



CANBERRA SERVICES CLUB

(A Company Limited by Guarantee)

ABN 64 008 390 896

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 JANUARY 2026**

CANBERRA SERVICES CLUB
(A COMPANY LIMITED BY GUARANTEE)
ABN 64 008 390 896

DIRECTORS' REPORT

Your directors present this report on the Company for the financial year ended 31 January 2026.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Directors (1 February 2025 to 31 January 2026)

Director	Title	Details of appointment
Jonathan Hunt-Sharman	President	
Karen Drake	Director	
David Spouse	Director	
John-Paul Romano	Director	
Daisy Matsika	Director	
Alicia Doherty	Director	
Michael Chew	Director	
Neil James	Director	Resigned June 2025
Vince Pannell	Director	
Guy Blackburn	Director	Appointed April 2025
Peter Komocki	Director	Appointed June 2025

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

Principal Activities

The principal activity of Canberra Services Club during the financial year was the operation of a licensed club.

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

DIRECTORS' REPORT

Short Term Objectives

The Company's short-term objectives are to:

- continue to closely monitor income and expenditure and adapt business practices accordingly;
- finalise the insurance claim on the Barton site, including, but not limited to, completing the demolition of the damaged premises located on the Barton site;
- progress the DA to remove the concessional status of the lease at the Barton site to allow the Company an enhanced range of options, allowing the Company to explore permissible uses, such as commercial accommodation use, residential accommodation use, or a mix of both, which will then provide funding for the Company's future premises, as well as ongoing funding for its community services;
- Undertake a Feasibility Assessment for the redevelopment of the Griffith site and the Barton site. This will enable the the Company to enter into negotiations for the joint development of both sites, to provide the Company with a new Company premises co-located with other permissible uses, such as commercial accommodation use.

Long Term Objectives

The Company's long-term objectives are to:

- establish and maintain relationships that foster social interaction between members and the community;
- to be a financially sustainable Company offering the best possible facilities and services to members and the community;
- subject to architectural design, planning approval and feasibility, build a community Company and conference facility, combined with a modern affordable hotel on our historic and spiritual home site at Griffith to:
 - ensure ongoing financial viability of our historic Company;
 - provide conference guest accommodation and general hotel accommodation;
 - expand the services that the Company provides to the Canberra community;
 - increase the Company's operational income through a 'fit for purpose' tasteful community Company facility; and
 - enable the Company to expand its outreach program of financially supporting various charitable and NFP entities that provide services to our community and country.

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DIRECTORS' REPORT

Strategy for achieving the objectives

To achieve these objectives, the Company's strategy is to:

- rebrand the "Services Company" in the wider sense: (Encouraging Defence, Police, Emergency Service and those persons that provide volunteer /NFP services to the Community, to become members of our Company);
- enter into discussions with a number of organisations, including but not limited to, ACT government agencies, National Capital Authority, and a Property Group, to establish the best future opportunities to ensure the Company meets its long-term objectives;
- enter into a legally binding Project Development Deed (PDD) in order to undertake a Feasibility Assessment for the redevelopment of both the Griffith site and the Barton site. This will enable the Parties to enter into negotiations for the joint redevelopment of the sites, including providing the Company with a new Company premises;
- implement a communication strategy to better engage with members, the public and Affiliate organisations via various forums;
- utilise Google and Teams virtual platforms for Board business accountability;
- replace the existing Constitution with a leading edge/best practice Constitution to enhance Board accountability to the members of the Company and to ensure the Company's Purpose and Objects clearly articulate the NFP status and the Company's community outreach;
- expand the Community Incentive Program to encourage ADF, Police, Emergency Services and groups/NFP entities that provide a service to the community, to become Affiliates; and
- resolve the ongoing confusion of the dual branding of Canberra Services Club and Canberra Company through the use of an inclusive Logo that incorporates the history of both Companies whilst encouraging a "Services Company" in the wider sense.

Operating Results

The deficit of the Company for the year amounted to \$1,096,217 (2025 deficit: \$19,188).

The current year deficit is largely as a result of the loss of the Barton premises. The premises were fully insured and the progress of the insurance claim is described in more detail below.

Statement of Subsequent Events

During the current year the Barton premises suffered fire damage. The building was fully insured. The insurer is proceeding to settle the Building and Contents Claim. A detailed release for CGU is being prepared for review and approval by CGU in order to finalise the claims.

