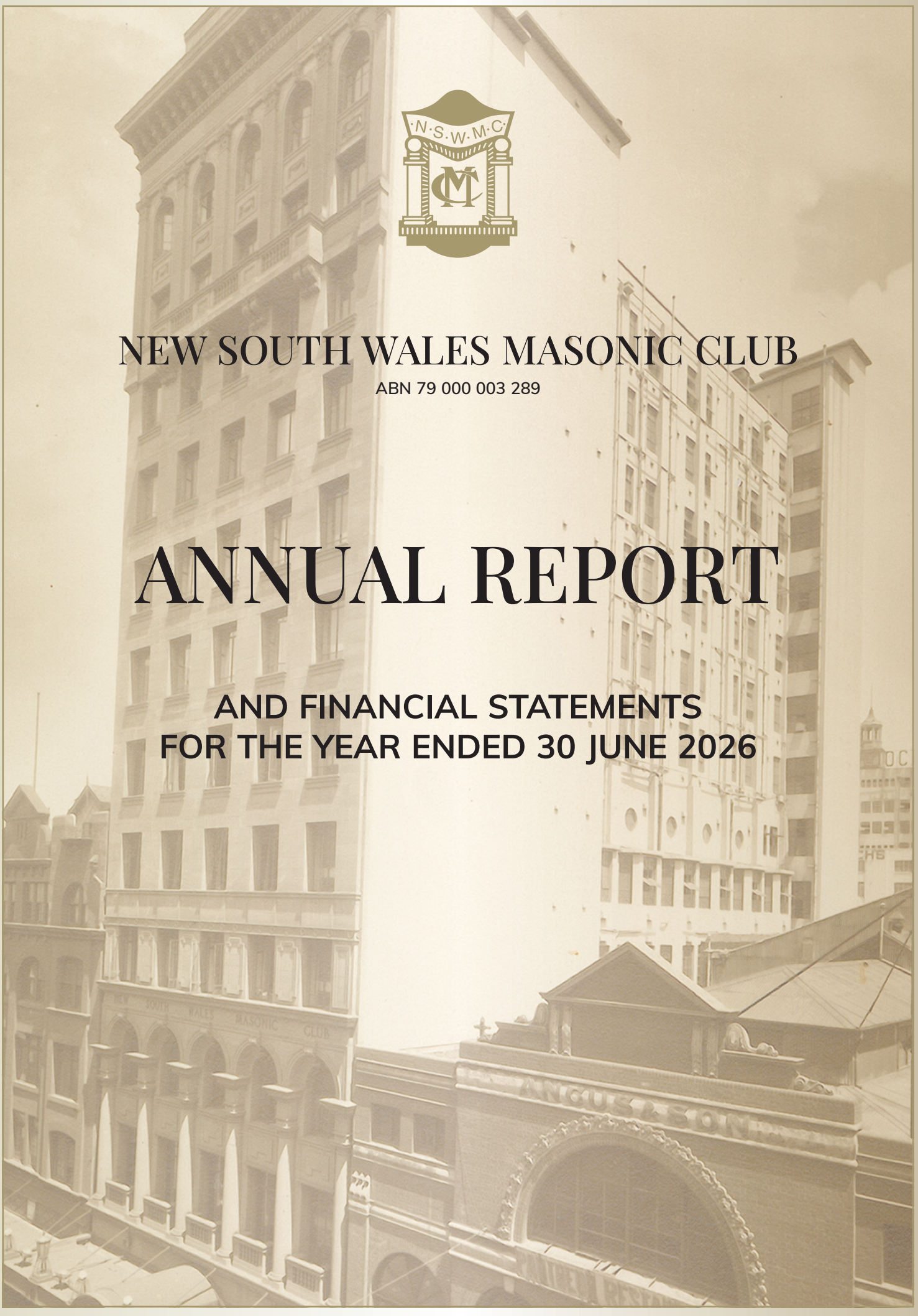
NEW SOUTH WALES MASONIC CLUB

ABN 79 000 003 289

ANNUAL REPORT

AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026



President's Report

Dear Fellow Members and Patrons,

The Board is committed to ongoing upgrades and improvements for your Club and Hotel. The works required by Sydney City Council to upgrade our fire and essential services are now the Club's initial focus, before we can contemplate the hotel room upgrades, starting at the top with Level 11. These improvements are essential to safeguarding our heritage building and ensuring it continues to serve our members well into the future.

