

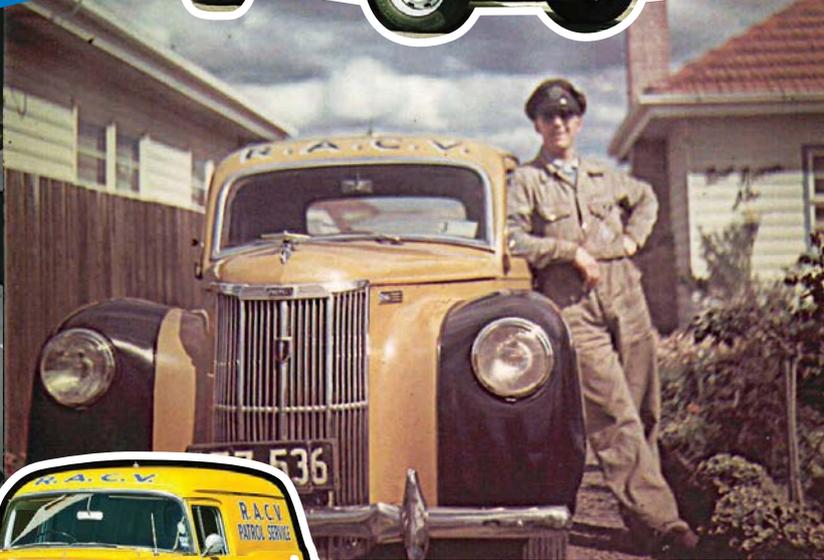


# Annual Report

2024-25

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# Celebrating 100 years of RACV Emergency Roadside Assist





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### Corporate Governance Statement:

The Board of Directors of Royal Automobile Club of Victoria (RACV) Limited ("RACV") is responsible for the corporate governance of the RACV and its subsidiaries (the Group).

The Corporate Governance Statement outlines the principal corporate governance practices and policies that the Board has established to ensure that the interests of members are protected. RACV's detailed 2025 Corporate Governance Statement is available on our website at [www.racv.com.au/ourbusiness](http://www.racv.com.au/ourbusiness)



# President and Chairman's Report

Greg Robinson

On behalf of the RACV Board of Directors, I am pleased to provide RACV's Annual Report for FY2025. RACV's operational and financial performance was solid and we made great progress on our strategic initiatives in Motoring and Mobility, Home, Insurance and Leisure. I am pleased with our sustainability progress around climate change and the ways in which we supported Members and the communities in which we operate. The Group's financial performance demonstrates the strength of our diverse portfolio of assets and activities.

I was honoured to take on the role of President and Chairman of RACV following the retirement of Geoff Cosgriff at the 2024 AGM and I thank Geoff for his significant contributions during his five years in the role of President and Chairman and 12 years as a Non-Executive Director.

RACV's purpose is to improve lives in the areas of the Home, Cleaner Energy, Motoring & Mobility and Leisure. In these areas we focus on positively impacting our Members and the wider community. Pleasingly, RACV has continued to grow its member base with a total of over 2.29 million members and over 500,000 customers managed in the last 12 months.

RACV's solid financial performance in FY25 enabled us to provide strong support to our Members through the provision of continued service improvements, Member benefits of over \$576 million and financial support to Members with a range of cost of living and hardship initiatives.

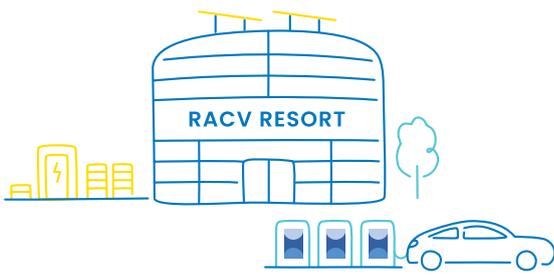
Our strategy continues to evolve. Since RACV's establishment in 1903 as a Motoring Club, it has built very significant businesses and brand equity in the field of Motoring, notably in Emergency Roadside Assistance (ERA) (1.4 million Members) and motor insurance (1.1 million Members). Continuing to invest in these activities and making sure they remain beneficial to Members remains a key strategic priority. Accordingly, in FY25 we launched a new Roadside Product – Family ERA which allows us to offer coverage to family members and as such start to interact early with Members of the future (young drivers) as well as support current and long serving Members.



**Over 2.29 million members and over 500,000 customers managed in the last 12 months.**

The world of Motoring continues to change, and our roads and pathways now have many other modes of transportation available via other forms of mobility such as e-bikes and e-scooters. As these forms of mobility interact, replace or add to the car as a means of personal transport, our business models in motoring will continue to evolve. Adding to this, the long-term trend towards electrification and ultimately automated cars has led us to widen our focus in Members' homes. The closer linkage of the car to the home means RACV can add great value to our Members with an increasing range of home electrification services and advice.