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DIRECTORS' REPORT

On 13 May 2025 the development applications to remove the concessional status from the Crown lease at Block 1 Section 15 Griffith and the Crown Lease at Block 25 Section 6 Barton were approved. A condition of the approvals is to make payment of the market value Payout Payment to the ACT government. The Company prioritised the payment of the Payout Payment for the Griffith site. The Company has fully paid out that amount. The Company has made a partial Payout Payment in regard to the Barton site. The remaining Payout Payment for Block 25 Section 6 Barton must occur on or before the 01 December 2026.

On 01 May 2026 a new Market value Crown lease was issued for Block 1 Section 15 Griffith. The approval of the development applications enables the Company to progress redevelopment. The Company has entered into a Project Development Deed (PDD). The purpose of this PDD is to undertake a Feasibility Assessment for Redevelopment. This will enable the Company to enter into negotiations for the joint redevelopment of the Manuka Site and Barton Site, including providing our members with a new Company premises.

No other 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.

Statement of Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Company to continue to operate as a going concern is dependent upon the ability of the Company to generate sufficient cashflows from operations to meet its liabilities.

The definition of ordinary course of business has significantly changed from the previous financial period due to the loss of the commercial property at Barton and the ceasing of hospitality services provided by running a Company. The future focus of the Company has pivoted to planning for the construction of a new premises at the Griffith site. The Company is required to make the lease Payout Payment for the Barton Lease by early December 2026. The use of the gaming credits has been approved to the value of \$190,000. There is now \$213,500.00 outstanding on the payment amount which will need to be paid from cash reserves.

The Company will be able to meet all anticipated expenses over the next 12 months.

Dividends Paid or Recommended and Options

In accordance with the Company's Constitution, the Company is limited by guarantee and accordingly no shares or options have been issued. No dividends are paid by the Company.

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DIRECTORS' REPORT

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

Meetings of Directors

During the financial year, eleven meetings of directors were held. Attendance by each director were as follows:

Directors	Title	Meetings eligible to attend	Meetings attended
Jonathan Hunt-Sharman	President	11	11
Karen Drake	Director	11	11
David Spouse	Director	11	11
John-Paul Romano	Director	11	11
Daisy Matsika	Director	11	4
Alicia Doherty	Director	11	8
Michael Chew	Director	11	9
Neil James	Director	4	1
Vince Pannell	Director	11	6
Guy Blackburn	Director	10	9
Peter Komocki	Director	7	7

**CANBERRA SERVICES CLUB
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DIRECTORS' REPORT**

Environmental Issues

The Company's operations are not governed by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Proceedings on Behalf of the Company

Apart from the proceedings in relation to the Company's development application, no person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any of those proceedings.

Apart from the proceedings in relation to the Company's development application, the Company was not a party to any other proceedings during the year.

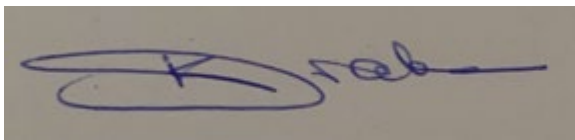
Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 January 2026 has been received and can be found on page 9 of the Financial Report.

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



Director



Director

Dated: 15 June 2026.

**CANBERRA SERVICES CLUB
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DIRECTORS' DECLARATION

The directors of the Company declare that in their opinion:

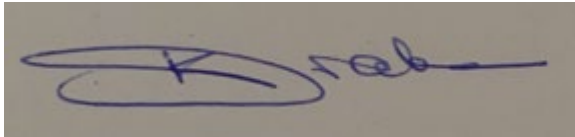
1. The financial statements and notes, as set out on pages 10 to 27:
 - (a) comply with the *Corporations Act 2001*, the Corporations Regulations 2001 and Accounting Standards – Simplified Disclosures as described in Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 31 January 2026 and of the performance for the year ended on that date of the Company.

2. 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.



Director



Director

Dated: 15 June 2026.



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Professional Standards Legislation

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE CANBERRA SERVICES CLUB

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

- (a) no contraventions of the auditor's independence requirements as set out in 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.

