



Club Jervis Bay Ltd

ABN 16 001 023 132

Annual Report - 30 June 2025

Club Jervis Bay Ltd

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General information

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

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

Registered office

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

Principal place of business

8 Currumbene Street
HUSKISSON
NSW 2540

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 October 2025. The directors have the power to amend and reissue the financial statements.



President's Report – 2024/25

It is my privilege to present the President's Report for the 2024/25 financial year. This year has been one of both challenge and progress for Club Jervis Bay. While the Club recorded a loss of \$429,041 for the year, this result must be seen in the broader context of continued operational improvement, strong community engagement, and the solid foundation that has been laid for a return to profitability in the year ahead.

Navigating a Challenging Economic Climate

The hospitality and club industries have continued to face significant headwinds. Rising interest rates, increased wage and insurance costs, and ongoing cost-of-living pressures have reduced discretionary spending across the country. These external factors directly impacted our bottom line, as families adjusted their leisure spending and operational costs rose faster than revenue in key areas such as electricity, food, and staffing.

Despite these pressures, the Club maintained positive growth in total sales and achieved improved gross and operating margins across several departments. These results reflect not only the loyalty of our members but also the adaptability and hard work of our management and staff.

Encouragingly, the first quarter of the 2025 financial year has delivered a positive trading result, with performance ahead of budget and a return to surplus. This early momentum confirms that the measures implemented by Management and the Board are taking effect, and that the Club is well on its way toward recovery and renewed strength.

Staying True to Our Purpose

Throughout the year, we have remained guided by our Vision — *to be the Spirit of the Bay* — and our Mission — *to enrich and champion our community through diversity, inclusion, and curiosity*. These principles continue to shape every decision we make and remind us that the Club's purpose goes beyond profit.

Our Values — *Inclusive, Resilient, and Forward-thinking* — define who we are.

- *Inclusive*, in the way we welcome every member and visitor with warmth and respect.
- *Resilient*, in the way we face challenges with determination and integrity.
- *Forward-thinking*, in how we plan, adapt, and prepare for a sustainable future.

Strong Community Contribution

Even in a challenging financial year, Club Jervis Bay has remained true to its mission of serving the local community. More than \$60,000 was donated to local community and sporting groups — a reflection of our enduring commitment to giving back. These contributions directly supported youth programs, local sports, and charitable initiatives that make our region a better place for all.

The Board remains proud that, while managing tight budgets, the Club continues to provide a welcoming venue that supports local families, community groups, and veterans alike.



Planning for the Future

During the year, the Board and Management also commenced the process of renewing and updating our Strategic Plan (2025–2028). This important process is focused on aligning our operations with our Vision, Mission, and Values while setting out the steps needed to strengthen governance, enhance our brand, develop our people, and ensure long-term financial sustainability. Once finalised, this plan will guide the next phase of the Club’s growth and renewal.

Looking Ahead

The Board is optimistic about the year ahead. The improved financial discipline, strengthened operational controls, and positive first-quarter results give us great confidence for 2025/26. Plans for the future development of the vacant land between the Club and the Pub also remain part of our long-term vision — an exciting opportunity to expand our facilities and strengthen our role as a community hub when the time is right.

Acknowledgements

On behalf of the Board, I extend my sincere thanks to our members for their continued support and loyalty. I also wish to acknowledge our CEO, Mr John West, Executive Assistant, Cassy Jenkins and the entire management team for their tireless efforts in guiding the Club through this period of transition, and our staff for their professionalism and dedication. Finally, I thank my fellow Directors for their commitment and the unity they bring to our shared goal of ensuring the long-term success of Club Jervis Bay.

While the financial result for 2024/25 reflects the reality of a difficult trading environment, it also demonstrates resilience, discipline, and a clear path forward. The Board remains confident that the measures we have taken will deliver a strong turnaround in the coming year.

Together, we are rebuilding from a position of strength — and the future of Club Jervis Bay is bright.

Gary Elliott
President
Club Jervis Bay Ltd



Treasurer's Report – 2024/25

It is my pleasure to present the Treasurer's Report for the 2024/25 financial year. While the Club recorded a loss of \$429,041, this result reflects the ongoing cost pressures faced across the hospitality sector and the deliberate financial decisions made to strengthen Club Jervis Bay's long-term position.

