Macksville District Ex-Servicemen's Club Ltd

ABN: 36 000 902 170

Financial Statements

For the year ended 31 January 2026

Macksville District Ex-Servicemen's Club Ltd

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Macksville District Ex-Servicemen's Club Ltd

Directors' report
31 January 2026

The Directors present their report on Macksville District Ex-Servicemen's Club Ltd for the financial year ended 31 January 2026.

Information on Directors

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

Robert J. Laird

Responsibilities:	Chairman
Qualifications:	Retired
Experience:	Previous Vice Chairman and Director
Service:	Full Period

Kenneth W. Walker

Responsibilities:	Senior Vice Chairman
Qualifications:	Retired
Experience:	Previous Director
Service:	Full Period

Neville Dykes

Responsibilities:	Junior Vice Chairman
Qualifications:	Business Owner
Experience:	Previous Director
Service:	Full Period

Trevor Ledger

Responsibilities:	Director
Qualifications:	Business Owner
Experience:	Previous Director
Service:	Full Period

Ian Flarrety

Responsibilities:	Director
Qualifications:	Retired
Experience:	Previous Director
Service:	Full Period

Macksville District Ex-Servicemen's Club Ltd

Directors' report
31 January 2026

Information on Directors (continued)

Nathan Evelyn

Responsibilities:	Director
Qualifications:	Manager
Experience:	Previous Director of other Registered Club
Service:	Full Period

Kenneth Strudwick

Responsibilities:	Director
Qualifications:	Business Owner
Experience:	Director of Own Business
Service:	Appointed 1 September 2025

Belynda Pickvance

Responsibilities:	Director
Qualifications:	Volunteer Manager of Darts Clubs
Experience:	Hospitality Operations
Service:	Resigned 11 May 2025

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

Meetings of directors

Director's Name	Eligible to attend	Number attended
Robert J Laird	13	11
Kenneth W Walker	13	13
Neville Dykes	13	11
Trevor Ledger	13	11
Ian Flarrety	13	11
Nathan Evelyn	13	6
Kenneth Strudwick	5	4
Belynda Pickvance	4	0

Macksville District Ex-Servicemen's Club Ltd

Directors' report
31 January 2026

Principal activities

The principal activity of Macksville District Ex-Servicemen's Club Ltd during the financial year was to conduct the operations of a Registered Licensed Club. The Club's objective is to operate in a responsible and financially sensible manner with the aim to continue to provide all our members an our local community with a venue to meet their needs. The Club continues to support the Macksville RSL Sub Branch in their work with serving ex-service men and women and their families.

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

Operating results

The profit of the Company for the year was $182,064 (2025: $ 66,666)

Short term objectives

- Provide a place of enjoyment for all members by continuing the standard of entertainment now provided.
- Continue to offer members the current facilities available and to welcome new members to our Club.
- Support local individuals and groups - educational, sporting and community.

Long term objectives

- Continue to provide an up to date Club with facilities to meet members' needs.
- Maintain financial stability of the Club.
- Repay the debt incurred in modernising the Club premises.

Strategy for achieving the objectives

- Provide the best possible facilities to members.
- Provide entertainment and activities to attract patronage to the Club.
- Offer patrons quality meals and beverages.
- Annual development of a financial budget and monthly monitoring of financial performance to ensure the Club operates within its financial capabilities.

How principal activities assisted in achieving the objectives

The principal activities assisted the Club in achieving its objectives by providing reasonably priced food and beverages, entertainment, responsible approved gambling including, Keno and Gaming Machines, and meeting or function venues as required.

Macksville District Ex-Servicemen's Club Ltd

Directors' report
31 January 2026

Performance measures

- Monitoring performance by comparing actual results to past performance.
- Reviewing key performance indicators such as gross profit margins, wages to turnover ratios, net returns from trading and average return per poker machine.

Significant changes in state of affairs

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

Property classification

Members are advised that in accordance with Section 41E (5) of the Registered Clubs Act, the Board of Directors have determined the property classification as follows:

Core Property - 16 Cooper Street Macksville			
Lots 2-4	Section C	in DP6045	Club house and Grounds
Lots 4-5		in DP23202	Car Park
Non-Core Property			
Lots 2-3		in DP22302	29 Princess Street
Lots 5-9	Section C	in DP6045	18 - 22 Cooper Street
Lot 11	Section C	in DP6045	18 - 22 Cooper Street
Lot 12		in DP55012	18 - 22 Cooper Street

Events after the reporting date

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

Members Guarantee

The Company is registered with the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the Company. At 31 January 2026 the number of members was 3,475 (2025: 3,319).