## Great holiday experiences for over 196,000 Members and 177,000 guests every year.

Our focus on the Home business encapsulates home insurance (765,000 Members), Emergency Home Assistance (133,000 Members) and investment in trades and businesses focussed on home electrification.

We have invested more into businesses that will help Members prepare for this inevitable transition to cleaner energy. These investments include JET Charge (private and public charging), Chargefox (public charging), EVX (kerbside EV charging) and RACV Solar.

RACV remains the number one insurer of homes and cars in Victoria through our investment in the insurance joint venture, Insurance Manufacturers of Australia, with IAG. It also of course means we have an interest in the NRMA Insurance Business in NSW which provides further diversity of earnings for RACV.

RACV has invested in Leisure assets for one hundred years with its original investment being the first Club building at 94 Queen Street in 1925. The ten Leisure assets we now own across eastern Australia provide great holiday experiences for over 196,000 Members and 177,000 guests every year and have become very successful in the conference and events spaces.

In the last 12 months we committed to expanding RACV Inverloch and we are working on plans to add more capacity at some other locations, which we will announce in FY26. Expanding our hotels and resorts where we have demand and the land to do so will remain a key plank of our Leisure strategy for the medium term.

RACV was also delighted to be announced as being considered by the Queensland Government for the 2032 Olympic Village on the Gold Coast. RACV Royal Pines sits within the Gold Coast Sporting Precinct and given its current capacity and land available we are well positioned to look to partner with the Queensland Government in this endeavour. The next 12 months will allow RACV to consider a range of options which we hope can lead to a partnership for the Olympics, and other potential expansion opportunities for RACV at Royal Pines.

RACV, not only through our initiatives in the Cleaner Energy space, takes a proactive approach to Sustainability.

At RACV, we see sustainability as how we meet the needs of today and tomorrow, while having a positive impact on the world in which we operate. The key themes for our approach in this area are Operating with Care, Helping our Members and Customers and Using our Voice. More information is available on our website at [www.racv.com.au/ourbusiness](http://www.racv.com.au/ourbusiness)

We continue to focus on reducing our greenhouse gas emissions towards zero emissions. As an example, we have significant initiatives around electrifying our resorts including solar and battery installs as well as a comprehensive 10-year gas substitution roadmap.

In the areas of Social Impact and Advocacy we seek to align our focus with our corporate strategy. With respect to Advocacy, we have a focus on road safety, home safety and supporting the electrification transition. Our flagship road safety advocacy campaigns are My Melbourne Road and My Country Road aimed at giving all Victorians a say on the most dangerous roads in Victoria. Our new My Home survey provides an opportunity for Victorians to tell us about safety in their home and provide practical tips on how people can make their homes safer.

In thinking about our social initiatives, we look to broaden and deepen connections with our people, our Members and customers, which helps us support the areas in which we operate.

In the last 12 months we have partnered with a number of organisations across three strategic spaces:

- Safety and Emergency Services
- Education and Employment
- Diversity Equity and Inclusion

Some key activities included:

- In **Safety** we continued our long-term partnership with Neighbourhood Watch, an independent voice that drives positive messaging reaching all Victorians which aims to foster behavioural change.
- In **Education and Employment** we entered into a three-year agreement to provide education excursions and employment pathways for young people studying at Hester Hornbrook Academy.
- In **Diversity, Equity and Inclusion** we hosted the 2024 Paralympian of the Year Awards at Royal Pines and have run a number of partnership events with the Paralympics organisation.



## Conclusion

The last 12 months was a good year for RACV, with great progress on our key initiatives. I am confident, as we look forward, that we have aligned the right objectives and actions that will positively progress our businesses and our organisation for the betterment of Members and the wider society in which we operate.

As always, I recognise that none of RACV's success can be achieved without the work of all of our staff. I congratulate them on all their achievements and work over the last 12 months. And of course, I thank all our Members and customers for your continued support of RACV.

I also wish to thank all Members of the Board, Neil Taylor and his Leadership Team, all employees of RACV and our Members for allowing me the opportunity to serve you as President and Chairman of RACV.

A handwritten signature in white ink, appearing to read 'GJR', with a long horizontal flourish extending to the right.

**Greg J Robinson**  
President and Chairman



# Managing Director and CEO's Report

Neil Taylor

As noted by the President and Chairman, RACV's financial performance was strong and allowed us to maintain our financial support to Members through a range of cost-of-living initiatives.

RACV reported an after-tax profit of \$166 million in FY25.



**The key drivers of our financial results in FY25 were:**

- 1 Another record year for our Leisure business with trading revenue from Club and Resorts up by \$10 million, representing a 4.7% year on year increase. Consistent with previous periods, discounts to Members throughout FY25 totalled \$25m.
- 2 Income of \$165 million from our Associate investments which includes our share of profits from our insurance joint-venture IMA, Repairhub and Australian Motoring Services.
- 3 Global equities and bond markets led to an increase in trust distributions of over 58% although the capital gain decreased by 18% year on year. The value of the investment portfolio grew by 28% year on year to \$698 million.
- 4 Changing market conditions, particularly in the office and warehouse sectors, led to a \$4 million (0.3%) decrease in the fair value of our property assets.

