

KNOX CLUB

An Australian Company, Limited By Guarantee

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2026**

KNOX CLUB
A.B.N.70 004 833 701

DIRECTORS REPORT

Your directors present their report on the Knox Club for the financial year ended 30 June 2026.

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

During the financial year, 12 meetings of directors (including committees) were held.
Attendance's were as follows:

	DIRECTORS'/FINANCE COMMITTEE MEETINGS	
	Meetings eligible to attend	Meetings Attended
Mr Brian Asley (President)	12	12
Mr John Croughan (Vice President)	12	11
Mr Andrew Jensen	12	11
Mr Leon Mackie	12	12
Mr Craig Allardice	12	10
Mrs Jane Barbanti	12	10
Mrs Janine Scott-Rule	12	9

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were the operation of a licensed social, recreational, and sporting club.

There were no significant changes in the nature of the company's principal activities during the financial year.

OPERATING RESULTS

The result of the company for the financial year after providing for income tax amounted to a Profit of \$1,565,179 (2025: \$1,162,771).

As at 30 June 2026, the Club had received Notices of Assessment for land tax relating to the years ended 2018 through to 2026, with a total assessed liability of \$1,358,611. The Club has historically been exempt from land tax and, accordingly, engaged legal counsel to challenge the assessments. Subsequent to year-end, the State Revenue Office confirmed that no land tax was payable for the aforementioned years and the assessments were withdrawn. As a result, no provision has been recognised in respect of the land tax assessments.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in operations for the year ended 30 June 2026.

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DIRECTORS REPORT

AFTER BALANCE DATE EVENTS

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

INDEMNIFYING OFFICERS OR AUDITOR

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company:

- indemnified or made any relevant agreement for indemnifying against a 'liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability 'incurred as an officer for the costs or expenses to defend legal proceedings.

REMUNERATION REPORT

Since the end of the previous financial year no director of the entity has received or become entitled to receive a benefit other than:

- (i) A benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts; or
- (ii) a fixed salary as a full-time employee of the entity or of a related corporation, 'by reason of a contract made by the entity or a related entity corporation with the director 'or with a firm of which they are a member or with an entity in which they have a substantial financial interest.

CAPTIAL COMMITMENTS

As at 30 June 2026, Knox Club continued building works to the premises, with a committed amount totalling \$453,106.
As 30 June 2026, a total of \$337,608 had been billed and paid.

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DIRECTORS REPORT

AUDITOR'S INDEPENDENCE DECLARATION

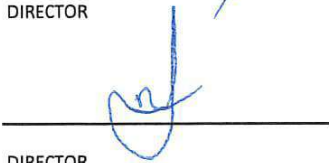
The auditor's independence declaration for the year ended 30 June 2026 has been received and can be found on the following page.

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



A handwritten signature in blue ink, appearing to read 'Peter Mc...', is written over a horizontal line.

DIRECTOR



A handwritten signature in blue ink, appearing to be a monogram or initials, is written over a horizontal line.

DIRECTOR

Dated this 15th day of September 2026.

Postan Miller and Associates Pty Ltd
ACN 123 774 569 | ABN 59 123 774 569
Suite 32, Level 3
25 Claremont Street
South Yarra, Vic 3141

Telephone: 03 9006 0880
www.pmassoc.com.au



Knox Club
A.B.N 70 004 833 701

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Knox Club

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, there have been:

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

Postan Miller and Associates Pty Ltd

Postan Miller and Associates Pty Ltd
Suite 32, 25 Claremont Street
SOUTH YARRA VIC 3141

A handwritten signature in black ink, appearing to read "Nicole Postan", followed by a period.

Nicole Postan
Director

Dated 23 September 2026

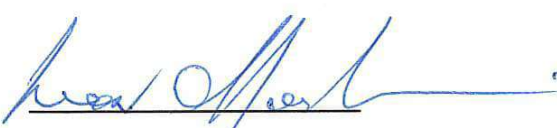
KNOX CLUB
A.B.N.70 004 833 701

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of the Knox Club Ltd, the directors declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards and the Corporations Regulations 2002; and
 - b) give a true and fair view of the company's financial position as at 30 June 2026 and of the performance for the year ended on that date;
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.



DIRECTOR



DIRECTOR

Dated this 15th day of September 2026.

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Knox Club
A.B.N 70 004 833 701

Independent Audit Report to the members of Knox Club

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Knox Club, which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration. In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

Postan Miller and Associates Pty Ltd

Postan Miller and Associates Pty Ltd

Suite 32, 25 Claremont Street

SOUTH YARRA VIC 3141

A handwritten signature in black ink, appearing to read "Nicole Postan".