Macksville District Ex-Servicemen's Club Ltd

Directors' report
31 January 2026

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 January 2026 has been received and can be found on page 7 of the financial report.

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

Robert J. Laird	Kenneth W. Walker
Chairman	Vice Chairman

Dated: 29 April 2026

HLV AUDIT

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

29 April 2026

The Directors
Macksville District Ex-Servicemen's Club Limited
16 Cooper Street
Macksville NSW 2447

Dear Directors,

Auditor's independence declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 January 2026, there have been:

- no contraventions of the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

HLV Audit

HLV Audit Pty Ltd

AHolladay

Angela Holladay

Director

Macksville NSW

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Macksville District Ex-Servicemen's Club Ltd

Statement of income and retained earnings

For the year ended 31 January 2026

	Note	2026 $	2025 $
Revenue	5	4,836,787	4,675,387
Finance income		1,820	1,510
Other income	5	136,051	59,546
Total income		4,974,658	4,736,443
Cost of goods sold		(1,026,885)	(1,228,708)
Depreciation and amortisation	10, 11	(179,536)	(190,507)
Employee benefit expenses		(1,831,756)	(1,884,024)
Finance expenses		(40,455)	(23,727)
Other expenses		(1,713,962)	(1,342,811)
Total expenses		(4,792,594)	(4,669,777)
Profit (loss) before income taxes		182,064	66,666
Income tax	3.a	-	-
Profit (loss) for the year		182,064	66,666

Retained earnings	Note	2026 $	2025 $
Opening balance		1,564,487	1,497,821
Profit for the year		182,064	66,666
Retained earnings at the end of the year		1,746,551	1,564,487

The accompanying notes form part of these financial statements.

Macksville District Ex-Servicemen's Club Ltd

Statement of financial position

As at 31 January 2026

	Note	2026 $	2025 $
Assets			
Current assets			
Cash and cash equivalents	7	671,362	552,892
Trade and other receivables		61,518	57,303
Inventories	9	56,526	65,316
Prepayments		52,419	44,628
Total current assets		841,825	720,139
Non-current assets			
Property, plant and equipment	10	1,800,126	1,601,043
Intangible assets	12	151,065	151,065
Investment properties	11	376,141	377,040
Total non-current assets		2,327,332	2,129,148
Total assets		3,169,157	2,849,287
Liabilities			
Current liabilities			
Trade and other payables	13	522,790	443,165
Borrowings	14	46,353	10,600
Employee benefits	15	134,335	368,394
Provisions	16	16,885	7,825
Lease liabilities	17	64,927	80,666
Other liabilities	18	31,445	25,597
Total current liabilities		816,735	936,247
Non-current liabilities			
Borrowings	14	561,865	234,307
Employee benefits	15	12,186	26,736
Lease liabilities	17	31,820	87,510
Total non-current liabilities		605,871	348,553
Total liabilities		1,422,606	1,284,800
Net assets		1,746,551	1,564,487
Equity			
Opening balance		1,564,487	1,497,821
Profit for the year		182,064	66,666
Total equity		1,746,551	1,564,487

The accompanying notes form part of these financial statements.

Macksville District Ex-Servicemen's Club Ltd

Statement of cash flows

For the year ended 31 January 2026

	2026 $	2025 $
Cash flows from operating activities:		
Receipts from customers	5,372,139	5,062,646
Payments to suppliers and employees	(5,370,560)	(4,986,830)
Interest received	1,820	1,510
Interest paid	(40,455)	(23,727)
Receipt from government subsidies and grants	17,895	46,844
Rent received	94,511	52,045
Net cash flows from/(used in) operating activities	75,350	152,488
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	5,558	-
Purchase of property, plant and equipment	(102,733)	(15,341)
Net cash provided by/(used in) investing activities	(97,175)	(15,341)
Cash flows from financing activities:		
Proceeds from borrowings	255,181	250,000
Repayment of borrowings	(29,429)	(80,457)
Repayment of lease liabilities	(85,457)	(88,783)
Net cash provided by/(used in) financing activities	140,295	80,760
Net increase/(decrease) in cash and cash equivalents	118,470	217,907
Cash and cash equivalents at beginning of year	552,892	334,985
Cash and cash equivalents at end of financial year	671,362	552,892

The accompanying notes form part of these financial statements.