Throughout the year, the Board and Management maintained a disciplined approach to financial management, focusing on debt reduction, cost control, and improved cash flow. Key achievements included the completion of the construction loan, the continuation of interest-only repayments on the Club's primary loan with the Commonwealth Bank of Australia.

All non-essential capital works were deferred to preserve liquidity, and tighter controls on wages and expenses were introduced, supported by new financial reporting processes and procurement software across food service outlets. These measures have improved accountability, transparency, and overall operating efficiency.

Pleasingly, these efforts are now showing results — with the first quarter of the 2025 financial year returning a surplus and performing ahead of budget. This early turnaround confirms that the Club's financial recovery strategy is working and that the business is moving in the right direction.

Looking ahead, the draft Strategic Plan (2025–2028) will provide a clear framework for continued financial governance, capital planning, and sustainable growth.

I extend my thanks to our CEO John West, the Management Team, and my fellow Directors for their commitment to financial discipline, and to our members for their continued trust and support. Together, we are building a stable and confident financial future for Club Jervis Bay.

Elizabeth Abood

Treasurer

Club Jervis Bay Ltd



Chief Executive Officer's Report – 2024/25

It is a privilege to present my report for the 2024/25 financial year — a year that tested our resilience, reinforced our purpose, and demonstrated that Club Jervis Bay's strength lies in its people, its values, and its unwavering commitment to the community we serve.

Performance and Progress

The Club recorded a net loss of \$429,041 for the year ended 30 June 2025. While any loss is disappointing, it is important to recognise the underlying story — one of operational improvement, tighter control, and a financial position that is steadily strengthening.

Like the broader hospitality industry, we faced unprecedented cost pressures. Inflation, high interest rates, and cost-of-living challenges placed stress on both businesses and households. Yet, despite these headwinds, we achieved growth in total sales, continued to pay down debt, by implementing targeted efficiency measures across every department.

The Bayview Restaurant and Cheesy Grin outlets have also benefited from renewed focus on cost control, menu development, and operational efficiency. Importantly, we are seeing positive early results in the first quarter of the new financial year, with trading above budget expectations.

Stability and Strategic Action

During the year, the Board and Management took deliberate, disciplined action to ensure the Club's long-term financial sustainability. These measures included:

- Completing repayment of the construction loan;
- Continuing interest-only repayments with our partner bank, the Commonwealth Bank of Australia, providing valuable liquidity relief;
- Implementing procurement and cost-control systems across all food outlets;
- Streamlining our management structure and reviewing every operational role for efficiency; and
- Postponing all non-essential capital works to focus resources on core operations.

These actions have already produced results — improved cash flow, greater control of expenses, and a return to trading surplus early in the 2025/26 financial year.

Our Vision, Mission, and Values in Action

This year, the process of renewing and updating our Strategic Plan (2025–2028) will give us a refreshed roadmap for the future. It connects every part of our operation to our core purpose:

Vision: *To be the Spirit of the Bay*

Mission: *To enrich and champion our community through diversity, inclusion, and curiosity*

Values: *Inclusive, Resilient, and Forward-thinking*

These guiding principles have shaped not just what we do, but how we do it.

- **Inclusive** — We have continued to create a caring, welcoming space for all, while strengthening partnerships with local organisations.



- **Resilient** — We have stood firm through economic uncertainty, taking tough but necessary decisions to protect the Club's future.
- **Forward-thinking** — We have invested in technology, leadership development, and workforce wellbeing to build for tomorrow.

Our commitment to community has remained unwavering. In 2024/25, we proudly contributed more than **\$60,000** to local charities, community groups, and sporting organisations — reinforcing our role as a genuine community leader and partner.

People and Culture

Our team remains the beating heart of Club Jervis Bay. In a year of transition, they have shown professionalism, care, and loyalty. We introduced new initiatives to support staff wellbeing, including flexible rostering and leadership mentoring, while reinforcing a culture of open communication and teamwork.

As we continue implementing the workforce strategies outlined in our Strategic Plan, we are focused on being recognised as an *Employer of Choice* — one that values diversity, encourages growth, and nurtures the next generation of hospitality professionals.

Looking Forward

The next three years represent an exciting new chapter. Our Strategic Plan identifies key priorities across governance, financial management, brand relevance, venue improvement, marketing, and workforce development. Central to this is our vision to evolve Club Jervis Bay into a vibrant, modern, and financially secure venue that truly embodies *the Spirit of the Bay*.