Nicole Postan
Director

Dated 23 September 2026

KNOX CLUB
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
Revenue from Operating Activities	2	9,783,540	9,072,587
Revenue from Non-Operating Activities	2	26,107	4,497
Employee Expenses	3	(4,021,699)	(3,797,133)
Depreciation & Amortisation	4	(1,093,007)	(1,090,883)
Audit Fees	20	(15,000)	(14,400)
Operational Expenses	5	(2,378,902)	(2,126,396)
Finance Costs	6	(450,401)	(623,738)
Net Result Before Income Tax		1,850,638	1,424,534
Income Tax Expense	7	(287,659)	(263,123)
Net Result for the Period after Income Tax Expense		1,562,979	1,161,411
Revaluation Decrement - Buildings		-	-
Impairment Buildings		-	-
Net Result for the Period after Other Items		1,562,979	1,161,411
<i>Other Comprehensive Income/(Loss)</i>			
Items that will not be reclassified to Net Result			
Changes in Asset Revaluation Surplus - Land Increment		-	-
Items that may be reclassified subsequently to Net Result			
Changes to Financial Assets Available-for-Sale Reserve		2,200	1,360
Total Other Comprehensive Income/(Loss)		2,200	1,360
Total Comprehensive Income Attributable to the Members of the Entity		1,565,179	1,162,771

This statement should be read in conjunction with the accompanying notes.

KNOX CLUB
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 \$	2025 \$
CURRENT ASSETS			
Cash & Cash Equivalents	8	840,415	871,423
Trade & Other Receivables	9	6,600	6,600
Inventories		85,467	69,584
Prepayments		156,346	67,291
TOTAL CURRENT ASSETS		1,088,828	1,014,898
NON-CURRENT ASSETS			
Available for Sale Investments	10	26,380	24,180
Property, Plant & Equipment and Right of Use Assets	11	16,840,337	17,084,631
Intangible Assets	12	2,321,298	2,701,154
TOTAL NON-CURRENT ASSETS		19,188,015	19,809,965
TOTAL ASSETS		20,276,843	20,824,863
CURRENT LIABILITIES			
Payables	13	1,160,824	1,110,528
Monies in Trust		29,369	55,704
Interest Bearing Liabilities	16	1,241,504	2,817,145
Provisions	14	522,312	476,661
TOTAL CURRENT LIABILITIES		2,954,009	4,460,038
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	16	3,276,692	3,890,199
Provisions	14	31,927	25,590
TOTAL NON-CURRENT LIABILITIES		3,308,619	3,915,789
TOTAL LIABILITIES		6,262,628	8,375,827
NET ASSETS		14,014,215	12,449,036
EQUITY			
Reserves	17	1,954,230	1,952,030
Accumulated Surplus	17	12,059,985	10,497,006
TOTAL EQUITY		14,014,215	12,449,036
Contingent Liabilities and Contingent Assets	22		
Commitments for Expenditure	24		

This statement should be read in conjunction with the accompanying notes.

KNOX CLUB
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Accumulated Surplus	Asset Revaluation Reserve (Land)	Financial Assets Available for Sale Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2024	9,335,595	1,940,000	10,670	11,286,265
Net Result	1,161,411	-	-	1,161,411
Other Comprehensive Income	-	-	1,360	1,360
Balance at 30 June 2025	10,497,006	1,940,000	12,030	12,449,036
Net Result	1,562,979	-	-	1,562,979
Other Comprehensive Income	-	-	2,200	2,200
Balance at 30 June 2026	12,059,985	1,940,000	14,230	14,014,215

This statement should be read in conjunction with the accompanying notes.

KNOX CLUB
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers & Other Sources		11,254,389	10,394,128
Dividends Received		760	1,114
Payments for Employees		(3,994,569)	(3,793,752)
Payments to Suppliers		(3,577,877)	(3,269,307)
GST Received From/(Remitted To) ATO		(1,029,371)	(961,129)
Net Cash Inflow/(Outflow) from Operating Activities	19	<u>2,653,332</u>	<u>2,371,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for Property, Plant and Equipment		(468,857)	(386,026)
Net Cash Flow (Used In)/From Investing Activities		<u>(468,857)</u>	<u>(386,026)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (Repayment) of Lease Liabilities		(645,177)	(571,543)
Net (Repayment) of Borrowings		(1,543,971)	(2,199,531)
		-	-
Net Cash Flow (Used In)/From Financing Activities		<u>(2,189,148)</u>	<u>(2,771,074)</u>
Net (decrease)/increase in cash held		(4,673)	(786,046)
Cash at the beginning of the period		815,719	1,601,765
Cash at the end of the period	18	<u><u>811,046</u></u>	<u><u>815,719</u></u>

This statement should be read in conjunction with the accompanying notes.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

The financial statements cover Knox Club Ltd as an individual entity, incorporated and domiciled in Australia. Knox Club Ltd is a company limited by guarantee.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

For the Statement of Cash Flows presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Statement of Financial Position.