Our financial performance allowed us to re-invest \$74 million in capital which went to technology, property improvements and maintenance, and extra equity investments to make sure RACV enhances the businesses of today whilst building businesses for the future.

During the year, RACV provided Members with benefits of over \$576 million through discounts - notably Years of Membership Benefit, Multi Policy Discounts, Resort discounts and discounts from benefit partners such as fuel. This is an increase of over \$21 million from FY24 and 56% higher than provided five years ago, reflecting the ongoing growth of our organisation and our continued focus on balancing growth with value for Members. This will continue to be a strong focus for RACV in FY26 and beyond. Discounts such as our Multi Policy Discount provide savings, on average, of \$457 for a Member holding three insurance policies with us.

We also ramped up our efforts in service improvements, notably through our online channel with the launch of the RACV App, a real highlight of the last year. We exited FY25 with over 300,000 downloads of the app with 91,000 active monthly users. And we continued to see good growth across all digital platforms.

**Digital Sales Performance (percentage of online sales) in June 2025:**

- Motor Insurance – 47% (compared to 13% in 2019)
- Home Insurance – 35% (compared to 7% in 2019)
- Emergency Roadside Assistance – 31% (compared to 12% in 2019)

Our website saw over 1 million hits per month through FY25.

The table below illustrates how Members are interacting with us across a range of channels.

**Continued growth in digital service, payments and sales**

Digital	FY24	FY25
% of member interactions self-served	47%	52%
Monthly Logins	257k	348k
% of Members with an online account	50%	55%
Members with an online account	1.1m	1.3m

In our more traditional channels, we saw our call centre answer over four million calls and our retail shops served more than 300,000 Members.

Members and customers are choosing to interact with us more digitally. It is incumbent on RACV to make sure we continue to invest in the channels of today and tomorrow so that we can offer the right levels of service as determined by the way people want to deal with us.

In FY25, we welcomed 45,000 new Members to RACV giving us 2.29 million Members. On top of this, we serve over 500,000 customers per annum - notably conference and event guests in our Leisure business who are non-members. And of course, many of our businesses such as Nationwide Group towing business serve numerous commercial customers across Australia.

We reinvest capital from our profits to make sure that our businesses provide high quality products and services. Re-investing in people, processes and systems to make our offers compelling is critical for any business to stay relevant for the future.

We also need to make sure we have enough capital in our insurance and finance companies to comply with regulations and our FY25 profit enabled RACV to strengthen our balance sheet to help cater for future natural perils events impacting our Members. During FY25 we serviced over 203,000 insurance claims valued at \$1.7 billion.

As I said last year, we continue to have a strong focus on productivity and efficiency, and this continued over FY25. During the year we combined a number of functions and businesses together which will provide lower costs of operation and better service for all who deal with us.

In FY25, Insurance in all areas - Motor, Home and Travel once again saw a very challenging market. The inflationary pressures locally on labour and materials continued and reinsurance prices rose again due to the global view of climate risk. In good news, reinsurance pricing is finally seeing some easing, and we expect lower insurance price increases this financial year than over the last three years.

This being said, the regrettable crime rates in Victoria are now a significant factor and we need this to moderate to help lower premium increases. RACV's advocacy team continues to work with Neighbourhood Watch, and other organisations, to help mitigate some of the issues surrounding this situation.

For RACV, we saw a largely flat outturn in Motor insurance policies but with some growth in Home and Travel. A flat travels outturn is mainly a consequence of more Australians holidaying at Home in FY25, which may well continue in FY26, which of course is good for our Leisure operations.

**Insurance policies in force:**



RACV, as per FY24, continued to provide numerous options to Members to help moderate the insurance price impacts as best we could. These included:

- An ongoing focus on making sure Members were aware of our Multi Product Discount (MPD) as this (up to 10%) discount when holding more than one qualifying product can provide good savings.
- Offering flexible insurance excess options to reduce premium amounts.
- No cancellation fees for insurance products, allowing Members to swap providers easily without penalty.
- Providing clarity and information on Policy Coverage Options on ERA and Insurance – giving Members the ability to access lower cost products that still provide good benefits.
- Pay-by-the-month, or annually to help better manage spending, for each person's needs.
- Making sure that financial hardship support was and is available, and we enhanced our website and all communication channels to promote the availability of this. This included payment plans for Members under duress.

Details of RACV's financial hardship support can be found at [www.racv.com.au/help-and-support/financial-hardship](http://www.racv.com.au/help-and-support/financial-hardship). This support was used by over 1400 Members with assistance valued at \$447,000 provided during FY25.