We will continue to deliver on this vision through careful financial management, data-driven decision-making, and an unwavering focus on community connection. Our members can be confident that the Club is now on a stable footing, with a strong foundation for growth and investment in the years ahead.

Acknowledgements

I would like to thank our President, Mr Gary Elliott, and the Board of Directors for their continued trust, guidance, and strategic leadership. I extend sincere gratitude to our management team — Zowie Farmilo, Cassy Jenkins, Brayden McMillan, Graham Krueger and our dedicated staff — for their hard work, professionalism, and commitment to service excellence.

Finally, to our members and community partners — thank you for your loyalty, patience, and belief in what we are building together. The journey ahead is promising, and with your support, I am confident that Club Jervis Bay will continue to thrive as a place of connection, care, and community pride.

Together, we are moving forward — stronger, united, and proud to be *the Spirit of the Bay*.

John West

Chief Executive Officer
Club Jervis Bay Ltd

Club Jervis Bay Ltd
Directors' report
30 June 2025

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

Directors

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

Gary Elliott
Elizabeth Abood
John Mendola
Marilyn Fetch
Michael Reid
Leona Curran
Robert Roach (to October 2024)

Objectives

The Club's short-term objectives are:

- On an ongoing basis, to develop the Clubs strategic direction and governance
- Focus on community engagement
- Robust financial management
- Strong marketing and communication
- Develop and maintain the Club's workforce

Long-term objectives

- To reduce the Club's debt position
- To monitor financial performance in a proactive manner
- To develop and enrich the wider community

Strategy for achieving the objectives

Through the Strategic Planning process, the Board and Senior Management identified and determined the 6 KPIs to be the strategic focus for Club Jervis Bay for the next 5 years and beyond. The KPIs are supported by action plans targeting the Club's financial management, asset management, brand and marketing, and human resource management.

The major focus of the Club's management in the ensuing year will be to reduce current liabilities and generate cash at bank

Principal activities

The principal activities of the Club during the course of the financial year consisted of the conduct and promotion of licensed RSL Club, and the provision of recreation facilities to members of the Club.

Operating Result

The table below shows a reconciliation of Club Jervis Bay Ltd earnings before interest, income tax, depreciation, amortisation, gains and impairment losses. This is referred to as EBITDA.

Club Jervis Bay Ltd
Directors' report
30 June 2025

	2025 \$	2024 \$	Change \$	Change %
Net profit/(loss) attributable to members	<u>(429,041)</u>	<u>(211,167)</u>	<u>(217,874)</u>	103%
Add back:				
Depreciation expense	625,689	638,714	(13,025)	(2%)
Interest expenses	<u>189,296</u>	<u>164,482</u>	<u>24,814</u>	15%
EBITDA	<u>385,944</u>	<u>592,029</u>	<u>(206,085)</u>	

State of affairs

The Club has felt the impacts of the current economic climate, which has affected cash flow. Measures have been implemented to mitigate future effects on the Club

There have been no other significant changes in the Company's state of affairs during the year.

Information on directors

Name: Gary Elliott
Title: Director
Experience and expertise: Board member since 2014
Special responsibilities: **President**

Name: Michael Reid
Title: Director
Experience and expertise: Board member since 2022
Special responsibilities: **Vice President**

Name: Elizabeth Abood
Title: Director
Experience and expertise: Board member since 2017
Special responsibilities: **Treasurer**

Name: John Mendola
Title: Director
Experience and expertise: Board member since 2014

Name: Marilyn Fetch
Title: Director
Experience and expertise: Board member since 2019

Name: Leona Curran
Title: Director
Experience and expertise: Board member since 2022

Meetings of directors

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

	Full Board		Special Board Meeting	
	Attended	Held	Attended	Held
Gary Elliott	10	10	7	7
Bob Roach	3	3	3	3
Elizabeth Abood	9	10	7	7
John Mendola	10	10	7	7
Marilyn Fetch	10	10	7	7
Michael Reid	10	10	7	7
Leona Curran	10	10	7	7

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

Contributions on winding up

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

The total amount that members of the company are liable to contribute if the company is wound up is \$29,976, based on 14,988 current ordinary members (2024: \$33,002, 16,501 members).