(b) Receivables

Receivables and other debtors include amounts due from members as well as receivables from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified non-current assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any provision for impairment.

(c) Financial Instruments

Initial recognition and measurement

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

Financial instrument are initially measured at fair value plus transaction 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.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest* method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

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 Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net result for the period.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

(d) Property, Plant and Equipment

Each class of property, plant and equipment are measured initially at cost, and subsequently revalued at fair value (as indicated), less, where applicable, any accumulated depreciation and impairment losses.

Land, buildings, and other site improvements are measured at fair value, less any accumulated depreciation and accumulated impairment losses (where applicable). In the event the carrying amount of Land, buildings, and other site improvements is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed by the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the profit or loss during the financial period in which they are incurred.

(e) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Assets valued using this method include Land, Buildings, and Other Site Improvements.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the reporting date (i.e. The market maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Company's own equity instruments (excluding those related to share-based payments arrangements may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where the information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(f) Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight-line, or diminishing value basis over the asset's useful life, commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

	2026	2025
Site Improvements	Up to 10 years	Up to 10 years
Plant & Equipment	Up to 20 years	Up to 20 years
Gaming Plant & Equipment	Up to 5 years	Up to 5 years
Furniture & Fittings	Up to 40 years	Up to 40 years
Motor Vehicles	Up to 6 Years	Up to 6 Years
Leased Assets	Up to 5 years	Up to 5 years

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

(g) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value-in-use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is immediately recognised in profit or loss.

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

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

Where an impairment loss on a revalued asset is identified, this is recognised 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 class of asset.

(h) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as licences, patents, trademarks, goodwill, gaming machine entitlements, purchase costs, computer software, and development costs (where applicable). Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Company.

(i) Payables

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

(j) Provisions

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

(k) Goods & Services Tax

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

Receivables and payables 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 with other receivables or payables in the Statement of Financial Position.

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

(l) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of the current trade and other payables in the Statement of Financial Position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments are measured at present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields or Corporate bonds that have maturity dates approximating the terms of the obligations.

Any re-measurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the exchanges occur.

The Company's obligations for long-term employee benefits are presented as non-current provision in the Statement of Financial Position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are present as current provisions.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

(l) Employee Benefits (Continued)

On-Costs

Employee benefit on-costs, such as superannuation and workers compensation are recognised together with the provisions for employee benefits.

Superannuation

Contributions to contribution superannuation plans are expensed when incurred.

(m) Leases

Under AASB 16 *Leases*, at inception of a contract, the Club assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Club, where the Club is a lessee. However, all contracts that are classified as short-term (lease with remaining lease term of 12 months or less) and leases of low value (where the value of the underlying asset when new is less than \$10,000) are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Club used the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees¹
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and any impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflect that the Club anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(n) Income Recognition

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Gaming

Income derived from Electronic Gaming Machines is recognised when the cash is received.

Food

Income derived for the provision of meals is recognised when the cash is received.

Memberships

Membership income is recognised when the cash is received.

Interest

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

Dividend Revenue

Dividend revenue is recognised on the date the shares are quoted ex-dividend and, if not received at the end of the reporting period, is reflected in the Statement of Financial Position as a receivable at net market value.

Other Income

Other income is recognised as revenue when the cash is received.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

(o) Income Tax

The company calculates its liability to tax by applying the Mutuality Principle. The charge for the current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the 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 or (recovered from) the relevant taxation authority.

In accordance with the Commissioner of Taxation Tax Determination (TD 1999/38), commissions received from gaming machines, Keno, TAB and vending machines has been included as fully assessable income. Likewise, expenditure incurred in relation to these income activities has been included as fully deductible expenditure in accordance with Australian Taxation guidelines. All other income and expenses have been included in accordance with the Principle of Mutuality and other appropriate Australian Taxation legislation.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

(p) Comparative Figures

Where necessary comparative figures have been reclassified to facilitate comparisons.

(r) Property, Plant & Equipment - Asset Revaluation Surplus

The asset revaluation surplus is used to record increments on the revaluation of non-current assets.

