Annual General Meeting, the directors were paid an honorarium of \$35,749 in total during the year ended 30 June, 2025.

There were no other related party transactions during the year or related party receivable or payable balance or loan receivable or payable balance at year end.

Note 20 — Key management personnel compensation

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

Key management personnel compensation	<u>650,635</u>	<u>606,645</u>
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Note 21 — Financial risk management

The company financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loan and lease.

The net fair values of the assets and liabilities approximates their carrying amount, because of their short term to maturity. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of the financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the Financial Statements.

	2025		2024	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets:				
Cash and cash equivalents	2,875,072	2,875,072	1,925,345	1,925,345
Available for sale financial asset at fair value	1,423	1,423	1,423	1,423
Loans and receivables	46,381	46,381	100,431	100,431
	<u>2,922,876</u>	<u>2,922,876</u>	<u>2,027,199</u>	<u>2,027,199</u>
Financial Liabilities:				
Trade and other payables	891,529	891,529	557,340	557,340
	<u>891,529</u>	<u>891,529</u>	<u>557,340</u>	<u>557,340</u>

Sutherland United Services Club Ltd

Notes to the Financial Statements For the year ended 30 June, 2025

	2025 \$	2024 \$
Note 22 — Capital commitments		
As at year end company had entered in capital commitment of \$150,322 (2024: Nil)		
Note 23 — Auditor remuneration		
During the financial year the following fees were paid or payable for services provided by Hayes Knight Audit (NSW) Pty Ltd (2024: Business Partners Accountants), the auditor of the company:		
Audit services	24,600	29,406
Non-audit services (Business Partners Accountants)	4,240	-
	<u>28,840</u>	<u>29,406</u>

Sutherland United Services Club Ltd
ACN 001 028 771

Consolidated Entity Disclosure Statement

Sutherland United Services Club Ltd has no controlled entities as at 30 June 2025 and, therefore, is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result section 295(3A)(a) of the Corporations Act 2001 does not apply to the Company.

Sutherland United Services Club Ltd
ACN 001 028 771

Directors' Declaration

In the director's 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 company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

A Hogan
- President



Dated this 31st day of October, 2025.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SUTHERLAND UNITED SERVICES CLUB LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sutherland United Services Club Ltd (the Company), which comprises the statement of financial position as at 30 June 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 notes to the financial statements, including a summary of material accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Company 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 Disclosure 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audits 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.

Other Information

The directors of the Company 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.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SUTHERLAND UNITED SERVICES CLUB LTD

Responsibilities of the Director 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 and the *Corporations Act 2001* and the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*. The directors of the Company are also responsible for such internal control as the directors determines 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 ability of the Company 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticisms throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SUTHERLAND UNITED SERVICES CLUB LTD

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Hemant Nisar – Director Audit Services
Registered Company Auditor**



Hayes Knight Audit (NSW) Pty Ltd

Dated at Sydney on the 31st of October 2025