We are in the final stages of engaging a project manager to manage the two Board-approved capital works projects, being the fire sprinkler system and pump room in the basement, and the fire stair pressurisation system. Additionally, we are in the process of a full upgrade of our service elevator No. 3, accessed from the street, as well as installing a new main electrical switchboard in the basement to ensure our future electricity requirements are well catered for.

I would also like to acknowledge our General Manager, Helen Jacobe, and her dedicated team for the excellent work they have done in revitalising the Club. It is particularly pleasing to see membership at its highest level in a decade, record revenues and a renewed enthusiasm for the Club's activities and facilities.

My commitment to you, our members, is that we will be financially prudent. I want to thank all the Board Directors, especially our new Treasurer, who has introduced a robust automated cash flow model. I also acknowledge the valuable contributions of the other Board members in matters of financial management, house supply and building services.

Earlier this year, we celebrated the centenary of the laying of the foundation stone of our Castlereagh Street building. It was a wonderful opportunity to reflect on the Club's proud history, dating back to 1893, and the foresight of those who established our magnificent home. I give you our commitment that our beautiful heritage building, now 100 years young, will stand for another 100 years. Plans are underway for the fourth quarter of 2027 to celebrate the centenary of the building's operation. We anticipate a month-long series of activities, with involvement from the media and Grand Lodge.

I look forward to greeting you personally at the upcoming AGM. It is your patronage of our Club that helps make us who we are and makes our efforts worthwhile.

Best wishes,

RW Bro Peter Zeilic | President

NSW Masonic Club

MEMBERSHIP RENEWAL 2026

If you have a due date of 2027 or beyond, your membership has already been paid and is not due for renewal.

Please complete this section and return with payment.
Your number and membership type can be found on your card.

Full Name:

Due Date	Member Number	Member Category	Renewing for No. of Years	Amount Due
31/12/26				

	1 YEAR	3 YEARS	5 YEARS
Masonic (lodge member) (Category 1)	$40.00	$102.00	$170.00
Masonic (unattached) (Category 2)	$50.00	$127.50	$200.00
Associate (Category 3)	$50.00	$127.50	$200.00

CREDIT CARD PAYMENT DETAILS

Cardholder Name:

Please charge my credit card the sum of: $

☐ Visa ☐ Mastercard ☐ American Express

Card No.

Expiry Date: /

Signature: Date:

Return this form, or the form on the front of your Club Magazine address label, plus your payment to:

PO Box A1160, Sydney South NSW 1235
Ph 02 9284 1000 | Fax 02 9284 1045

Online renewals can be completed at **www.nswmasonicclub.com.au**

General Manager's Report

Dear Members and Guests,

As you know, we celebrated the centenary of the laying of our Foundation Stone earlier this year, recognising the Club's important place in Sydney's cultural and social history since its establishment in 1893. Considering that most of our contemporary clubs have since disappeared, we can celebrate the fact that our membership is growing strongly, particularly with ladies, and our calendar of events is more vibrant than it has been for a long time.

With the next 100 years in mind, the team and I have been working hard to revitalise the Club and infuse new and interesting activities to engage existing members and attract new, particularly younger members, to join. I'm very happy to report that we now have more members than at any time in the last decade! Many new members comment that they are attracted to the welcoming environment we offer in the heart of our bustling city. I want to take this opportunity to acknowledge our very stable and loyal team, who work tirelessly every day to create this environment and deliver genuine hospitality that is tangible and memorable.

We've retained old favourites such as the Winemaker series and Melbourne Cup Day, whilst introducing fresh ideas such as the Cavalcade of Fashion. At the same time, we've trialled several themed luncheons in Alcoves, including Robbie Burns, Bastille Day, Oktoberfest and American Thanksgiving, which have all been huge successes, with members requesting their return to the calendar next year. The Touring Sub-Club and our lady members have been big supporters of these.

We kicked off live jazz in the Reagh Bar in February, and it's grown into a signature Friday night event, showcasing a powerhouse of young talent and attracting a loyal following. We added trivia nights last quarter, which have also become popular Thursday night fixtures.

Building on our already well-known interactive dinner shows, we will be introducing a new ABBA tribute show next year. The live theatre component that we've been developing will be running a sold-out season of the famous Czech play The Good Soldier Švejk in the King George Room, which is now being utilised regularly. This will be closely followed by avant-garde and traditional Shakespeare performances.

We are now experiencing record revenues and new revenue streams, supported by expanded opening hours. At the same time, we are enjoying record online quality scores and exceptional feedback from guests, especially about our food and beverage operations. Unfortunately, costs continue to rise relentlessly, but the team and I are determined to drive profit without jeopardising the experience of our members and guests.