(s) Financial Assets - Available for Sale Reserve

The reserve is used to record increments and decrements on the valuation of Available for Sale Financial Assets.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
NOTE 2: REVENUE			
Operating Activities:			
Bar Trading	(2a)	1,539,419	1,320,441
Bistro Trading	(2b)	2,276,055	1,992,042
Gaming Contribution	(2c)	5,602,020	5,456,504
Rebates Received		88,611	55,104
ATM Commission		90,315	83,125
Vending Machine Income		1,745	765
Sundry Income		13,702	5,308
Room Hire		40,153	36,616
Subscriptions		105,128	101,444
Ticket Sales		26,392	21,238
		9,783,540	9,072,587
Non-Operating Activities:			
Contribution from(to) Associated Clubs		(9,653)	2,248
Profit/(Loss) on Disposal of Fixed Assets		20,000	-
Insurance Recoveries		15,000	-
Dividend Income		760	1,114
Interest Received		-	1,135
Total Revenue from Non-Operating Activities		26,107	4,497
TOTAL REVENUE		9,809,647	9,077,084
NOTE 2a: Bar Trading			
Bar Income		2,535,834	2,235,907
Less:			
Cost of Sales - Bar		(935,077)	(856,906)
Bar Expense		(61,338)	(58,560)
Total Bar Trading		1,539,419	1,320,441
NOTE 2b: Bistro Trading			
Food Income		3,587,421	3,110,329
Less:			
Cost of Sales - Food		(1,173,801)	(1,022,045)
Food Expense		(137,565)	(96,242)
Total Bistro Trading		2,276,055	1,992,042
NOTE 2c: Gaming Income			
Net Gaming Income after State Gaming Tax		5,723,455	5,522,880
TAB Commission		71,081	83,392
TGS Rebate		44,530	44,408
Keno Commission		10,291	8,945
Jackpots		1,261	2,100
Less:			
TGS - Gaming Service Fees		(49,432)	(31,498)
Gaming Expenses		(42,061)	(38,431)
Promotion Expenses		(15,809)	(12,194)
Associated Fees and Charges		(141,296)	(123,098)
Total Gaming Contribution		5,602,020	5,456,504

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026 \$	2025 \$
NOTE 3: EMPLOYEE EXPENSES		
Salaries & Wages	3,356,577	3,184,390
Superannuation	389,607	352,712
Workcover	104,218	102,503
Payroll Tax	147,270	137,896
Staff Expenses	24,027	19,632
TOTAL EMPLOYEE EXPENSES	4,021,699	3,797,133
NOTE 4: DEPRECIATION AND AMORTISATION		
Plant & Equipment	71,049	58,722
Gaming Plant & Equipment	8,715	3,029
Furniture & Fittings	36,975	60,948
Site Improvements	-	-
Motor Vehicles	17,164	9,080
Right of Use Assets	579,248	579,247
Intangible Assets	379,856	379,857
	1,093,007	1,090,883
NOTE 5: EXPENSES FROM OPERATIONS		
<i>Operating Expenses</i>		
Accounting Fees	29,990	31,375
Advertising and Promotions	886,027	761,866
Bands & Artists	123,839	115,006
Bank Charges	5,308	2,569
Consultancy Fees	48,977	-
Committee Expense	41,000	22,729
Computer Services	22,477	16,515
Donations	5,930	12,858
Fees & Charges	35,554	31,927
General Expense	7,494	5,852
Hire of Plant & Equipment	2,200	300
Insurance	118,185	92,524
Legal Fees	2,875	-
Motor Vehicle & Travelling Expenses	30,191	30,575
Pay TV	92,395	90,651
Postage, Printing & Stationery	18,567	14,526
Registrations & Permits	1,572	333
Security	189,134	172,897
Subscriptions & Licenses	44,223	37,051
Telephone	10,448	7,602
<i>Total Operating Expenses</i>	1,716,386	1,447,156
<i>Occupancy Expenses</i>		
Cleaning	167,490	150,566
Rates & Taxes	92,054	76,209
Electricity & Gas	253,891	254,580
Repairs & Maintenance	118,356	168,537
Waste Disposal	30,725	29,348
<i>Total Occupancy Expenses</i>	662,516	679,240
TOTAL EXPENSES FROM OPERATIONS	2,378,902	2,126,396