AccountAbility

Anthony Wilson
Registered Company Auditor
Canberra, ACT
15 June 2026

CANBERRA SERVICES CLUB
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2026

	NOTE	2026 \$	2025 \$
Company trading revenue		463,514	519,553
Less: Cost of sales		(279,296)	(347,808)
Gross profit from trading		184,218	171,745
Other income	2	83,208	339,444
Insurance recovery		249,000	-
Direct expenses	3	(94,622)	(217,720)
Other administration and occupation expenses	3	(343,855)	(274,447)
Depreciation (excluding poker machines)		-	(38,210)
Loss on disposal		(1,174,166)	-
		<hr/>	<hr/>
Deficit before income tax		(1,096,217)	(19,188)
Income tax expense		-	-
(Deficit) for the year		(1,096,217)	(19,188)
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive (deficit) for the year		<u>(1,096,217)</u>	<u>(19,188)</u>

The accompanying notes form part of these financial statements

CANBERRA SERVICES CLUB
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STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2026

	NOTE	2026 \$	2025 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	330,449	277,578
Inventory		-	13,763
Trade and other receivables	16	190,000	375,000
Financial assets – term deposits		256,288	306,288
		776,737	972,629
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	713,930	1,654,582
Heritage and artworks		-	36,700
		713,930	1,691,282
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS			
		1,490,667	2,663,911
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	569	63,859
Provisions	7	-	13,737
		569	77,596
TOTAL CURRENT LIABILITIES			
TOTAL LIABILITIES			
		569	77,596
NET ASSETS			
		1,490,098	2,586,315
EQUITY			
Retained earnings		1,490,098	2,586,315
TOTAL EQUITY			
		1,490,098	2,586,315

The accompanying notes form part of these financial statements

CANBERRA SERVICES CLUB
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2026

	Retained Earnings \$	Total \$
Balance at 1 February 2024	2,605,503	2,605,503
Total comprehensive (deficit) for the period	(19,188)	(19,188)
Balance at 31 January 2025	2,586,315	2,586,315
Total comprehensive (deficit) for the period	(1,096,217)	(1,096,217)
Balance at 31 January 2026	<u>1,490,098</u>	<u>1,490,098</u>

The accompanying notes form part of these financial statements

CANBERRA SERVICES CLUB
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2026

	NOTE	2026 \$	2025 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and others		498,471	488,027
Payments to suppliers and employees		(515,478)	(402,098)
Interest received		17,955	23,162
		<hr/>	<hr/>
Net cash generated by/ (used in) operating activities	8	948	109,091
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from financial assets		50,000	(6,288)
Purchase of property, plant and equipment		(1,982)	(193,659)
Proceeds from sale of property, plant and equipment		3,905	-
		<hr/>	<hr/>
Net cash generated by/ (used in) investing activities		51,923	(199,947)
<i>Net increase/(decrease) in cash held</i>		52,871	(90,856)
Cash at beginning of the financial year		277,578	368,434
Cash at end of the financial year	4	<hr/> 330,449	<hr/> 277,578

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION

The financial report is for the Canberra Services Club as an individual entity, incorporated and domiciled in Australia. The Canberra Services Club is a company limited by guarantee.

Basis of Preparation

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

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

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

Accounting Policies

(a) Revenue

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Income Tax

The Company is subject to taxation under the principle of mutuality whereby only non-member income is assessed.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers. The GST component of investing and financing activities are disclosed as operating cash flows.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks.

(e) Inventories

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Inventories (continued)

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is measured using the cost or fair value as indicated, less where applicable, accumulated depreciation and any impairment losses.

Property

The land held by the Company at Manuka is held under a 50-year lease granted by the Commonwealth Government.

The lease agreement provides that the purpose of the lease is to use the premises only for the purpose of the Company conducted by the Canberra Services Club. As a result of the lease restrictions, the directors believe that it would be misleading to determine a current valuation of the land as at the reporting date.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding leasehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings and fitout	2.50%
Plant and equipment	2.50% - 29.0%
Bar equipment	6.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The asset class carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an asset class, the Company estimates the recoverable amount of the cash-generating unit to which the class of asset belongs.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Trade and Other Payables

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

(j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee 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.

(k) Provisions

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

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

(l) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Amortised cost is calculated as:

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

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

v. *Financial assets at fair value through profit or loss*

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

vi. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

vii. *Held to maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity.

viii. *Available-for-sale financial assets*

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

ix. Financial liabilities

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

Fair Value

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

Impairment

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

Derecognition

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

(m) Comparative Figures

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

(n) 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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Key estimates – impairment of property, plant and equipment

The land held by the Company at Manuka is held under a 50-year lease granted by the Commonwealth Government. The lease agreement provides that the purpose of the lease is to use the premises only for the purpose of the Company conducted by the Canberra Services Club Limited. As a result of the lease restrictions, the directors believe that it would be misleading to determine a current valuation of the land at the reporting date.