Many guests comment on the noticeable physical improvements as the Board continues to invest in upgrading your Club's facilities and comfort levels. Upgrades have included much-needed culinary equipment, bedding and linen, safety and security equipment, new cool rooms and other critical infrastructure improvements. We've also invested significantly in IT equipment and more up-to-date operating programs, which will help us become more efficient, more competitive and provide an enhanced guest journey. We are currently looking at upgrading our websites.

You will see in the Notice of AGM some proposals to update our Articles of Association, first drafted as a memorandum in 1906, to reflect changes over the years. These may look complicated, but they are much-needed updates to bring the Club into line with relevant legislation, including the Registered Clubs Act, Liquor Licensing, Anti-discrimination Act and the Corporations Act. This has been a very interesting exercise and an affirmation of the foresight, vision and commitment of our founding fathers.

Towards the end of this year, we will be honouring our long-serving members, including our proposed Life Members, at a badge ceremony. I look forward to greeting you at the upcoming AGM.

Helen Jacobe

General Manager and Secretary

NSW Masonic Club and Castlereagh Boutique Hotel

NEW SOUTH WALES MASONIC CLUB

ABN 79 000 003 289

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2026

Your Directors present their report on the New South Wales Masonic Club (the "Club") for the financial year ended 30 June 2026.
The names, qualifications, experience and special responsibilities of the Directors in office at any time during, or since the end of, the year are:

Peter Zeilic, B. Sc., B. Arch, M. Proj Mgmt
Elected to the Board on 23 November 2009.
Occupation: Managing Director, Peter Zeilic Pty Ltd, trading as Dimension 5 Design Architecture & Project Management.
President since 22 November 2021.
Special Responsibilities: Member, House Supply and Staff Committee; Member, Finance Committee.

William Redpath, Justice of the Peace
Elected to the Board on 25 November 2019.
Occupation: Company Director.
Special Responsibilities: Vice President, Convenor House, Supply & Staff Committee.

Robert Drake, Cert Electronic Engineering, Dip Mgmt, M Mgmt
Appointed to the Board on 24 November 2025.
Occupation: Managing Director, Noveix Systems Pty Ltd.
Special Responsibilities: Convenor, Finance Committee.

Robert Eaglesham, Dip. AII
Elected to the Board on 23 November 2015.
Occupation: Company Director.
Special Responsibilities: Member, Finance Committee.

David Green, BA(hons) Bus., MBA, Grad.Dip. Corporate Governance & Risk Management, Certified Business Advisor , MAICD, GIA
Elected to the Board on 24 November 2025.
Occupation: Owner/Consultant, Whiteboard Business Consulting Services.
Special Responsibilities: Treasurer and Member, Finance Committee.

Gunnar Habitz, MCompSc, AdDip Leadership & Management
Elected to the Board on 22 November 2021.
Occupation: Software Sales Manager.
Special Responsibilities: Member, House Supply and Staff Committee.

Stephen Hodgson, Dip. Co. Directorship, Dip. Forensic Medicine, Justice of the Peace
Elected to the Board on 25 November 2019.
Occupation: Managing Director, KASH Images Pty Ltd, Forensic Inspection Reporting Services & Testing (FIRST).
Special Responsibilities: Member, Finance Committee.

Allison Lenard, BA (Majors: Industrial Relations & History), MBA (Major: Marketing), LLB (Major: Employment Law), Admitted to the Supreme Court of New South Wales (L11/1648) NSW Practising Cert No. 62042, Cert IV WHS, Cert IV Training & Assessment
Elected to the Board on 24 November 2025.
Occupation: Employment Lawyer/Manager Industrial Relations & Workplace Standards, Legal Aid NSW.
Special Responsibilities: Member, House Supply and Staff Committee.

David Risbey, BBuild (Hons), Cert IV WHS, GAICD
Appointed to the Board on 3 April 2024.
Occupation: Principal, Propel Projects.
Special Responsibilities: Member, House Supply and Staff Committee.

Peter Read, B. Bus, CPA, GAICD
Elected to the Board on 23 November 2015.
Resigned on 7 September 2025.
Occupation: Principal, Present and Accounted For, Strategic Financial Consultants.
Vice President from 22 November 2021 to 7 September 2025.
Special Responsibilities: Convenor, Finance Committee.