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	\$	\$
NOTE 6. FINANCE COSTS		
Interest on Loans/Hire Purchase	218,414	318,117
Interest on Right of Use Asset Leases	231,987	305,621
TOTAL FINANCE COSTS	450,401	623,738
NOTE 7: INCOME TAX		
Taxable Income/(Tax Loss)	1,150,636	1,052,493
Income Tax Expense	(287,659)	(263,123)
Refundable Franking Credits	-	322
Movement in Deferred Tax Asset	-	-
Income Tax Refundable/(Payable)	(287,659)	(262,801)
NOTE 8: CASH & CASH EQUIVALENTS		
Cash on Hand	254,327	229,941
Cash at Bank	586,088	641,482
TOTAL CASH & CASH EQUIVALENTS	840,415	871,423
Represented by:		
Operational Funds	779,544	777,564
Monies In Trust	29,369	55,704
Monies - Associated Clubs	31,502	38,155
	840,415	871,423
NOTE 9: TRADE & OTHER RECEIVABLES		
Trade Debtors	-	-
Accrued Income	6,600	6,600
TOTAL TRADE & OTHER RECEIVABLES	6,600	6,600
NOTE 10: AVAILABLE FOR SALE INVESTMENTS		
<i>Non-Current</i>		
Investments - Shares	26,380	24,180
TOTAL AVAILABLE FOR SALE INVESTMENTS	26,380	24,180

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	\$	\$
NOTE 11: PROPERTY, PLANT & EQUIPMENT AND RIGHT OF USE ASSETS		
Property, Plant & Equipment		
Land At Valuation - 2022	9,200,000	9,200,000
Buildings & Site Improvements at Valuation - 2022	5,300,000	5,300,000
Plant & Equipment	774,867	681,014
Less: Accumulated Depreciation	(364,546)	(293,497)
	410,321	387,517
Gaming Plant & Equipment at Cost	78,249	56,553
Less: Accumulated Amortisation	(33,247)	(24,532)
	45,002	32,021
Furniture & Fittings	616,696	600,996
Less: Accumulated Depreciation	(486,621)	(449,646)
	130,075	151,350
Motor Vehicles	102,985	102,985
Less: Accumulated Depreciation	(28,043)	(10,879)
	74,942	92,106
Work in Progress	521,502	183,894
Total Property, Plant & Equipment	15,681,842	15,346,888
Right of Use Assets		
Motor Vehicles		
Motor Vehicles	-	-
Less: Accumulated Amortisation	-	-
	-	-
TGS Contract - Gaming Machines & Services		
TGS Contract - Gaming Machines & Services	4,054,734	4,054,734
Less: Accumulated Amortisation	(2,896,239)	(2,316,991)
	1,158,495	1,737,743
Total Right of Use Assets	1,158,495	1,737,743
TOTAL PROPERTY, PLANT & EQUIPMENT AND RIGHT OF USE ASSETS	16,840,337	17,084,631

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

NOTE 11: PROPERTY, PLANT & EQUIPMENT (Continued)

The Club property is valued, for financial reporting purposes, at "Fair Value". Land, Buildings and Other Site Improvements are measured at 'Fair Value', pursuant to AASB 13 Fair Value. 'Fair Value' means "... the price that will be received to sell an asset, or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date, under current market conditions (that is an exit price), regardless of whether that price is directly observed or estimated using another valuation technique".

In addition, regard has also been given to the definition of "Market Value", described as "... The estimated amount for which an asset or liability should exchange on the valuation date, between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently, and without compulsion."

The Board, at 30 June 2022, adopted a valuation By Knight Frank, Collins Street, Melbourne, for \$14,500,000 at Market Valuation of 100% Freehold Interest, using a Direct Comparison Approach, as a valuation methodology. This valuation was for first mortgage purposes.

The total value was split between Land, using the Council valuation of \$9,200,000 and the balance of \$5,300,000 to Buildings and Site Improvements.

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the prior and current financial years are as follows:

	Land \$	Buildings \$	Plant & Equipment \$	Gaming Plant & Equipment \$	Furniture & Fittings \$	Motor Vehicles \$	Right of Use Assets \$	Work in Progress \$	Total \$
Balance at 1 July 2024	9,200,000	5,300,000	292,196	6,000	211,864	50,020	2,316,990	32,561	17,409,631
Additions	-	-	154,043	29,050	434	51,166	-	151,333	386,026
Disposals	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation Expense	-	-	(58,722)	(3,029)	(60,948)	(9,080)	(579,247)	-	(711,026)
Balance at 30 June 2025	9,200,000	5,300,000	387,517	32,021	151,350	92,106	1,737,743	183,894	17,084,631
Additions	-	-	93,853	21,696	15,700	-	-	337,608	468,857
Disposals	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation Expense	-	-	(71,049)	(8,715)	(36,975)	(17,164)	(579,248)	-	(713,151)
Balance at 30 June 2026	9,200,000	5,300,000	410,321	45,002	130,075	74,942	1,158,495	521,502	16,840,337

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	\$	\$
NOTE 12: INTANGIBLE ASSETS		
Software	8,604	8,604
Less: Accumulated Amortisation	<u>(4,814)</u>	<u>(3,093)</u>
	3,790	5,511
Gaming Machine Entitlements (2023-2032)	3,781,360	3,781,360
Less: Accumulated Amortisation	<u>(1,463,852)</u>	<u>(1,085,717)</u>
	2,317,508	2,695,643
TOTAL INTANGIBLE ASSETS	<u>2,321,298</u>	<u>2,701,154</u>

Reconciliations of the carrying amounts of Intangible Assets at the beginning and end of the current year is set out below.