We increased our efforts to seek to ensure Members were aware of all the discounts we have available. It was pleasing to see a large increase in the use of the expanded range of Member Benefit partners, particularly for everyday purchases, notably fuel. Our fuel offer with EG, the major Ampol partner, has seen over 335,000 Victorians access it.

More than 567,000 Members used our benefits platform in FY25, with overall transaction numbers increasing by just under 7% for the year. Our Benefits program delivered nearly \$20 million in discounts to Members last year, including more than \$14 million in discounts across the everyday consumer spend categories such as shopping and retail, movies, attractions, and also food and dining. Member savings in these categories alone increased by more than \$2 million (or 16%) in FY25.

We saw a major take up of our six months for free Emergency Home Assistance (EHA) for new business with over 140,000 Members now accessing EHA. Most encouragingly we are finding many Members buying these products from us once the trial period is over. Expanding EHA will be a continued focus for FY26.



## Motor

A real highlight of FY25 was the introduction of a new roadside product – Family ERA. This product, we believe, will see over 200,000 new Members have access to this great service by the end of FY27.

During this year our ERA teams assisted Members with more than 865,000 call outs in Victoria. Our Nationwide Group Towing business continued to expand its footprint into other States, and we now have 761 vehicles (roadside and towing/transport) providing services across Australia to a wide range of customers as well as to RACV. These include NRMA Insurance, NRMA Roadside, RACWA, RACQ, Coates, Repairhub and other commercial customers. Nationwide Group Towing did almost 405,000 tows over FY25.

Nationwide Group Towing is also now expanding its storage footprint whereby we not only tow vehicles for businesses but also store them safely. We have added two more sites to accommodate the work already won.

Our motor insurance business saw a small decline in policies in force (PIF) in FY25. We had 1.15m PIF at June end, down from 1.16m at end FY24. Over the last few months, we have seen the small declines flatten out and believe that we will return to growth in FY26.

Repairhub had another good year and has started to expand its work into heavier crash work. To do this they expanded some of their sites and the extra capacity now available will see an increase in the number of cars they service every year. This business continues to deliver great service to Members whilst helping us manage supply chain costs.

Chargefox continued to see great growth. Chargefox now has over 3400 chargers on its network, making it the clear market leader in Australia. It now does over 150,000 charging sessions per month. Chargefox sits within the Australian Motoring Services Group (AMS). Our belief that the ability to be a one stop shop for vehicle manufacturers with roadside, EV charging and car batteries would be a strategic advantage for us has started to see real traction. Some of the new contracts AMS and Chargefox have signed are with some of the new Chinese vehicle manufacturers who are doing very well in Australia.

The Club Assist business in North America, which also sits within the AMS Group, continues to go well and deliver profits to RACV. It is more of an investment business but is well managed and is growing nicely.

JET Charge continued to solidify its position on business and home charging and welcomed a new overseas investor, Mirova, to its share register. It is well capitalised to continue to expand Charging as a Service, for EV businesses and consumers, whereby all the infrastructure and billing for clients is provided by JET Charge.

We completed upgrades to our EV Charging Network in Victoria and are looking for further opportunities in this space. All our sites sit on the Chargefox network.

## Home

The Home business continued to grow, and we now have over one million Members holding home products. Home Insurance, despite the market challenges, once again had a good year growing to 914,000 policies on issue, up by 14,000 year on year.