Macksville District Ex-Servicemen's Club Ltd

Notes to the financial statements
For the year ended 31 January 2026

1. Introduction

The financial report covers Macksville District Ex-Servicemen's Club Ltd as an individual entity. Macksville District Ex-Servicemen's Club Ltd is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Macksville District Ex-Servicemen's Club Ltd is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

The financial report was authorised for issue by the Directors on 29 April 2026.

2. Basis of preparation

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

The financial statements are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

3. Material accounting policy information

a. Income tax

Income tax is not levied on the operations of the Company as they pertain to members, being exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*, but only in regard to activities concerning visitors as well as the Company's investment income. Therefore, normal company rates of tax are not based on the operating results for the year, but rather on the portion applicable to visitors and investment income. This is known as the principle of mutuality.

As at balance date, the Company has carried forward income tax losses of $105,037. Although the Company may trade profitably in future years, after applying the principle of mutuality for taxation purposes, the probability of absorbing the entire balance of carried forward income tax losses is considered to be very low. Therefore, no deferred tax asset has been recognised in the financial statements as there is no certainty that the taxation losses will provide an economic benefit in the future.

3. Material accounting policy information (continued)

b. Goods and services tax (GST)

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

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

c. Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

d. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs. The Company has not recognised any financial instruments measured at fair value through profit or loss in the financial statements.

i. Financial assets

1) Classification

On initial recognition, the Company classifies its financial assets into those measured at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

3. Material accounting policy information (continued)

d. Financial instruments (continued)

i. Financial assets (continued)

2) Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method (where material) less provision for impairment. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

3) Trade receivables and contracts assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

4) Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

ii. Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method (where material). The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

e. Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at or before 31 January 2026, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

4. Critical accounting estimates and judgements

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Key estimates - impairment of non financial assets

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

b. Key estimates - estimated useful lives

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite or indefinite life of any intangible assets held. The useful lives could change 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.

c. Key estimates - provisions

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

d. Key estimates - employee benefits

The Company records a provision for employee benefits for future cash outflows expected to be incurred due to employer obligations for long service.

The Company classifies employee benefits as current where eligible personnel have satisfied all eligibility requirements, whilst those with a length of service of greater than five years, but less than ten years, have been classified as non-current at their current value of accrued benefits. Personnel with a length of service of less than five years have not been provided. The effect of discounting is not considered material and adjustments for future pay increases have not been projected.

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

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

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

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

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

1) Sale of goods and provision of services

The Company usually recognises point-of-sale-based revenues derived from the sale of goods (such as bar and bistro sales) and the provision of service (such as gaming revenues) at a point in time, as the performance obligations inherent in these goods and services are generally satisfied at the time considered received.
The Company may receive consideration for the provision of services in advance of those performance obligations being satisfied (such as functions). Whilst the revenue is still recognised at a point in time, this timing difference may give rise to a temporary liability.
The Company recognises revenue derived from membership fees over time as the performance obligations inherent in membership are deemed to be both satisfied and simultaneously consumed by the customer over the period to which the membership relates. Accordingly, a contract liability will be recognised for the amounts received but not recognised as revenue at balance date.

2) Grants or subsidies (including economic stimulus)

The Company assesses the specific facts and circumstances of each grant or subsidy received to determine the appropriate application of revenue recognition requirements. These will generally vary between AASB 15 Revenue from Contracts with Customers (recognised as performance obligations are satisfied) or AASB 1058 Income for Not-for-Profit Entities (recognised immediately in the profit or loss once irrevocably entitled).