		<i>Intangible Assets</i>	<i>TOTAL</i>
		\$	\$
	2025		
Balance at 1 July 2024		3,081,011	3,081,011
Plus Additions		-	-
Less Depreciation		(1,721)	(1,721)
Less Disposals		-	-
Less Amortisation		<u>(378,136)</u>	<u>(378,136)</u>
Balance at 30 June 2025		<u>2,701,154</u>	<u>2,701,154</u>
	2026		
Plus Additions		-	-
Less Depreciation		(1,720)	(1,720)
Less Disposals		-	-
Less Amortisation		<u>(378,136)</u>	<u>(378,136)</u>
Balance at 30 June 2026		<u>2,321,298</u>	<u>2,321,298</u>

In 2011, the Club purchased Gaming Machine Entitlements for 100 machines, for 10 years, commencing August 2012 ending August 2023. Since February 2018, the Club has paid a 5% deposit to the Victorian State Government, for 10 year entitlements, commencing August 2023. Payment of the balance of 95% (\$3,592,292) commenced in August 2023, repayable in equal instalments , on a quarterly basis over 7 years. Refer Note 16 for Loan details.

	2026	2025
	\$	\$
NOTE 13: TRADE AND OTHER PAYABLES		
Trade Creditors	365,844	269,680
Amounts Payable to ATO	313,378	310,300
Accrued Expenses	140,527	141,700
Other Creditors	<u>341,075</u>	<u>388,848</u>
TOTAL TRADE AND OTHER PAYABLES	<u>1,160,824</u>	<u>1,110,528</u>

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
NOTE 14: PROVISIONS			
CURRENT			
Income Tax Provision	(7)	287,659	262,801
Employee Benefits	(15)	234,653	213,860
		522,312	476,661
NON CURRENT			
Employee Benefits	(15)	31,927	25,590
		31,927	25,590
TOTAL PROVISIONS		554,239	502,251
NOTE 15: EMPLOYEE BENEFITS			
CURRENT			
Annual Leave		163,209	141,222
Long Service Leave		71,444	72,638
		234,653	213,860
NON CURRENT			
Long Service Leave		31,927	25,590
		31,927	25,590
TOTAL EMPLOYEE BENEFITS		266,580	239,450
NOTE 16: INTEREST BEARING LIABILITIES			
CURRENT			
Lease Liabilities - TGS Contract		728,298	645,177
Victorian State Government - Electronic Gaming Machine Entitlements		513,206	513,206
BBL Equipment Finance		-	-
Bank Loan		-	1,658,762
		1,241,504	2,817,145
NON CURRENT			
Lease Liabilities - TGS Contract		822,129	1,550,427
Victorian State Government - Electronic Gaming Machine Entitlements		1,154,563	1,667,769
Bank Loans		1,300,000	672,003
		3,276,692	3,890,199
TOTAL INTEREST BEARING LIABILITIES		4,518,196	6,707,344

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

NOTE 16: INTEREST BEARING LIABILITIES (Continued)

The Company has a Business Flexi Loans with the Bendigo and Adelaide Bank Limited, negotiated in 2022 financial year, The loan is Principal and Interest over 5 years.

The Loan is secured by 1st Registered All Monies Mortgage over the property at 480 Boronia Road, Wantirna South, as well as General Security Deed over all present and acquired property (including Victorian Liquor Licence) of the Company.

The Company has recognised a Right of Use Asset and corresponding Lease Liability for the TGS Gaming Machines & Services Contract upon initial application of AASB 16: Leases. This contract has an expiry date of 30 June 2027.

The Company has purchased Gaming Entitlements (refer note 12), operative from August 2023, from the Victorian State Government.