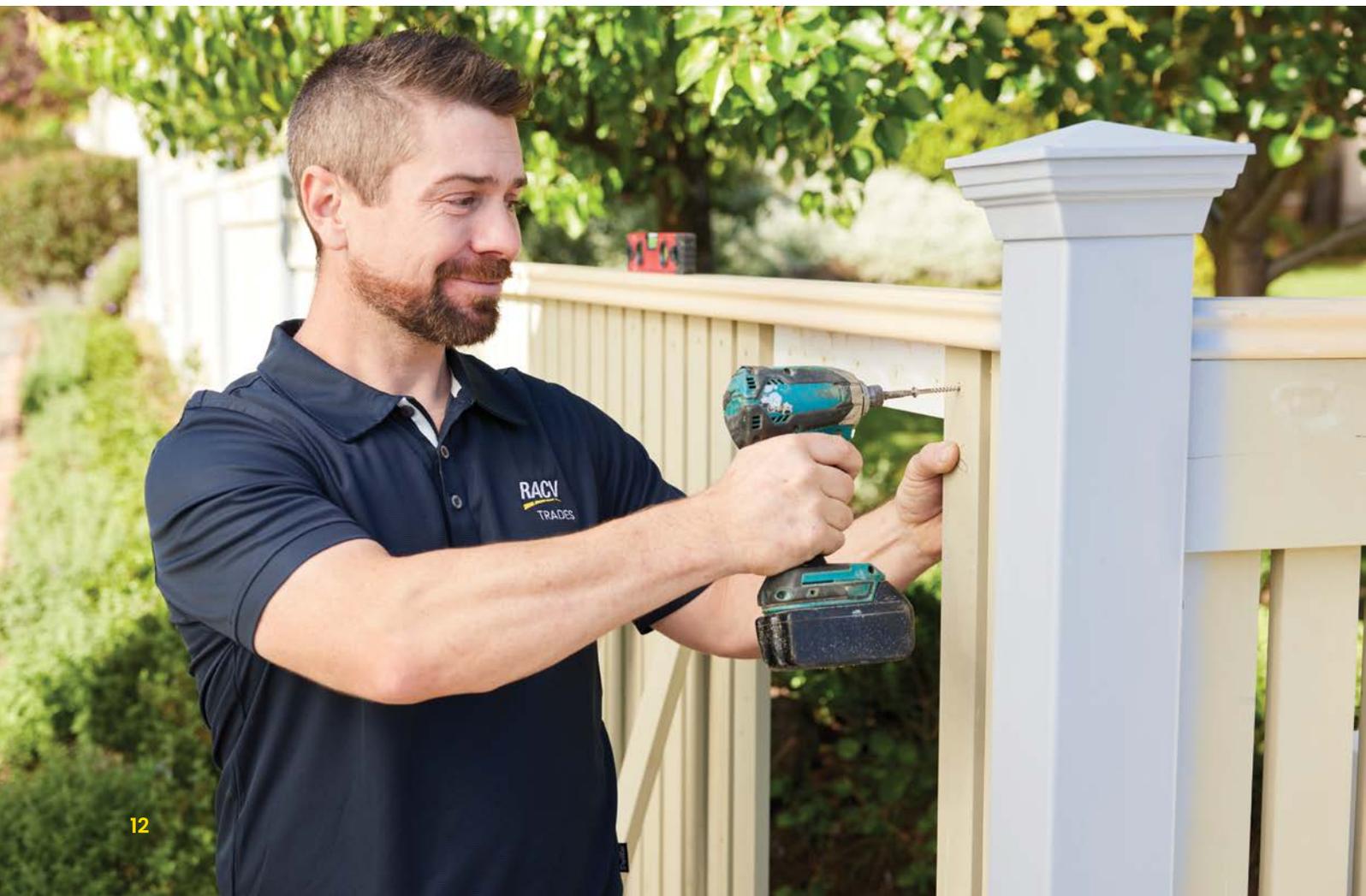
Home Trades Hub Australia (HTHA) has now become the one stop shop for all our home services businesses, with the exception of the sale and marketing of Home Insurance. By sharing technology and people resources across activities HTHA –notably with EHA, General Trades, Solar installations and Inspections, we believe we will be able to better offer our services to more people and to do so in an efficient manner.

Our acquisition of a significant part of Accel Air, a heating and cooling business, has gone well with their team and ours in HTHA now combining some operational efforts to deliver better services to Members in their homes.

This year over 56,000 home emergencies were attended by our Emergency Home Assistance Team, 4,000 more than in FY24. We now have over 140,000 EHA customers, up by nearly 40,000 from FY24. Our Trades product continued to grow, and we did over 21,000 jobs over FY25, a 4.3% increase year on year. In the last

year we provided a service in Victorian homes every 6 minutes, 15 seconds. We see continued fast growth in all these spaces over the next few years, but we will seek to balance this with service and profitability.

As was the case in FY24, our solar business was affected by a slowdown in residential demand. The recent introduction of incentives for the installation of home batteries will provide good momentum for this part of the business for many years to come. Commercial demand was and remains good. This business saw a number of significant wins and projects delivered over FY25 including a large solar installation for the Department of Agriculture, Fisheries and Forestry. RACV also installed 24 EV chargers for Wyndham City Council at one of their vehicle depots, which will enable the council to expand their EV fleet. These projects highlight the progress our Commercial Energy Solutions business is making in supporting the energy transition.





## Leisure

The Leisure business had its best ever year, surpassing the prior year's record. 427,000 room nights were booked across RACV's 10 Club and Resort properties nationally.

The average occupancy rate for FY25 was 76% (up from 73% in FY24), which represents an increase of almost 14,000 room nights enjoyed by our Members and customers. In addition, the Leisure team hosted over 316,000 conference and event guests across 4,850 events.

Our travel agency for Members, RACV Travel & Experiences, also saw another year of strong growth – with our travel team completing more than 367,000 travel related transactions for our Members and customers.

Most encouragingly we saw much more activity at the City Club, driven by conferencing and events, and assisted by a wide range of new events for Club Members, including the new Priority Pass Membership add on which gives Club Members access to corporate suites for events at the MCG, Marvel Stadium, and also Rod Laver Arena.