5. Revenue and other income (continued)

a. Accounting policy (continued)

iii. Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

iv. Other income

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

b. Revenue from continuing operations

	2026 $	2025 $
Revenue from contracts with customers		
Bar Sales	743,091	689,755
Bistro income	1,463,673	1,595,234
Poker Machines	2,265,958	2,020,333
Room & Equipment Hire	7,952	19,634
Grants	2,500	22,500
Entertainment and promotions	221,402	192,265
Member subscriptions	18,060	14,350
	4,722,636	4,554,071
Revenue from other sources		
Gaming rebates	17,180	17,180
Training subsidies	15,395	33,344
Commissions	81,576	70,792
	114,151	121,316
Total Revenue from continuing operations	4,836,787	4,675,387

c. Other income

	2026 $	2025 $
Rental income	94,511	52,045
Sundry Income	575	7,501
Insurance Recoveries	40,965	-
Total other income	136,051	59,546

6. Auditor's remuneration

	2026 $	2025 $
Audit Fees	30,700	26,400
Other remuneration of the auditor	10,240	23,300
Total Auditor's remuneration	40,940	49,700

Other remuneration of the auditor included preparation of the company's income tax return, corporate compliance lodgements and assistance with the preparation of the financial statements.

7. Cash and cash equivalents

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

8. Cash flow information

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

	2026 $	2025 $
Profit for the year	182,064	66,666
Add / (less) non-cash items:		
(Profit) / loss on sale of assets	1,399	581
Depreciation and amortisation	179,536	190,507
Changes in assets and liabilities:		
(increase) / decrease in receivables	(4,215)	(12,898)
(increase) / decrease in inventories	8,790	(9,866)
(increase) / decrease in other assets	(7,791)	(4,128)
increase / (decrease) in payables	(50,733)	(76,032)
increase / (decrease) in employee benefits	(248,609)	13,646
increase / (decrease) in provisions	9,060	7,825
increase / (decrease) in other liabilities	5,848	(23,813)
Cash flows from operations	75,349	152,488

9. Inventories

a. Inventory details

Current	2026 $	2025 $
Stock on Hand - Bar	35,764	36,911
Stock on Hand - Bistro	20,762	28,405
Total Inventory	56,526	65,316

10. Property, plant and equipment

a. Accounting policy

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

i. Depreciation

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

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Estimated Useful Life
Land	N/A
Buildings	5 - 40 years
Plant and equipment	3 - 20 years
Furniture, fixtures and fittings	3 - 20 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

10. Property, plant and equipment (continued)

b. Property, plant and equipment details

Summary	2026 $	2025 $
Land	183,011	183,011
Buildings		
At cost	2,400,688	2,400,688
Accumulated depreciation	(1,552,964)	(1,507,390)
Total Buildings	847,724	893,298
Plant and equipment		
At cost	2,447,529	2,263,700
Accumulated depreciation	(1,742,702)	(1,787,189)
Total Plant and equipment	704,827	476,511
Furniture, fixtures and fittings		
At cost	508,585	506,016
Accumulated depreciation	(444,021)	(457,793)
Total Furniture, fixtures and fittings	64,564	48,223
Total Property, plant and equipment	1,800,126	1,601,043

Movement in carrying amounts

2026	Land $	Buildings $	Plant and equipment $	Furniture, fixtures and fittings $	Total $
Opening balance	183,011	893,298	476,511	48,223	1,601,043
Additions	-	-	356,803	27,874	384,677
Disposals	-	-	(6,913)	(43)	(6,956)
Depreciation	-	(45,574)	(121,574)	(11,490)	(178,638)
Closing balance	183,011	847,724	704,827	64,564	1,800,126

11. Investment properties

a. Accounting policy

Investment property is measured using the cost model and is carried at cost less, where applicable, any accumulated depreciation and impairment.

The buildings that form investment properties owned by the Company are depreciated on a straight-line basis over an assessed useful life of 40 years. Additional improvements are depreciated on a straight-line and reducing balance over the asset's useful life.

b. Investment property details

Investment property	**2026** **$**	**2025** **$**
At Cost	585,966	585,966
Accumulated depreciation	(209,825)	(208,926)
Total Investment property	376,141	377,040

Movement in carrying amounts

2026	**Owned property** **$**	**Total** **$**
Opening balance	377,040	377,040
Depreciation	(899)	(899)
Closing balance	376,141	376,141

Investment returns

Both investment properties have been tenanted during the full financial year. The rental income earned on these investment properties is recognised in the statement of income and retained earnings under other income.