Stephen George Bates, B. Bus, CA.
Elected to the Board on 25 November 1996.
Retired on 24 November 2025.
Occupation: Principal, Wilson Pateras Sydney Pty Ltd, Chartered Accountants.
Special Responsibilities: Treasurer and Member, Finance Committee.

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

Meetings of Directors

During the financial year, the Board of Directors met on 13 occasions, and the House, Supply and Staff Committee and Finance Committee each met on 12 occasions. The number of meetings attended by each director during the year out of the total number possible were:

	Board	Committees
SG Bates	5/6	4/5
R Drake	6/7	7/7
RJ Eaglesham	12/13	11/12
D Green	7/7	7/7
G Habitz	12/13	11/12
S Hodgson	13/13	12/12
A Lenard	6/7	5/7
P Read	4/4	2/2
W Redpath	13/13	12/12
D Risbey	12/13	12/12
P Zeilic	13/13	21/24

Club's Objectives

The Club's short term objectives are to:

- Provide Members and guests with bars, restaurant/bistro, meeting rooms, function rooms and a high quality of food and beverage offering and service;
- Provide Members and guests with high quality accommodation facilities;
- Provide Members and guests with service of the highest practical level;
- Provide appropriate training for staff and directors; and
- Reduce greenhouse gas emissions, where practical, through a program of continuous review of operational activities.

The Club's long term objectives are to:

- Continually upgrade the quality of the hotel in order to maximise its commercial returns for the overall betterment of the Club and the facilities it provides to Members and guests;
- Continually upgrade the quality of service offered by staff; and
- Plan for the upgrade of the entire Club's building infrastructure (electrical and mechanical) that will achieve a reduction in the Club's greenhouse gas emissions.

Strategies

To achieve these objectives the Club has adopted the following strategies:

- Development of an integrated capital improvements program funded from retained and current earnings and future bank finance;
- Development of a refurbishment and maintenance program designed to uphold the heritage status of the building, enhance the quality of the facilities available to Members;
- Maintenance of best practice technology to maximise returns from accommodation and ancillary revenue streams for the benefit of the Club, and
- Commission regular reports to measure annual greenhouse gas emissions.

Principal Activities

The principal activities of the Club during the year were to provide Members with amenities and facilities usually associated with a Licensed Social Club and to operate a boutique hotel at not less than a four-star standard. No significant change in the nature of these activities occurred during the year.

These activities have assisted in achieving the short and long term objectives of the Club by being consistent in all respects with those objectives.

Key Performance Measures

The Club measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the Club's short-term and long-term objectives are being achieved. Key performance benchmarks used include:

- Average monthly room rate for accommodation;
- Average monthly room rate for accommodation net of commissions;
- Monthly occupancy rate for accommodation;
- Monthly EBITDA against budget;
- Monthly departmental operating results against budget;
- Cash flow forecasting;
- Function enquiries capture rate;
- Feedback from members, guests and social media;
- Survey of members and guests;
- Membership growth;
- Capital expenditure program against set milestones; and
- Monitoring of regular training programs for employees.

Operating Results

The profit for the year amounted to $276,723 (2025 $643,022) after allowing for income tax expense.

Review of Operations

The contribution achieved from all the Club's operational areas was $88,000 lower than the previous year. Costs were $319,000 higher than the previous year, with costs higher across the business, mainly in relation to personnel, utilities, administration and repairs and maintenance. Other income was $70,000 lower than the previous year, resulting in the Club's operating profit before tax being lower than the prior year by $477,000.

After Balance Date Events

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

Liability of Members on a Winding Up

For every class of membership the amount for which every Member is liable to contribute if the Club is wound up is:

(i) Such amount as may be required not exceeding $4.00;

(ii) In the event that the liability of any Member of any class becomes unlimited, then such other amount as may be required according to the circumstances in which that event occurred. Any Member's liability becomes unlimited if that Member makes (or knowingly consents to or assists in the making of) an unauthorised payment or transfer of any part of the income or property of the Club to any Member or former Member of the Club or to any person claiming through them.

The Club is governed under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up the total amount payable by all Members of every class will, except in any case of unlimited liability, be not more than an amount equal to the number of Members of every class multiplied by $4.00.

Membership

At 30 June 2026 total Members numbered 1,670 comprising 490 Mason Members, 1,161 Associate Members, 1 Patron and 18 Honorary Members.

Core Property

The Core Property of the Club as at 30 June 2026 was the property known as 169-173 Castlereagh Street, Sydney.

As at that date there was no Non-Core Property of the Club.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2026 has been received and can be found adjacent to this report.