The Melbourne CBD feels more vibrant than it was even a year ago, and RACV's view remains that cities and offices are vital to the social fabric of all our lives. Working in offices remains an integral part of what we expect from all of our office-based staff. Most of our staff do not work in offices, they are out and about serving Members and customers on the road, in their homes and providing great holiday experiences. As best we can we look to have one culture across the Group and being physically present with your colleagues remains an important part of that.



**Our travel team completed more than 367,000 travel related transactions for our Members and customers.**

Leisure once again won a number of awards, which is a great testament to the high-quality service offered by our staff. Some notable highlights include the RACV Torquay Resort being once again named in the top 25 for this year's TripAdvisor Travellers' Choice Best of the Best Hotels Award. Cape Restaurant, our hatted premium dining experience at RACV Cape Schanck Resort, won Restaurant of the Year and the Premium Dining category at the National Restaurant & Catering Association Awards, and RACV's Travel Insurance product won five awards at the Mozo People's Choice Awards – including award wins in the important categories of Excellent Customer Service, Highly Trusted, and Most Recommended.

## Focus on Yalari

A personal highlight for myself and other members of my team was a trip with Yalari to the Northern Territory.

The chance to spend time with key members of the Yalari team and another major partner, Davidson Recruitment, reinforced the quality of the work the Yalari team do. As a consequence of this trip, Yalari, through some seed capital from RACV, has just launched tours for businesses which will introduce many others to Yalari and will hopefully see these tours become embedded in the Yalari business model over the coming years. RACV's Workplace Giving Program provides staff who wish to donate with choice on how much they give, when, and to whom. We take donations of \$2 and above. This also links into staff volunteering and we saw just over 1300 volunteer days completed in FY25 and 49 different charities supported. This outcome continues to be facilitated by making volunteering days a compulsory part of some staff's objectives. By offering to match giving and focusing on volunteering, RACV has created pathways for staff to contribute to causes of importance in their teams and as individuals. We will continue to do this over the next financial year.

## Safety

Safety performance as always, remains a strong area of focus for RACV. Helping staff and all who interact with us remain safe is key to our success.

We reported a LTIFR (lost time injury frequency rate) rate of 7.4 injuries per million work hours. This is a good number, and below industry benchmarks for the areas in which we operate.

We continue to invest in safety improvements across our diverse portfolio of businesses, including the \$7 million roll-out of driver safety technology in RACV vehicles and our contractor fleet.

Our successful campaign with the Victorian Government to implement slow down, move over laws should, with the goodwill of the public, help reduce risks to our roadside patrols, tow truck drivers and all emergency service providers.

Our lead safety indicators continue to improve with an average uplift of 24% for these metrics over the past year. Staff learning continues to be a major focus, with over 43,000 training hours (face to face, virtual and online) delivered during the year.

I am pleased to share that RACV Group is now ISO45001 accredited across all our businesses, a major achievement for all involved, and a testament to all staff for their work in making RACV a safe workplace to work.





## Looking forward

I thank all Members, Customers and everyone we work with, across all our businesses, locally and overseas for their work with RACV over the last 12 months.

I believe RACV continues to be well positioned to continue to grow across all areas of our business and to do so efficiently and whilst providing a high level of service.

These are some of the core objectives for us in the next 12 months, and beyond:

- Grow insurance business policies in force at market
- Expand 'motor only' households to 'motor and home' households – make sure Members understand the savings available from multi policy discounts
- Deliver good Net Promotor Score outcomes across high volume touchpoints, and provide good service to Members and customers
- Maintain productivity growth via enhanced use of existing and new technology. Grow use of the RACV App
- Grow Trades including EHA, Inspections and scale Home Trades Hub – do more for Members and customers in and around their homes
- Start to expand some resorts and work on options for the 2032 Olympic Village at Royal Pines
- Continue to grow benefits for Members

Our Brand Promise remains to be a **good company that's famous for not letting people down** which links back to our purpose:

**RACV exists to improve lives in the areas of Home, Cleaner Energy, Motoring & Mobility and Leisure.**

Whatever we do we will aim to do it well. We make mistakes but we always seek to deliver good service and good products to all who choose RACV.

### Our values



#### Innovation

We seek a better way



#### Accountability

We own it and see it through



#### Care

We deliver great service



#### Team

We are in it together

In concluding I thank all staff for their work over the last 12 months and I look forward to seeing how all parts of the business meet the challenges and opportunities over the next financial year. And I thank them for once again following and living the values we have as an organisation.

I extend my thanks to the Board and Leadership Team colleagues for their continued support over the past 12 months.

And to over 2.29 million Members and over 500,000 customers, thank you for your continued support of RACV.