11. Investment properties (continued)

b. Investment property details (continued)

Investment property valuation

The investment properties were independently valued by a suitably qualified valuer in May 2024. The valuation was based on the fair market value based on similar properties. The critical assumptions in determining the valuation included the location of the land and buildings, sales data for similar properties and capitalisation of an assessed net annual rental return. The fair values of these investment properties determined by the independent valuer in 2024 are disclosed below. Based on the current market, the Directors do not expect the fair value of these investment properties to have declined as compared to the amounts valued in 2024.

Description	2026 $
Cooper Street	1,550,000
Princess Street	400,000
Total Fair Value	1,950,000

12. Intangible assets

a. Accounting policy

i. Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

b. Intangible asset details

Summary	2026 $	2025 $
Poker Machine Entitlements		
Poker Machine Entitlements at cost	194,998	194,998
Accumulated Ammort PM Entitlements	(43,933)	(43,933)
Net carrying amount	151,065	151,065

Intangible assets reflect poker machine entitlements that have been purchased by the Company in previous years. It is widely considered that the life of these entitlements are indefinite and consequently the cost cannot be amortised.

12. Intangible assets (continued)

b. Intangible asset details (continued)

Intangible assets must be tested for impairment at least annually. Impairment occurs when an asset's carrying amount exceeds the recoverable amount. The value of the asset must be reduced to the lower amount with the resulting loss being reflected in the profit or loss. Where the recoverable amount exceeds the carrying amount, a recovery of previously recognised impairment losses are allowed to the maximum value of those amounts recognised.

The Company has performed value in use calculations based on estimated cashflows derived from these intangible assets and the Director's have determined that the carrying amount of the poker machine entitlements is not impaired at 31 January 2026.

13. Trade and other payables

Current	**2026** **$**	**2025** **$**
Trade payables	306,648	235,354
Accrued expenses	112,334	100,389
ATO liabilities	56,668	61,474
Superannuation payable	14,811	16,499
Other payables	32,329	29,449
Total Current trade and other payables	522,790	443,165

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14. Borrowings

Current	2026 $	2025 $
Bank loans	21,498	10,600
Other borrowings	24,855	-
Total current borrowings	46,353	10,600

Non-current	2026 $	2025 $
Bank loans	452,995	234,307
Other borrowings	108,870	-
Total non-current borrowings	561,865	234,307

a. Summary of borrowings

In October 2024, the Company secured a business loan facility for $250,000. The loan term is for 15 years with monthly principal and interest payments at a fixed interest rate of 6.6% for the first 12 months and then monthly principal and interest payment at a variable rate after the first 12 months.

In May 2025, the Company secured a second business loan facility for $250,000. The loan term is for 15 years with monthly principal and interest payments at a variable interest rate.

The Company also has a working capital overdraft facility. At 31 January 2026 this facility had not been used and the balance was nil.

Other borrowings include equipment finance loans for the purchase of a cash recycler machine and coffee machine. Both agreements are for 5 year terms and require monthly principal and interest payments.

b. Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

15. Employee benefits

a. Accounting policy

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Changes in the measurement of the liability are recognised in profit or loss.

b. Employee benefit details

Current	2026 $	2025 $
Annual leave	85,556	264,471
Long service leave	29,022	93,893
RDO Accrual	19,757	10,030
Total Current employee benefits	134,335	368,394

Non-current	2026 $	2025 $
Long service leave	12,186	26,736
Total Non-current employee benefits	12,186	26,736

16. Provisions

a. Accounting policy

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

b. Provision details

Current	2026 $	2025 $
Bonus Points Provision	16,885	7,825

17. Leases

a. Accounting policy

At inception of a contract, the Company assesses whether a lease exists.

i. Lessee accounting

The Company has chosen not to apply AASB 16 to leases of intangible assets.

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

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

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

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

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

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

17. Leases (continued)

b. Company as a lessee

i. Terms and conditions of leases

The Company retains right of use assets and associated lease liabilities for the following:

- Poker machine equipment and their related licenses, for terms of three years requiring monthly repayments.
- Multiscreen Communication Equipment Agreement with a total lease term of 60 months commencing in February 2022.
- POS Terminal System Equipment Lease with a total lease term of 36 months commencing October 2024 requiring monthly repayments of $2,758 (ex. GST).