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

Peter Zeilic
President
Dated: 7th day of October 2026

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NEW SOUTH WALES MASONIC 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.

BDO Audit Pty Ltd
Clayton Eveleigh
Director

7th day of October 2026

Level 25
252 Pitt Street
SYDNEY NSW 2000

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Revenue	2	7,107,945	6,393,992
Loss on disposal of assets	2	(45,183)	(20,088)
Raw materials and consumables used		(776,795)	(636,297)
Employment benefits expense		(3,759,965)	(3,096,804)
Depreciation of property, plant and equipment		(440,874	(485,580)
Occupancy expense		(1,203,527)	(847,204)
Other expenses		(582,820)	(531,610)
Profit before income tax expense		298,781	776,409
Income tax expense	4	(22,058)	(133,387)
Profit for the year		276,723	643,022

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Profit for the year		276,723	643,022
Other comprehensive income ("OCI") after income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Net gain on revaluation of non-current assets, net of tax	7	3,355,124	-
Net gain on revaluation of financial assets at fair value through OCI, net of tax	2	75,536	25,283
Other comprehensive income for the year, net of tax		3,430,660	25,283
Total comprehensive income for the year		3,707,383	668,305
Total comprehensive income attributable to: Members of the Club		3,707,383	668,305

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents		478,881	824,300
Trade and other receivables	5	280,284	175,491
Financial assets	6	1,500,000	1,500,000
Inventories		38,660	32,787
Other assets		61,202	58,563
TOTAL CURRENT ASSETS		2,359,027	2,591,141
NON-CURRENT ASSETS			
Financial assets	6	653,258	615,176
Property, plant and equipment	7	46,556,018	42,462,190
Deferred tax assets	8	134,139	143,620
TOTAL NON-CURRENT ASSETS		47,343,415	43,220,986
TOTAL ASSETS		49,702,442	45,812,127
CURRENT LIABILITIES			
Trade and other payables		669,609	445,884
Income tax payable	8	-	33,417
Employee benefits	9	324,113	297,432
Other liabilities		180,307	201,495
TOTAL CURRENT LIABILITIES		1,174,029	978,228
NON-CURRENT LIABILITIES			
Employee benefits	9	97,675	110,544
TOTAL NON-CURRENT LIABILITIES		97,675	110,544
TOTAL LIABILITIES		1,271,704	1,088,772
NET ASSETS		48,430,738	44,723,355
MEMBERS' EQUITY			
Reserves		40,552,739	37,122,079
Retained earnings		7,877,999	7,601,276
TOTAL MEMBERS' EQUITY		48,430,738	44,723,355

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

	Retained Earnings $	Capital Reserve $	Asset Revaluation Reserve $	Financial Asset Reserve $	Total $
Balance as at 30 June 2024	6,958,254	1,319,388	35,803,528	(26,120)	44,055,050
Profit attributable to Members	643,022	-	-	-	643,022
Other comprehensive income for the year	-	-	-	25,283	25,283
Total comprehensive income for the year	643,022	-	-	25,283	668,305
Balance as at 30 June 2025	7,601,276	1,319,388	35,803,528	(837)	44,723,355
Profit attributable to Members	276,723	-	-	-	276,723
Other comprehensive income for the year	-	-	3,355,124	75,536	3,430,660
Total comprehensive income for the year	276,723	-	3,355,124	75,536	3,707,383
Balance as at 30 June 2026	7,877,999	1,319,388	39,158,652	74,699	48,430,738

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, guests & customers		8,853,110	7,969,167
Payments to suppliers & employees		(8,083,723)	(6,846,756)
Rent received		91,234	93,513
Dividends received		34,771	36,397
Interest received		59,200	86,796
Income tax paid		(138,546)	(245,792)
Net cash provided by operating activities		816,046	1,093,325
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		663	-
Payments for property, plant and equipment	8	(1,179,578)	(1,219,601)
Proceeds from sale of investments		75,895	48,333
Payments for investments in listed securities		(58,445)	(23,352)
Net cash used in investing activities		(1,161,465)	(1,194,620)
Net decrease in cash		(345,419)	(101,295)
Cash and cash equivalents at beginning of the financial year		824,300	925,595
Cash and cash equivalents at end of the financial year		478,881	824,300

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

The financial statements cover the New South Wales Masonic Club (the "Club") as an individual entity, incorporated and domiciled in Australia. The Club is a company limited by guarantee.

The financial statements were authorised for issue on 7 October 2026 by the directors of the Club.