Auditor's independence declaration

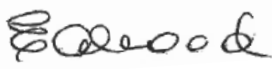
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



Gary Elliott
President



Elizabeth Abood
Treasurer

16 October 2025

Auditor's Independence Declaration to the Directors of Club Jervis Bay Ltd

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

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

Morton & Cord

Morton & Cord



Michael Lees

Partner

Nowra

16 October 2025

Club Jervis Bay Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	4	9,952,610	9,741,264
Other income	5	163,650	171,622
Expenses			
Operating expenses	6	(2,561,748)	(2,300,300)
Cost of sales		(2,248,894)	(2,189,630)
Employee benefits expense		(4,889,967)	(4,830,927)
Depreciation and amortisation expense		(625,689)	(638,714)
Loss on disposal of assets		(29,707)	-
Finance costs		<u>(189,296)</u>	<u>(164,482)</u>
Deficit before income tax expense		(429,041)	(211,167)
Income tax expense	7	<u>-</u>	<u>-</u>
Deficit after income tax expense for the year attributable to the members of Club Jervis Bay Ltd	20	(429,041)	(211,167)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		<u>-</u>	<u>2,353,421</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>2,353,421</u>
Total comprehensive income for the year attributable to the members of Club Jervis Bay Ltd		<u>(429,041)</u>	<u>2,142,254</u>

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

Club Jervis Bay Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	219,390	353,616
Trade and other receivables	9	54,041	39,325
Inventories	10	150,657	144,193
Other	11	150,495	150,924
Total current assets		<u>574,583</u>	<u>688,058</u>
Non-current assets			
Property, plant and equipment	12	18,169,682	18,622,244
Intangibles	13	74,342	74,342
Other	11	5,000	6,497
Total non-current assets		<u>18,249,024</u>	<u>18,703,083</u>
Total assets		<u>18,823,607</u>	<u>19,391,141</u>
Liabilities			
Current liabilities			
Trade and other payables	14	936,476	886,500
Borrowings	15	423,656	493,083
Lease liabilities	16	99,972	179,664
Provisions	17	426,322	370,115
Other	18	16,983	40,712
Total current liabilities		<u>1,903,409</u>	<u>1,970,074</u>
Non-current liabilities			
Borrowings	15	1,884,664	1,898,955
Lease liabilities	16	17,538	100,181
Provisions	17	69,428	44,322
Total non-current liabilities		<u>1,971,630</u>	<u>2,043,458</u>
Total liabilities		<u>3,875,039</u>	<u>4,013,532</u>
Net assets		<u>14,948,568</u>	<u>15,377,609</u>
Equity			
Reserves	19	6,628,447	6,628,447
Retained surpluses	20	<u>8,320,121</u>	<u>8,749,162</u>
Total equity		<u>14,948,568</u>	<u>15,377,609</u>

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

Club Jervis Bay Ltd
Statement of changes in equity
For the year ended 30 June 2025

	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	4,275,026	8,960,329	13,235,355
Deficit after income tax expense for the year	-	(211,167)	(211,167)
Other comprehensive income for the year, net of tax	<u>2,353,421</u>	<u>-</u>	<u>2,353,421</u>
Total comprehensive income for the year	<u>2,353,421</u>	<u>(211,167)</u>	<u>2,142,254</u>
Balance at 30 June 2024	<u>6,628,447</u>	<u>8,749,162</u>	<u>15,377,609</u>
	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	6,628,447	8,749,162	15,377,609
Deficit after income tax expense for the year	-	(429,041)	(429,041)
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>(429,041)</u>	<u>(429,041)</u>
Balance at 30 June 2025	<u>6,628,447</u>	<u>8,320,121</u>	<u>14,948,568</u>

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

Club Jervis Bay Ltd
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,917,349	10,671,927
		(10,568,954	(10,693,874
Payments to suppliers and employees (inclusive of GST)		)	)
		348,395	(21,947)
Other revenue		163,650	102,082
Interest and other finance costs paid		(189,296)	(164,482)
Net cash from/(used in) operating activities		<u>322,749</u>	<u>(84,347)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(201,955)	(359,430)
Proceeds from disposal of property, plant and equipment		-	70,230
Proceeds from release of security deposits		-	2,151
Net cash used in investing activities		<u>(201,955)</u>	<u>(287,049)</u>
Cash flows from financing activities			
Proceeds/(repayment) of bank loans		(83,718)	73,326
Proceeds/(repayment) of leases		(160,653)	(132,110)
Net cash used in financing activities		<u>(244,371)</u>	<u>(58,784)</u>
Net decrease in cash and cash equivalents		(123,577)	(430,180)
Cash and cash equivalents at the beginning of the financial year		<u>72,433</u>	<u>502,613</u>
Cash and cash equivalents at the end of the financial year	8	<u>(51,144)</u>	<u>72,433</u>