Key judgement – Going Concern

The financial statements have been prepared on a going concern basis. This assumes that the entity will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business.

Note 17 discloses details of material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern. In preparing the narrative for this note, the directors have made an assessment which considers both qualitative and quantitative factors, including stress testing of forecasts and sensitivity analysis of key assumptions

	2026	2025
	\$	\$
NOTE 2. OTHER REVENUE		
Interest income	17,955	23,162
Membership fees	4,230	6,563
Sponsorship	1,023	165
Miscellaneous income	-	75
Government funding/incentives	60,000	309,479
	83,208	339,444

NOTE 3. SPECIFIC EXPENSES

Included specific expenses

Depreciation of Poker machines (included in Direct expenses)	-	28,140
Superannuation	16,304	22,462

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

	2026	2025
	\$	\$
 NOTE 4. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	330,449	271,647
Other cash on hand	-	5,931
	<u>330,449</u>	<u>277,578</u>
 NOTE 5. PROPERTY PLANT AND EQUIPMENT		
Leasehold land		
Property – at cost	498,520	498,496
Less accumulated depreciation	-	(18,836)
Total Leasehold land	<u>498,520</u>	<u>479,660</u>
Buildings		
Fitout/redevelopment – at cost ⁽¹⁾	215,410	1,284,367
Less accumulated depreciation	-	(238,844)
Total Buildings	<u>215,410</u>	<u>1,045,523</u>
Plant and Equipment – at cost	-	197,178
Less accumulated depreciation	-	(79,510)
Total Plant and Equipment	<u>-</u>	<u>117,668</u>
Bar equipment – at cost	-	35,534
Less accumulated depreciation	-	(23,803)
Total Bar equipment	<u>-</u>	<u>11,731</u>

(1) the additions for the redevelopment costs are attributable to the utilisation of the offset provided by the Voluntary Surrender Agreement, refer also Note 16.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

	2026	2025
	\$	\$
NOTE 5. PROPERTY PLANT AND EQUIPMENT (Continued)		
Poker machines – at cost	-	476,120
Less accumulated depreciation	-	(476,120)
Total poker machines	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u>713,930</u>	<u>1,654,582</u>

NOTE 6. TRADE AND OTHER PAYABLES

CURRENT		
Trade creditors/accrued expenses	3,168	30,745
Amounts payable to the ATO	(2,599)	31,190
Other payables	-	1,924
	<u>569</u>	<u>63,859</u>

NOTE 7. PROVISIONS

Analysis of total provision	Annual Leave
Provisions	
Opening balance as at 1/2/2025	13,737
Net movement in balance	(13,737)
Balance as at 31/01/2026	<u>-</u>
Current	-
Non-Current	-
	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

		2026	2025
		\$	\$
NOTE 8. CASH FLOW RECONCILIATION			
<i>Cash as per:</i>			
Statement of financial position	4	330,449	277,578
Statement of cash flows		330,449	277,578
 <i>Reconciliation of deficit for the year to net cash provided by / (used in) operating activities</i>			
(Deficit) for the year		(1,096,217)	(19,188)
 <i>Adjustments for non-cash items</i>			
Depreciation		-	66,350
Loss on disposal		1,174,166	-
<i>Movements in assets and liabilities</i>			
Decrease/(increase) in inventories		13,763	(5,779)
Increase/(decrease) in creditors and payables		(77,027)	59,238
Increase/(decrease) in employee provisions		(13,737)	8,470
		948	109,091

NOTE 9. EVENTS AFTER THE BALANCE DATE

During the current year the Barton premises suffered fire damage. The building was fully insured. The insurer is proceeding to settle the Building and Contents Claim. A detailed release for CGU is being prepared for review and approval by CGU in order to finalise the claims.

On 13 May 2025 the development applications to remove the concessional status from the Crown lease at Block 1 Section 15 Griffith and the Crown Lease at Block 25 Section 6 Barton were approved. A condition of the approvals is to make payment of the market value Payout Payment to the ACT government. The Company prioritised the payment of the Payout Payment for the Griffith site. The Company has fully paid out that amount. The Company has made a partial Payout Payment in regard to the Barton site. The remaining Payout Payment for Block 25 Section 6 Barton must occur on or before the 01 December 2026.