**Neil Taylor**  
Managing Director and Chief Executive Officer

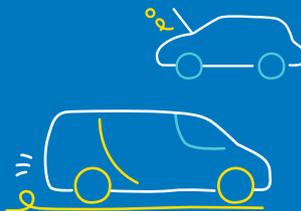
# Year at a glance

2024-2025

## Motoring and mobility



**1.15 million**  
Motor Insurance policies



**1.6 million**

vehicles covered by  
Emergency Roadside Assistance



**865,000**

Emergency call outs  
responded to by  
Emergency Roadside Assistance

**300,000**

downloads of the  
RACV app

**65,000**

repairs completed at  
**23** Repairhub sites

## Home



**914,000**  
home Insurance policies on issue



**56,000**

home emergencies  
attended  
by Emergency Home Assist



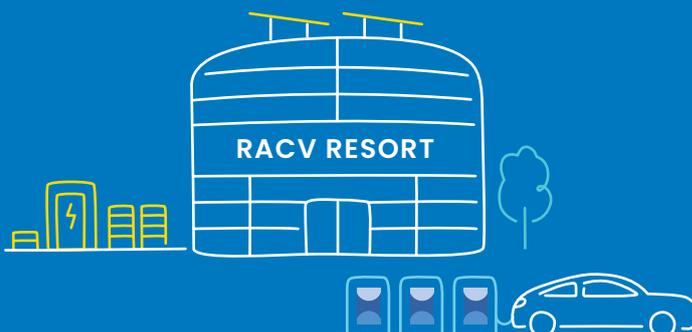
**108,000**

homes with  
Emergency Home Assist subscriptions

## Leisure

**427,000**

nights stayed across RACV Club and Resorts



## Improving lives

113,000

Goods donated to individuals including flood-affected communities impacted by natural disasters through our GIVIT partnership



15,000

students at 140 schools received home and road safety programs



1,000

smoke alarms installed in at-risk homes across rural and regional Victoria with the CFA



500

education and leadership opportunities for first nations children from regional and remote communities through our partnership with Yalari

381,000

Victorians educated in home and community safety through our partnership with Neighbourhood Watch



1,300

Staff volunteer days

2,500

Students and carers who have received critical youth mental health training in the Ballarat region with Live4Life

## Safety, people and culture

43,000

employee learning hours

7.4

lost time injury frequency rate



21.7

total recordable injury frequency rate

51%

of all appointments into manager roles within RACV were women\*

## Members



2.29 million

total number of members

\$543 million

estimated member benefits including Years of Membership Benefits, Multi Policy Discounts and discounts at resources.



Over

500,000

customers

\* RACV's public reports from our 2025 WGEA submission can be found at [www.racv.com.au/ourbusiness](http://www.racv.com.au/ourbusiness)

## Energy Efficiency Program

### Program duration update FY2019 to FY2025

Approximate reduction of energy consumption across the property portfolio:

**8,000MWh**

aggregate savings



**20%**

energy reduction across property portfolio



**\$1.65 million**

energy savings per annum

**12,900MWh**

Solar power generated to date



**4,400+MWh**

save through non-Solar energy reduction initiatives

**24k**

light fittings replaced with LEDs



**95%**

of LED replacements completed

### Estimated on-site solar generation (FY25)

**2.59MWh**

Total photovoltaic system size across RACV sites

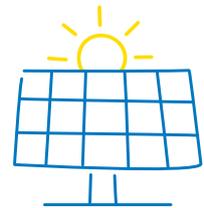
**7,659**

solar panels installed across RACV sites

### Renewable Energy Supply (FY25)

**100%**

supplied from renewable sources across the whole RACV Group

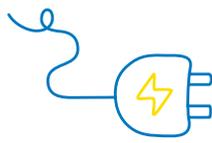


### EV Charging Network (FY25)



**83,000**

charging sessions



**87**

EV charging stations across public locations and RACV resorts

### Carbon footprint\* (FY25)

reduction was equivalent to approximately



**6,566**

cars



**3,781**

homes

\* Zero Scope 1 and Scope 2 emissions, not net zero

## ESG initiatives

RACV is committed to sustainability, as demonstrated by a diverse range of initiatives across the business.

### Environment

 Solar panel and battery installations	 Carbon offset electricity	 EV infrastructure upgrade			
 Car Match – EV versus ICE car comparison platform	 Hybrid fleet vehicle replacements	 EV home charger services	 In-home energy efficiency assessments	 Biketober sponsorship	 RACV Safety Squad program
 EV inclusion to Motor Insurance & ERA products	 Journey Planner App	 Bike Assist	 Expanded virtual power plant trial at RACV Torquay and RACV Inverloch	 Diversity Equity and Inclusion Improvement Plan & Training	 LGBTQIA+ and RACV Pride Group
 Reduction of plastic use in resorts	 Removal of single use amenities at all properties	 Award winning EV loans for members and customers		 First Nations Partnerships	 Public Policy advocacy
 Eco tourism accreditation at some resorts	 Water efficiency initiatives at resorts	 Energy Efficiency Program	 Chemical reduction initiatives	 Workplace giving platform	 Family and domestic violence support