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

Note 1. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

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

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

- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosures of Accounting Policies: Tier 2 and Other Australian Accounting Standards

Going concern

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

At balance date, current liabilities exceeded current assets by \$1,328,826, indicating a working capital deficit. The Directors recognise that this position reflects the challenging economic environment experienced during the reporting period, characterised by reduced discretionary household spending, household debt, and ongoing cost-of-living pressures. These external factors have had a direct impact on the Club's financial performance and short-term cash position.

Since balance date, the Club has experienced a material improvement in trading performance, underpinned by stronger revenue trends and a reduction in operating expenses. The first quarter of the 2025 financial year recorded a return to surplus, with results ahead of budget, delivering an enhanced cash position and demonstrating the effectiveness of management's cost control and efficiency measures.

In response to the evolving financial landscape, the Board and Management have implemented a comprehensive suite of financial controls and operational strategies to improve liquidity, manage debt obligations, and ensure the Club's long-term sustainability. These measures, developed in consultation with the Club's primary financial partner, the Commonwealth Bank of Australia (CBA), include:

Note 1. Material accounting policy information (continued)

The following measures have been implemented by the Club.

- Continuing to service our debt with CBA on an interest-only basis for the next 12 months, which will provide much-needed cash flow relief
- Securing the continuation of the temporary overdraft facility with CBA for as long as required
- Reduction of total wages and staffing costs through workforce restructuring, role review, and tighter rostering practices
- Implementation of COGS procurement software across all food service outlets to strengthen purchasing controls, track cost of goods, and improve accountability
- Rationalisation of promotional spending and review of food and beverage offers to enhance gross profit margins
- Defer all non essential capital works projects
- Formal monthly board reporting on KPIs, including cash flow, EBITDA, debt service cover ratio, and working capital improvements
- Enhance compliance oversight, with independent audit review of key financial ratios and internal control effectiveness, and
- Commencement of the drafting of the 2025-2028 Strategic Plan, which will include a structured financial governance framework, CAPEX prioritisation and long term sustainability targets

The combined effect of these actions has strengthened the Club's trading performance, stabilised cash flow, and improved operational efficiency. Importantly, the Club's lender, CBA, has confirmed its ongoing support, including the extension of current financing arrangements and facilities, which further reinforces the appropriateness of the going concern basis of preparation.

The Directors have carefully considered the Club's financial position, current cash flow forecasts, the measures already implemented, and the continued support of its members, staff, and financiers. Based on these considerations, the Board is satisfied that Club Jervis Bay Ltd will be able to continue as a going concern for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

The Board remains committed to strengthening the Club's financial position, safeguarding its operational resilience, and ensuring the long-term viability of Club Jervis Bay Ltd for the benefit of its members and the wider community.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

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

Note 1. Material accounting policy information (continued)

Critical accounting estimates

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

Revenue recognition

The company recognises revenue as follows:

Food and beverage sales and poker machine income

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

Rendering of services

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

Customer loyalty program

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

Commission income

Commissions income is recognised over the period in which the related services are rendered.

Interest

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

Other revenue

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

Volume rebates

Brewery's provide the Club cash rebates if volume targets are reached. Volume rebate related income is recognised over the period in which the targets are reached.

Income tax

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

Note 1. Material accounting policy information (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Mutuality Principle

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

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

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

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

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

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

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

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

Note 1. Material accounting policy information (continued)

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

Right-of-use assets

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

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

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 their 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.

Borrowings

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

Lease liabilities

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

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

Note 1. Material accounting policy information (continued)

Other long-term employee benefits

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

Member's mortality benefits

Upon the death of an Ordinary Member who was admitted as a Member prior to 1 January 1990 and has held continuous membership, a benefit of up to \$400 is payable. The Club's policy is to recognise the benefits as an expense in the statement of comprehensive income as they are paid out.