	Note	2026 \$	2025 \$
NOTE 17: MOVEMENTS IN EQUITY			
(a) Reserves			
<i>Financial Assets Available for Sale Revaluation Reserve</i>			
Balance at the beginning of the reporting period		12,030	10,670
Valuation gain/(loss) recognised		2,200	1,360
Cumulative (gain)/loss transferred to Income Statement on impairment of financial assets		-	-
		14,230	12,030
<i>Asset Revaluation Reserve - Land</i>			
Balance at the beginning of the reporting period		1,940,000	1,940,000
Valuation gain/(loss) recognised		-	-
		1,940,000	1,940,000
Total Reserves		1,954,230	1,952,030
(b) Retained Earnings			
Balance at 1 July		10,497,006	9,335,595
Net Result for the Period		1,562,979	1,161,411
Balance at 30 June		12,059,985	10,497,006
Total Equity		14,014,215	12,449,036

NOTE 18: RECONCILIATION OF CASH

For Statement of Cash Flows purposes, Cash and Cash Equivalents comprise the following at 30 June:

	2026 \$	2025 \$
Operational Funds (Refer Note 8)	779,544	777,564
Monies - Associated Clubs (Refer Note 8)	31,502	38,155
TOTAL CASH	811,046	815,719

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	\$	\$

NOTE 19: RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH NET RESULT

Net Result	1,562,979	1,161,411
Depreciation & Amortisation	1,093,007	1,090,883
Profit/(Loss) on Asset Disposal	-	-
Decrease/(Increase) in Trade & Other Receivables	-	-
Decrease/(Increase) in Prepayments	(89,055)	(34,680)
Decrease/(Increase) in Inventories	(15,883)	11,988
Increase/(decrease) in Trade & Other Payables	50,296	79,052
Increase/(decrease) in Provisions	51,988	62,400
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>2,653,332</u>	<u>2,371,054</u>

NOTE 20. AUDITORS' REMUNERATION

Amounts received or due and receivable by auditors for:
- auditing the accounts

	15,000	14,400
Total Auditor's Remuneration	<u>15,000</u>	<u>14,400</u>

NOTE 21. SEGMENT INFORMATION

The principal activities of the company during the financial year were the operation of a licensed social, recreational, and sporting club in Victoria only.

NOTE 22: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Board of Management was not aware of any contingent assets or liabilities as at 30 June 2026.

NOTE 23: EVENTS AFTER THE BALANCE SHEET 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 Club, the results of those operations, or the state of affairs of the Club in subsequent financial years.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

	2026	2025
	\$	\$
NOTE 24: COMMITMENTS		
<i>Lease Commitments</i>		
Payable		
- Not longer than 1 year	728,298	645,177
- Later than 1 year but not later than 5 years	822,129	1,550,427
- Later than 5 years	-	-
	1,550,427	2,195,604

Capital Commitments

As at 30 June 2026, Knox Club continued building works to the premises, with a committed amount totalling \$453,106.

As 30 June 2026, a total of \$337,608 had been billed and paid.

Guarantees

The company is limited by guarantee. If the company is wound up the Memorandum of Association states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company.

NOTE 25: KEY MANAGEMENT PERSONNEL COMPENSATION	2026	2025
	\$	\$
<i>COMMITTEE HONORARIUM</i>		
represented by amounts provided for this year:		
Mr Brian Asley (President)	7,000	5,000
Mr John Croughan (Vice President)	5,000	3,000
Andrew Jensen	7,000	5,000
Leon Mackie	7,000	5,000
Craig Allardice	5,000	3,000
Jane Barbanti	5,000	3,000
Janine Scott-Rule	5,000	3,000
	41,000	27,000

Related party transactions

Related Parties.

No related party transactions occurred during the year

-	-
-	-

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

NOTE 26: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Knox Club's principal financial instruments comprise of deposits with banks, short term investments, accounts receivable and payable, other financial assets, other financial liabilities and interest bearing liabilities. Statutory receivables and payables are excluded from these values.

The totals for each category of financial instruments, measured in accordance with *AASB 139* as detailed in the accounting policies to these financial statements, are as follows.

	Note	Carrying Amount	Carrying Amount
		2026 \$	2025 \$
Financial Assets			
Cash & Cash Equivalents	(8)	840,415	871,423
Trade Receivables	(9)	-	-
<i>Available For Sale Investments:</i>			
Equity Investments	(10)	26,380	24,180
Total Financial Assets		866,795	895,603
Financial Liabilities			
At amortised cost			
Trade Creditors	(13)	365,844	269,680
Interest Bearing Liabilities	(16)	4,518,196	6,707,344
Total Financial Liabilities		4,884,040	6,977,024

Financial Risk Management Policies

The Company's Committee is responsible for, among other issues, monitoring and managing financial risk exposures of the Company.

Specific Financial Risk Exposures and Management

The main risk the Company is exposed to through its financial instruments is market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the Company is exposed to and how these risks arise.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposures.