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of Preparation

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

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

The following Accounting Standards and Interpretations are most relevant to the Club:

Accounting Policies

(a) Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/ (benefit) and deferred tax expense/(benefit).

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside the profit and loss when the tax relates to items that are recognised outside the profit and loss.

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. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

(a) Income Tax (continued)

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 tax rates enacted or substantively enacted at the end of the reporting period. 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.

(b) Property, Plant and Equipment

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

Land and Buildings

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on triennial valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are charged against revaluation surpluses directly in other comprehensive income; all other decreases are charged to the profit and loss account.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Repairs and maintenance expenses are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Depreciation is recognised in the profit and loss account.

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

Class of Fixed Asset	*Depreciation Rate*
Buildings	1.0% - 2.5%
Plant & Equipment	10.0% – 33.3%

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

An asset's 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 and losses are included in the profit and loss account. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Financial Instruments

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

Amortised cost

The Clubs financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

The Clubs investments in equity instruments not held for trading have been designated as fair value through other comprehensive income. The movement in fair value on equity instruments is accumulated in the financial assets reserve.

Dividend revenue received on underlying equity instruments investment is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Trade receivables

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

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

Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade and other payables.

(d) Impairment of Assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset has been impaired. 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 costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss account.

(e) Employee Benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Revenue Recognition

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as the performance obligations are satisfied.

Accommodation revenue

Accommodation revenue is recognised at the point in time that services are provided to the guest, being the date of stay.

Room hire revenue

Other room hire is recognised at the point in time when the service is provided to the hirer, being the date that the event is held.

Food and beverage sales

Food and beverage sales are recognised at the time the goods are delivered to the customer, being the point of sale. Income received in advance of the date of food and beverage consumption is deferred.

Membership subscription revenue

Membership income is recognised over time, through the period to which the membership renewal relates. Any membership subscription revenue relating to periods beyond the current financial year is carried forward in the Statement of Financial Position as income received in advance.

Rental income

Rental income from the tenanted shops is recognised on a straight line basis over the term of the lease.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Dividend income

Dividend revenue is recognised when the right to receive a dividend has been established.

(h) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparative Figures

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

	2026 $	2025 $
NOTE 2: REVENUE AND OTHER INCOME		
Provision of accommodation services	5,920,870	5,185,608
Commissions paid	(817,108)	(684,602)
Net accommodation revenue	5,103,762	4,501,006
Sales of food and beverage	1,607,376	1,390,142
Rent received	80,201	90,575
Members' subscriptions	62,119	60,244
Room hire	150,286	208,399
Interest received	68,164	78,703
Dividends received	34,771	36,397
Other	1,266	28,526
Total revenue	7,107,945	6, 393,992
Other (expense)/income:		
Net loss on disposal of investments	(45,183)	(20,088)
Other comprehensive income:		
Net gain/(loss) on revaluation of financial assets at fair value, net of tax	75,536	25,283

Net loss on fair value of financial assets has been determined with reference to the market value of the investments at reporting date.

	2026 $	2025 $
NOTE 3: PROFIT BEFORE INCOME TAX		
Depreciation of buildings	370,501	358,354
Depreciation of plant and equipment	70,373	127,226
Superannuation expense	351,625	281,724
Auditor's remuneration – for audit services	34,994	36,000
Auditor's remuneration – for taxation services	8,110	8,777
NOTE 4: INCOME TAX EXPENSE		
The components of tax expense comprise:		
Current tax	37,756	163,034
Deferred tax	(15,698)	(29,647)
	22,058	133,387
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable at 25% (2025: 25%)	74,695	194,102
Add/(less) tax effect of:		
Mutuality rate change on timing differences	335	740
Franked dividends received	(9,726)	(9,911)
Net non-allowable/non-assessable items	(1,207)	(2,024)
Net mutual income and non-allowable items	(42,039)	(49, 520)
Income Tax Expense	22,058	133,387
The applicable weighted average effective tax rates are:	7.38%	17.18%
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	104,338	83,810
Income tax recoverable	67,372	-
Other receivables	108,574	91,681
	280,284	175,491
Lease commitments receivable		
Future minimum lease payments receivable from non-cancellable operating leases over premises owned and let by the Club at reporting date:		
Receivable -		
Not later than one year	84,786	86,483
Later than one year and not later than five years	96,085	100,386
	180,871	186,869
NOTE 6: FINANCIAL ASSETS		
Current		
Fixed interest deposits	1,500,000	1,500,000
Non Current		
Investments in equity instruments designated as at fair value through other comprehensive income		
Listed investments:		
Shares in listed corporations	653,258	615,176

Investments in equity instruments comprise investments in the ordinary share capital of various entities and are accounted for at fair value through other comprehensive income. There are no fixed returns or fixed maturity dates attached to these investments. The Club is not-for-profit entity and, as such, is unable to distribute imputation credits derived from its dividend revenue.