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Impairment of property, plant and equipment

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

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

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

Note 3. Reclassification of comparatives

Reclassification

During the year, the Club reclassified *workers' compensation insurance expense* in the *Statement of profit or loss and other comprehensive income*. This has now been allocated to 'Operating expenses' in Note 6 and no longer included in '*Employee benefit expense*'. There is no change to the reported result in the comparative period and no changes to accounting policy.

Note 4. Revenue from contracts with customers

	2025 \$	2024 \$
Poker machine net revenue	3,848,700	3,420,558
Bar sales	2,116,845	2,059,713
Catering sales	3,178,073	3,449,140
Cheesy Grin sales	520,186	572,446
Membership joining fees	21,300	11,993
Commission - TAB, Keno and ATM	190,367	156,228
Entertainment revenue	77,139	71,186
	<u>9,952,610</u>	<u>9,741,264</u>
Revenue from contracts with customers	9,952,610	9,741,264

Disaggregation of revenue

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

	2025 \$	2024 \$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	9,931,310	9,729,271
Services transferred over time	21,300	11,993
	<u>9,952,610</u>	<u>9,741,264</u>

Note 5. Other income

	2025 \$	2024 \$
Net gain on disposal of property, plant and equipment	-	69,540
Subsidies - apprentices	20,913	26,622
Volume rebates	51,933	39,248
Other revenue	90,804	36,212
	<u>163,650</u>	<u>171,622</u>
Other income	163,650	171,622

Note 6. Other operating expenses

	2025 \$	2024 \$
Administration	315,836	248,694
Promotion and marketing	234,047	233,838
Light & power	211,875	198,158
Indirect bar operating expenses	29,718	36,800
Repairs and maintenance	131,827	119,849
Members benefits expenses	178,653	154,647
Insurance expenses	193,259	198,438
Indirect employment expenses	47,729	56,951
Cleaning expenses	32,530	37,307
Property rates	34,855	32,724
Banking transaction expenses	71,519	78,580
Indirect poker machine expenses	88,209	58,775
Poker machine tax	661,140	575,171
ClubGrants and donations	59,563	52,546
Security expenses	50,349	44,005
Other expenses	12,012	2,702
Workers compensation insurance	208,627	171,115
	<u>2,561,748</u>	<u>2,300,300</u>

Note 7. Income tax benefit

	2025 \$	2024 \$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	18,898	20,722
Leases	5,876	-
Accrued expenses	30,298	8,304
Plant and equipment	(58,948)	(305,522)
Carried forward tax losses	<u>298,688</u>	<u>566,005</u>
Total deferred tax assets not recognised	<u>294,812</u>	<u>289,509</u>

The above potential tax benefit, which includes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 8. Cash and cash equivalents

	2025 \$	2024 \$
<i>Current assets</i>		
Cash on hand	142,345	250,000
Cash at bank	<u>77,045</u>	<u>103,616</u>
	<u>219,390</u>	<u>353,616</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	219,390	353,616
Bank overdraft (note 15)	<u>(270,534)</u>	<u>(281,183)</u>
Balance as per the statement of cash flows	<u>(51,144)</u>	<u>72,433</u>

Note 9. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables	47,905	39,325
Other receivables	<u>6,136</u>	<u>-</u>
	<u>54,041</u>	<u>39,325</u>

Note 10. Inventories

	2025 \$	2024 \$
<i>Current assets</i>		
Stock on hand - at cost	<u>150,657</u>	<u>144,193</u>

Note 11. Other

	2025 \$	2024 \$
<i>Current assets</i>		
Prepayments	150,495	150,924
<i>Non-current assets</i>		
Security deposits	5,000	5,000
Other non-current assets	-	1,497
	5,000	6,497
	155,495	157,421

Note 12. Property, plant and equipment

	2025 \$	2024 \$
<i>Non-current assets</i>		
Land and buildings - at independent valuation	16,625,000	16,625,000
Improvements - at cost	46,109	-
Less: Accumulated depreciation	(140,425)	-
	16,530,684	16,625,000
 Plant and equipment - at cost	1,221,072	1,177,609
Less: Accumulated depreciation	(841,042)	(729,849)
	380,030	447,760
 Motor vehicles - at cost	194,227	194,227
Less: Accumulated depreciation	(83,093)	(61,641)
	111,134	132,586
 Poker machines	2,264,993	2,146,736
Less: Accumulated depreciation	(1,511,026)	(1,314,471)
	753,967	832,265
 Rights of use assets	396,249	597,104
Less: Accumulated depreciation	(97,435)	(106,644)
	298,814	490,460
 Capital work in progress	95,053	94,173
	18,169,682	18,622,244