Credit risk exposures

The maximum exposure to credit risk, by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The Company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that Knox Club might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Knox Club manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

The table below discloses the contractual maturity analysis for Knox Club's financial liabilities.

Financial liability and financial assets maturity analysis

Financial Liabilities due for payment	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$	\$	\$
Trade Creditors	365,844	269,680	-	-	-	-	365,844	269,680
Interest Bearing Liabilities	1,241,504	2,817,145	3,276,692	3,890,199	-	-	4,518,196	6,707,344
Total contractual outflows	1,607,348	3,086,825	3,276,692	3,890,199	-	-	4,884,040	6,977,024
Total expected outflows	1,607,348	3,086,825	3,276,692	3,890,199	-	-	4,884,040	6,977,024
Financial assets - Cash flow realisable								
Cash & Cash Equivalents	840,415	871,423	-	-	-	-	840,415	871,423
Trade Receivables	-	-	-	-	-	-	-	-
Available For Sale Investments	26,380	24,180	-	-	-	-	26,380	24,180
Total anticipated inflows	866,795	895,603	-	-	-	-	866,795	895,603
Net (outflow)/inflow on financial instruments	(740,553)	(2,191,222)	(3,276,692)	(3,890,199)	-	-	(4,017,245)	(6,081,421)

KNOX CLUB
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NOTE 26: FINANCIAL INSTRUMENTS (Continued)

(c) Market Risk

(i) Interest rate risk

The financial assets of Knox Club are not exposed to any significant interest rate risk since cash balances are maintained at various fixed interest rates.

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

Interest rate risk arises from interest bearing financial assets and liabilities that are used.

The interest rate exposure on the debt portfolio is managed by appropriate budgeting strategies and by managing in accordance with target maturity profiles.

(iii) Price risk

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Knox Club is exposed to insignificant foreign currency risk and other price risks.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposure to changes in interest rates. The table indicates the impact on how profit at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

- A parallel shift of + 1% and -2% in market interest rates (AUD).

	Interest rate risk						Interest rate risk				
	-2 %			+1%			-2 %			+1%	
	-200 basis points			+100 basis points			-200 basis points			+100 basis points	
2026	Profit	Equity		Profit	Equity	2025	Profit	Equity	Profit	Equity	
\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	
Financial Assets:											
Cash at Bank	840,415	(16,809)	(16,809)	8,404	8,404	871,423	(17,429)	(17,429)	8,714	8,714	
Trade Receivables	-	-	-	-	-	-	-	-	-	-	
Available for Sale Investments	26,380	-	-	-	-	24,180	-	-	-	-	
Financial Liabilities:											
Trade Creditors	365,844	-	-	-	-	269,680	-	-	-	-	
Interest Bearing Liabilities	4,518,196	90,364	90,364	(45,182)	(45,182)	6,707,344	134,147	134,147	(67,073)	(67,073)	

No sensitivity analysis has been performed on foreign exchange risk as the Company is not exposed to foreign currency fluctuations.

KNOX CLUB
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

NOTE 26: FINANCIAL INSTRUMENTS (Continued)

Net Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Company.

Net Fair Value

	Carrying Amount 2026 \$	Carrying Amount 2025 \$	Net Fair Value 2026 \$	Net Fair Value 2025 \$
Financial Assets				
Cash at Bank	840,415	871,423	840,415	871,423
Trade Receivables	-	-	-	-
Available for Sale Investments	26,380	24,180	26,380	24,180
Total Financial Assets	866,795	895,603	866,795	895,603
Financial Liabilities				
Trade Creditors	365,844	269,680	365,844	269,680
Interest Bearing Liabilities	4,518,196	6,707,344	4,518,196	6,707,344
Total Financial Liabilities	4,884,040	6,977,024	4,884,040	6,977,024

NOTE 27: FAIR VALUE MEASUREMENT

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition

- available-for-sale financial assets; and
- land, buildings and other site improvements

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any asset or liabilities at fair value on a non-recurring basis.

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Quoted prices in active markets for identical assets and liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

2026	Level 1	Level 2	Level 3	Total
Financial Assets				
Available for Sale Investments	26,380	-	-	26,380
Total financial assets recognised at fair value	26,380	-	-	26,380
Non-financial Assets				
Land, Buildings and Other Site Improvements	-	-	14,500,000	14,500,000
Total financial assets recognised at fair value	-	-	14,500,000	14,500,000
2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Available for Sale Investments	24,180	-	-	24,180
Total financial assets recognised at fair value	24,180	-	-	24,180
Non-financial Assets				
Land, Buildings and Other Site Improvements	-	-	14,500,000	14,500,000
Total financial assets recognised at fair value	-	-	14,500,000	14,500,000