These lease liabilities are secured by the underlying right of use assets. The values of these underlying leased assets are included in the totals within *Property, Plant and Equipment* in the statement of financial position (Note 10).

ii. Carrying amount of right of use assets recognised in plant and equipment

Description	**2026** **$**	**2025** **$**
Poker machines and related licenses	93,835	101,248
Multiscreen Communication System	4,165	8,330
POS Terminal System	58,854	70,456
Total Carrying amount of right of use assets	156,854	180,034

iii. Lease liabilities

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

	2026 **$**	**2025** **$**
< 1 year	67,933	85,893
1 - 5 years	32,288	90,621
Total undiscounted lease liabilities	100,221	176,514
Less unexpired interest	(3,474)	(8,336)
Lease liabilities in the statement of financial position	96,747	168,176

17. Leases (continued)

b. Company as a lessee (continued)

iv. Statement of income and retained earnings

The amounts recognised in the statement of income and retained earnings relating to interest expense and depreciation on lease liabilities and short-term leases or leases of low value assets are shown below:

Description	2026 $	2025 $
Lease expenses in the profit or loss		
Interest expense on lease liabilities	5,713	4,432
Depreciation on right-of-use-assets	52,139	52,217
Variable lease payments not included in the lease liabilities	-	8,002
Total lease expenses	57,852	64,651

18. Other liabilities

Current	2026 $	2025 $
Membership in Advance	20,328	17,275
Gaming Tax Rebate in Advance	5,727	5,727
Deposits held for functions	5,390	2,595
Total Other liabilities	31,445	25,597

19. Capital Commitments

From the end of the financial year until the date of this report, management has committed to the following capital expenditure:

- the purchase of 3 poker machines at a cost of $71,970 (plus GST).

20. Members' guarantee

The Company is registered with the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the Company. At 31 January 2026 the number of members was 3,475 (2025: 3,319).

21. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 2026 (2025: None).

22. Related parties

a. Key management personnel

The remuneration paid to key management personnel of the Company is $422,505 (2025: $132,231).

Related parties include key management personnel (including those charged with governance), close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

b. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties during the financial year:

- The Company transacted with Strudwick Security Pty Ltd for the provision of security patrols and guardwork. Strudwick Security Pty Ltd is a company of which Kenneth Strudwick is a director. Kenneth Strudwick is also a director of Macksville District Ex-Servicemen's Club Ltd. The Company expended a total of $7,337 (inc GST) during the financial year to Strudwick Security. No amounts remained outstanding at balance date.

- Prior to becoming employed as the CEO of Macksville District Ex-Servicemen's Club Ltd in May 2025, Paul Clarke had been engaged as a contracted consultant under the business Call Clarkey. Paul Clarke is the sole trader of Call Clarkey. The Company expended a total of $14,722 (inc GST) during the financial year to Call Clarkey. No amounts remained outstanding at balance date.

23. Events occurring after the reporting date

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

24. Statutory information

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

Macksville District Ex-Servicemen's Club Ltd
16 Cooper Street
Macksville NSW Australia
2447

Macksville District Ex-Servicemen's Club Ltd

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes for the year ended 31 January 2026 are in accordance with the *Corporations Act 2001* and:
   - comply with Australian Accounting Standards - Simplified Disclosures; and
   - give a true and fair view of the financial position as at 31 January 2026 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Robert J. Laird
Chairman

Kenneth W. Walker
Vice Chairman

Dated: 29 April 2026

HLV AUDIT

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Independent audit report to the members of Macksville District Ex-Servicemen's Club Ltd

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report, being a simplified disclosure financial report of Macksville District Ex-Servicemen's Club Ltd (the Company), which comprises the statement of financial position as at 31 January 2026, the statement of income and retained earnings and the statement of cash flows for the year then ended, notes to the financial statements and the Directors' 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 financial position of the Company as at 31 January 2026 and of its financial performance for the year ended on that date; and
b. complying with the 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 Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this audit report is included in the Directors' report, but does not include the financial report and our audit 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.

Other Information (continued)

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 directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report 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 management either intends to liquidate the Company or to cease operations, or has 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 scepticism 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 Directors.

Auditor's responsibilities for the audit of the financial report (continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a 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.
- 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 Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

HLV Audit

HLV Audit Pty Ltd

AHolladay

Angela Holladay
Director Macksville NSW

29 April 2026