	2026 $	2025 $
NOTE 7: PROPERTY, PLANT & EQUIPMENT		
(a) Land and Buildings		
Freehold land at independent valuation 2023	15,000,000	13,000,000
Buildings, lifts and integral plant and equipment		
- at independent valuation 2026	28,881,713	26,425,000
Accumulated depreciation	-	(527,122)
	28,881,713	25,897,878
Building improvements – at cost	-	711,406
Accumulated depreciation	-	(172,826)
	-	538,580
Total buildings	28,881,713	26, 436,458
Total land and buildings	43,881,713	39, 436,458
(b) Plant and Equipment		
Plant, furniture and equipment – at cost	3,362,993	3, 233,399
Accumulated depreciation	(2,806,975)	(2,736,603)
	556,018	496,796
Capital works in progress – at cost	2,118,287	2,528,936
Total plant and equipment	2,674,305	3,025,732
Total property, plant and equipment	46,556,018	42,462,190

Movements in carrying amounts

The movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land $	Buildings $	Plant and Equipment $	Total $
Balance at the beginning of the year	13,000,000	26,436,458	3,025,732	42,462,190
Additions	-	376,359	803,219	1,179,578
Transfers	-	1,084,273	(1,084,273)	-
Revaluation	2,000,000	1,355,124	-	3,355,124
Depreciation	-	(370,501)	(70,373)	(440,874)
Carrying amount at the end of the year	15,000,000	28,881,713	2,674,305	46,556,018

Asset revaluations

The freehold land and buildings were independently valued at 30 June 2026 by Andrew Nock Pty Limited. The valuation was based on fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, recent sales data for land and buildings in the area and took into account the heritage status of the building. The valuation resulted in a valuation increment of $3,355,124 being recognised in the revaluation reserve for the year ended 30 June 2026.

	2026 $	2025 $
NOTE 8: INCOME TAX		
Liabilities		
Current		
Income tax payable	-	33,417
Deferred Tax Assets comprise:		
Provisions and accruals	85,625	90,675
Property, plant & equipment – tax allowances	57,096	52,666
Capital losses carried forward	16,317	-
Revaluation adjustments taken directly to equity	(24,899)	279
Total net non-current deferred tax assets	134,139	143,620

	2026 $	2025 $
NOTE 9: EMPLOYEE BENEFITS		
Current		
Employee entitlements		
Annual leave	197,358	167,245
Long service leave	126,755	130,187
	324,113	297,432
Non-Current		
Employee entitlements		
Long service leave	97,675	110,544

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon the historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(e).

NOTE 10: RELATED PARTY TRANSACTIONS

The following benefits were provided to directors and their guests under the terms of the resolutions passed at the 2025 Annual General Meeting:

	2026 $	2025 $
Meetings – food and beverages	10,220	11,316
Accommodation and travelling	4,832	3,386
President's dinner	13,130	12,392
Board members' partners night	5,314	-
Professional development	5,220	332
Food and beverage allowance - directors	18,332	14,482
Directors' fees paid or payable to all directors of the Club	83,876	67,900
	No.	**No.**
The number of directors whose income from the Club fell within the following bands:		
$0 - $10,000	9	6
$10,001 - $20,000	1	1
$20,000 - $30,000	1	1

There were no other related party transactions during the year other than as disclosed in Note 17. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 11: RESERVES

(a) Capital Reserve
The capital reserve records profits on sale of non-current assets.

(b) Asset Revaluation Reserve
The revaluation reserve records revaluations of non-current assets.

(c) Financial Assets Reserve
The financial assets reserve records revaluation of financial assets.

NOTE 12: KEY MANAGEMENT PERSONNEL COMPENSATION

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

The totals of remuneration paid to KMP of the Club during the year are as follows:

	2026 $	2025 $
KMP compensation	292,865	313,871

There were no other related party transactions during the year other than as disclosed in Note 17. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 13: CAPITAL AND LEASING COMMITMENTS

Capital expenditure commitments

Capital expenditure and leasing commitments contracted for at the reporting date amounted to $266,826 (2025 $408,714).