Note 12. Property, plant and equipment (continued)

Reconciliations

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

	Land & buildings \$	Plant & equipment \$	Motor vehicles \$	Poker machines \$	Rights of use assets \$	Capital works In progress \$	Total \$
Balance at 1 July 2024	16,625,000	447,760	132,586	832,265	490,460	94,173	18,622,244
Additions	46,109	43,463	-	112,382	-	880	202,834
Disposals	-	-	-	(29,707)	-	-	(29,707)
Transfers in/(out)	-	-	-	142,115	(142,115)	-	-
Depreciation expense	(140,425)	(111,193)	(21,452)	(303,088)	(49,531)	-	(625,689)
Balance at 30 June 2025	16,530,684	380,030	111,134	753,967	298,814	95,053	18,169,682

Core Properties

- Club Jervis Bay premises, 8 Currumbene St, Huskisson

Valuations of land and buildings

An independent valuation by Walsh & Monaghan Pty Ltd of the company's land and buildings, being 8 Currumbene Street, Huskisson, was carried out on 19 June 2024 on the basis of fair value in use. This resulted in a valuation of \$16,625,000.

Note 13. Intangibles

	2025 \$	2024 \$
<i>Non-current assets</i>		
Other intangible assets - at cost	74,342	74,342

Note 14. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	524,092	442,096
BAS payable	412,278	420,183
Other payables	106	24,221
	936,476	886,500

Note 15. Borrowings

	2025 \$	2024 \$
<i>Current liabilities</i>		
Bank overdraft	270,534	281,183
Bank loans - CBA	-	81,086
Insurance funding	139,781	117,473
Equipment loan - CBA	13,341	13,341
	<u>423,656</u>	<u>493,083</u>
<i>Non-current liabilities</i>		
Bank loans - CBA	1,866,336	1,866,336
Equipment loan - CBA	18,328	32,619
	<u>1,884,664</u>	<u>1,898,955</u>
	<u>2,308,320</u>	<u>2,392,038</u>

Total secured liabilities

The total secured liabilities are as follows:

	2025 \$	2024 \$
CBA BetterBusiness loan	1,866,336	1,947,422
CBA corporate charge card	10,000	10,000
CBA equipment loan	31,669	45,960
CBA overdraft	270,534	281,183
	<u>2,178,539</u>	<u>2,284,565</u>

Assets pledged as security

First Registered Mortgage by Club Jervis Bay Ltd over Non-Residential Real Property located at 8 Currumbene Street Huskisson NSW 2540

General Security Interest by Club Jervis Bay Ltd comprising: First ranking charge over ALL Present & After Acquired Property.

Note 15. Borrowings (continued)

Financing arrangements

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

	2025 \$	2024 \$
Total facilities		
CBA BetterBusiness Loan	1,866,336	1,866,336
CBA BetterBusiness Loan	-	81,086
CBA Corporate Charge Card	30,000	10,000
CBA equipment loan	31,669	59,301
CBA overdraft	300,000	300,000
	<u>2,228,005</u>	<u>2,316,723</u>
Used at the reporting date		
CBA BetterBusiness Loan	1,866,336	1,866,336
CBA BetterBusiness Loan	-	81,086
CBA Corporate Charge Card	-	-
CBA equipment loan	31,669	59,301
CBA overdraft	270,534	281,183
	<u>2,168,539</u>	<u>2,287,906</u>
Unused at the reporting date		
CBA BetterBusiness Loan	-	-
CBA BetterBusiness Loan	-	-
CBA Corporate Charge Card	30,000	10,000
CBA equipment loan	-	-
CBA overdraft	29,466	18,817
	<u>59,466</u>	<u>28,817</u>

The BetterBusiness Loan is an interest-only loan, in monthly instalments for a further period of twelve months, after which it will be renegotiated. The variable interest rate is 6.43% (2024: 6.49%).

The CBA equipment loan is for the purchase of the Club's courtesy bus. The loan is repayable over 60 months at a fixed interest rate of 6.83%. The goods title passed to the Club immediately and therefore is classified as a loan.