On 01 May 2026 a new Market value Crown lease was issued for Block 1 Section 15 Griffith. The approval of the development applications enables the Company to progress redevelopment. The Company has entered into a Project Development Deed (PDD). The purpose of this PDD is to undertake a Feasibility Assessment for Redevelopment. This will enable the Company to enter into negotiations for the joint redevelopment of the Manuka Site and Barton Site, including providing our members with a new Company premises.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

No other 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.

NOTE 10. CONTINGENT ASSETS AND LIABILITIES

CGU Insurance is proceeding to settle the Building and Contents Claim and is expected to be received in the near future. A detailed release for CGU is being prepared for review and approval by CGU in order to finalise the claims.

There will be potential upcoming contingent liabilities regarding the tax impact on the insurance proceeds received.

These are yet to be determined due to how the insurance proceeds will be calculated. There will be differing tax treatments for amounts received and potential asset rollover relief to be applied for creating a replacement asset which is part of the strategy identified in the statement of going concern.

Should any contingent liabilities arise, the insurance proceeds will completely cover them.

NOTE 11. KEY MANAGEMENT PERSONNEL/RELATED PARTIES

During the financial year the directors did not receive any remuneration or other benefits for undertaking their roles as directors. The Board did approve the reimbursement of Company related travel to be made.

During the financial year there were no transactions with related parties. Declarations of conflict of interest made in each Board meeting.

NOTE 12. CAPITAL MANAGEMENT

The Board control the capital of the Company to ensure that adequate cash flows are generated to fund operations. The Board is responsible for the overall risk management strategy. The company's capital consists of financial liabilities, supported by financial assets.

The Board effectively manage the Company's capital by assessing the financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

The Company does not have a formal policy on capital management and gearing ratios.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

NOTE 13. MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company.

NOTE 14. COMMITMENTS OF CAPITAL

There are no commitments of capital at the end of the reporting period.

NOTE 15. COMPANY DETAILS

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

Canberra Services Club
51 Blackall St
BARTON ACT 2600.

NOTE 16. RECEIVABLE FROM VOLUNTARY SURRENDER AGREEMENT

In the year ended 31 January 2019, the company recognised an amount of \$375,000 relating to a Voluntary Surrender Agreement that it entered with the ACT Government pursuant to Section 10C of the *Gaming Machine Act 2004*.

In accordance with the agreement, the amount could be offset against future fees and charges incurred by the Company.

For the year ended 31 January 2026, the Board considered that the amount would be utilised upon resolution of the redevelopment opportunities for the Company premises and were therefore of the view that the amount should continue to be carried forward as a receivable to the Company.

Since 31 January 2026, the amount has now been utilised in full.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

NOTE 17. STATEMENT OF GOING CONCERN

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Company to continue to operate as a going concern is dependent upon the ability of the Company to generate sufficient cashflows from operations to meet its liabilities.

The Company was impacted by the fire damage to the Barton premises and has had a significant impact on its operations. The Company is now in a different phase of operations and is continuing to proceed with the redevelopment of its property assets.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CANBERRA SERVICES CLUB

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Canberra Services Club, which comprises the statement of financial position as at 31 January 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In my opinion the financial report of the Canberra Services Club has been prepared in accordance with *Corporations Act 2001*, including:

- a) giving a true and fair view of the registered entity's financial position as at 31 January 2026 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

Emphasis of Matter

I draw attention to Note 17 in the financial report, which describes the conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Club's ability to continue as a going concern. These conditions include the impact on the operations of the Club as a result of the fire in its Barton premises as well as the recurring losses experienced by the Club. As disclosed in Note 17, the financial report has been prepared on a going concern basis, which assumes that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

My opinion is not modified in respect of this matter.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Canberra Services Club in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the *Code*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Directors' for the Financial Report

The directors' of the Canberra Services Club are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors' are responsible for assessing the Canberra Services Club'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 Canberra Services Club or to cease operations, or has no realistic alternative but to do so.

The directors' are responsible for overseeing the Canberra Services Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit.

I 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 my 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 Canberra Services Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Canberra Services Club.
- Conclude on the appropriateness of the Canberra Services Club's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Canberra Services Club's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Canberra Services Club 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.

I communicate with the Canberra Services Club regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including when considered necessary any significant deficiencies in internal control that I identify during my audit.

AccountAbility



Anthony Wilson
Registered Company Auditor
Canberra, ACT
15 June 2026