The Club is progressing its obligations under the Sydney City Council ("SCC") issued Fire Safety Order, supported by our fire safety engineers and heritage consultants to develop a timeline and engineered solution that preserves the heritage character of the Club's building. Substantial additional capital expenditure is expected to be incurred once the fire safety designs have been finalised and approved by Council. These amounts are not yet committed expenditure of the Club. To support this potential future expenditure, the Club may source external bank funding in future periods.

NOTE 14: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets or liabilities at 30 June 2026 or 30 June 2025.

NOTE 15: MEMBERS' GUARANTEE

The Club is a company limited by guarantee, incorporated and domiciled in Australia. If the Club is wound up, the Memorandum of Association states that each Member is required to contribute a maximum of $4 each towards meeting any outstanding obligations of the Club. At the reporting date the number of Members was 1,670 (2025 – 1,605).

In any case, where a Member has been in breach of paragraph 4 of the Club's constitution, entitled "Memorandum of Association", the liability of a Member on winding up is unlimited. Please refer to "Liability of Members on a Winding Up" as set out in the Directors' Report.

NOTE 16: EVENTS AFTER THE REPORTING PERIOD

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

NOTE 17: SPECIAL REPORTING REQUIREMENTS

The Registered Clubs Act (as amended) requires the Club to make available to Members the following information in relation to the financial year:

(i)	There were no contracts of employment with a top executive of the Club approved during the reporting period.	
(ii)	Purpose and details of overseas travel by a director or employee of the Club.	Nil
(iii)	Total profits/(losses) from gaming machines in the Club during the 12 month period ended 31 August in the financial year to which this report relates.	N/A
(iv)	Amount applied by the Club to community development and support during the 12 month period ended 30 November in the financial year to which this report relates.	Nil
(v)	Loans made to employees of the Club.	Nil
(vi)	Consultants to the Club that were paid in excess of $30,000:	Nil
(vii)	Total consultancy fees paid, excluding amounts disclosed above	$7,750
(viii)	There was no settlement made with a Member of the governing body or employee, as a result of a legal dispute, and no associated legal fees were paid.	
(ix)	No legal fees were paid on behalf of a Member of the governing body or an employee.	
(x)	The Core Property of the Club as at 30 June 2026 was the property known as 169-173 Castlereagh Street, Sydney. As at that date there was no Non-Core Property of the Club.	
(xi)	Donations made to the Club's internal sub-clubs, other entities utilising the Club's facilities and charitable institutions amounted to	$4,227

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

(xii) Set out below are disclosures made by a director, top executive or employee in relation to:

- A material personal interest that a director has in a matter relating to the affairs of the Club – nil.
- A personal or financial interest of a director or top executive in a contract relating to the procurement of goods or services or any major capital works of the Club:
  - Peter Zeilic - $143,348, for architectural services rendered in relation to applying to local council for a modified development application and fire order compliance work and various other works carried on within the Club.
- Any financial interest of a director or top executive in a hotel situated within 40 kilometres of the Club's premises – nil.
- A gift or remuneration of $1,000 or more from an affiliated body of the Club or from a person or body that has entered into a contract with the Club – nil.

Training

The Board of Directors has met its governance obligations under Part 6 of the Registered Clubs Regulations 2015. The following directors and General Manager (Club Secretary) have completed the required training, as prescribed:

Stephen Bates	Director
Robert Drake	Director
Robert Eaglesham	Director
David Green	Director
Stephen Hodgson	Director
Allison Lenard	Director
William Redpath	Director
David Risbey	Director
Peter Zeilic	Director
Helen Jacobe	General Manager

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2026

New South Wales Masonic Club has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements.

In accordance with subsection 295(3A) of the Corporations Act 2001 no further information is required to be disclosed in this Consolidated Entity Disclosure Statement.

DIRECTORS' DECLARATION

The directors of the New South Wales Masonic Club (the "Company") declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards – Simplified Disclosures applicable to the Company;
   (b) give a true and fair view of the financial position as at 30 June 2026 and performance for the year ended on that date of the Company; and
   (c) the attached consolidated entity disclosure statement is true and correct.
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.

Peter Zeilic
Director

Dated: 7th day of October 2026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEW SOUTH WALES MASONIC CLUB

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New South Wales Masonic Club (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the directors' declaration.

In our opinion the accompanying financial report of New South Wales Masonic Club, 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 on that date; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.

Basis for opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report and the Income and Expenditure

Account and Trading Account reports, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Clayton Eveleigh

Director

Sydney, 7th October 2026