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Lease liability	99,972	179,664
<i>Non-current liabilities</i>		
Lease liability	17,538	100,181
	117,510	279,845
Future cash outflows from leases analysis		
<i>Future lease payments are due as follows:</i>		
Within one year	85,806	190,725
One to five years	17,892	130,712
	103,698	321,437

The Club has lease contracts for poker machines used in its operations. These leases generally have lease terms between 2 and 3 years. The Club's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Club is restricted from assigning and subleasing the leased asset. The poker machines are depreciated over their useful lives.

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 30 June 2025 was \$5,940

	2025	2024
Statement of profit or loss and other comprehensive income		
<i>The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Club is a lessee are shown below:</i>		
Depreciation expense on right-of-use assets	106,037	64,133
Interest expense on lease liabilities	10,182	17,903
	116,219	82,036

Note 17. Provisions

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	227,969	187,787
Long service leave	80,557	68,667
Superannuation	117,796	113,661
	<u>426,322</u>	<u>370,115</u>
<i>Non-current liabilities</i>		
Long service leave	<u>69,428</u>	<u>44,322</u>
	<u>495,750</u>	<u>414,437</u>

Note 18. Other

	2025 \$	2024 \$
<i>Current liabilities</i>		
Accrued expenses	<u>16,983</u>	<u>40,712</u>

Note 19. Reserves

	2025 \$	2024 \$
Revaluation surplus reserve	<u>6,628,447</u>	<u>6,628,447</u>

Revaluation surplus reserve

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

Movements in reserves

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

	Asset revaluation reserve \$	Total \$
Balance at 1 July 2024	<u>6,628,447</u>	<u>6,628,447</u>
Balance at 30 June 2025	<u>6,628,447</u>	<u>6,628,447</u>

Note 20. Retained surpluses

	2025 \$	2024 \$
Retained surpluses at the beginning of the financial year	8,749,162	8,960,329
Deficit after income tax expense for the year	<u>(429,041)</u>	<u>(211,167)</u>
Retained surpluses at the end of the financial year	<u>8,320,121</u>	<u>8,749,162</u>

Note 21. Key management personnel disclosures

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company is considered key management personnel.

The Key Management Personnel (KMP) of the Company during the year are:

Name	Position
Gary Elliott	Chairperson
Michael Reid	Vice-President
Elizabeth Abood	Treasurer
John Mendola	Director
Marilyn Fetch	Director
Leona Curran	Director
John West	Chief Executive Officer/Company Secretary
Cassy Jenkins	Executive assistant
Zowie Farmilo	Finance Manager (to September 2025)
Daniel Potter	Catering Manager/Head Chef (to August 2025)

Compensation

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

	2025 \$	2024 \$
Aggregate compensation	<u>656,600</u>	<u>647,192</u>

Key management personnel employee numbers 2025: 11 (2024: 11)

Note 22. Remuneration of auditors

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

	2025 \$	2024 \$
<i>Audit services -</i>		
Audit of the financial statements	24,500	24,000
<i>Other services -</i>		
Preparation of the tax return	2,100	2,160
Preparation of annual report	5,100	6,400
	7,200	8,560
	31,700	32,560

Note 23. Related party transactions

Parent entity

Club Jervis Bay Ltd is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties

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

During the year, a family member of the CEO was employed as a full-time relief supervisor. The position was on normal commercial terms and no more favourable than those available to other staff.

During the year, the spouse of a Director, Elizabeth Abood, was employed as a casual employee performing general duties. This position was on normal commercial terms and no more favourable than those available to other staff.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 24. Events after the reporting period

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

Club Jervis Bay Ltd
Directors' declaration
30 June 2025

In the directors' opinion:

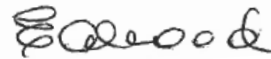
- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair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

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

On behalf of the directors



Gary Elliott
President



Elizabeth Abood
Treasurer

16 October 2025

Independent Auditor's Report to the Members of Club Jervis Bay Ltd

Opinion

We have audited the financial report of Club Jervis Bay Ltd (the company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Club Jervis Bay Ltd is in accordance with the Corporations Act 2001, including:

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

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$429,041 during the year ended 30 June 2025 and, as of that date, the Company's current liabilities exceeded its total assets by \$1,328,826. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

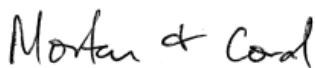
Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

This description forms part of our auditor's report.



Morton & Cord



Michael Lees

Partner

Nowra

16 October 2025