### Governance

 Board Charters and Policies	 Board skills, selection and election processes	 Annual Corporate Governance Statement		 Financial hardship support	 Interpreter services
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## Social

 RACV advocacy win to change Road Rule 79A (to protect roadside assistance workers and tow truck drivers working beside the road)	 RACV's flagship advocacy campaign – My Country Road
 Ride2School bike program	 New cycling safety research
 Diversity Equity and Inclusion Improvement Plan & Training	 LGBTQIA+ and RACV Pride Group
 First Nations Partnerships	 Public Policy advocacy
 Workplace giving platform	 Family and domestic violence support
 Partnerships	 Partnerships
 Partnerships	 Partnerships

# Financial Report

This financial report covers the consolidated entity consisting of Royal Automobile Club of Victoria (RACV) Limited and its subsidiaries.

Royal Automobile Club of Victoria (RACV) Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its principal place of business is:

Level 7, 485 Bourke Street  
Melbourne  
Victoria 3000



The financial report was authorised for issue by the directors on 10 September 2025. The Company has the power to amend and reissue the financial report.

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# Directors' Report

The Directors of the Royal Automobile Club of Victoria (RACV) Limited (the parent entity) present their report together with the financial report of the consolidated entity (the Group), being the parent entity and its subsidiaries, for the year ended 30 June 2025.



## Directors in office

The following persons were directors of RACV during the whole of the financial year and up to the date of this report:

- Mr G J Robinson (Chairman)
- Mr N Taylor
- Ms E Collins
- Mr H M El-Ansary
- Ms J K Green
- Mr S J McDowell
- Ms D M Pitt
- Ms S J Reeves
- Ms J M Stanley

Mr G O Cosgriff retired as a director and Chairman of the parent entity on 12 November 2024. Mr G D Willis retired as a director of the parent entity on 12 November 2024.

Mr G J Robinson was appointed as the Chairman and Mr J Merakovsky was appointed as a director of the parent entity on 13 November 2024 and continued in office to the date of this report.

The qualifications, experience, special responsibilities and other details of the directors in office at the date of this report are set out on pages 25 to 27.

The number of RACV board and committee meetings held during the financial year, and each RACV's director's attendance at those meetings, are set out on page 28.

## Principal activities and objectives

The principal activities of the Group during the financial year included the distribution of general insurance products such as home, motor, and travel insurance policies alongside the provision of car loans, roadside assistance, telematics and towing services. The Group also delivered urgent and non-urgent home trade services, home inspections, and advocacy within its chosen areas of activity. In addition, RACV expanded its cleaner energy offerings, including the installation of solar and battery systems and electric vehicle (EV) charging services, as well as operation of the RACV Club and Resorts.

RACV's objectives are to grow RACV member and customer base, broaden and deepen member and customer relationships, grow its Home Business, support Australians in the transition to a cleaner energy future and embed the RACV brand promise across all products and services.

## Review of results and operations

For the year ended 30 June 2025, the Group reported a consolidated after-tax profit of \$165.9 million, representing an increase of \$8.9 million compared to the prior year (\$157.0 million). This improvement reflects a combination of improved sales performance, enhanced returns from RACV's investment portfolio, favourable associate results, and a one-off gain from the sale of investment in associates.

Total operating revenue increased by \$78.1 million (8%) to \$1,003.5 million, driven by strong performance in insurance commissions (up \$25.9 million or 13%), growth in Emergency Assistance product subscriptions (up \$12.6 million or 5%), and improved results across RACV's Club and resort locations (up \$10.0 million or 5%).

Operating expenses rose by \$81.1 million to \$1,024.8 million, primarily due to macroeconomic pressures including inflation and higher volumes in Leisure and Home Services. Key areas of increase included technology-related expenses, professional expenses, advertising and marketing as well as cost of products and services. These reflect both external cost drivers and continued investment in strategic initiatives to support long-term growth and operational resilience.

The Group's share of profit from investments in associates totalled \$164.7 million, an increase of \$30.6 million from the prior year, driven by higher investment returns and improved margins.

Investment gains of \$58.3 million were recognised, reflecting continued strong performance in equity markets. Additionally, a \$19.9 million gain was recorded following the derecognition of the investment in Club Assets Pty Ltd, due to its merger with Australian Motoring Services Pty Ltd effective 1 July 2024. These gains were partially offset by an impairment loss of \$12.8 million on Deep Blue Company (DBC), attributed to sustained operating losses and a net liability position.

Fair value adjustments of \$15.1 million were recognised, reflecting changing market conditions, particularly in the office and warehouse sectors. Land valuations were moderated due to ongoing challenges in the development market, including elevated debt costs and a constrained skilled labour force, both contributing to increased construction costs. In contrast, FY24 saw valuation uplifts in leisure properties, driven by improved performance and higher revenue per available room.

## Dividends

In compliance with the Constitution of RACV Limited, no dividend was declared or paid during the financial year.

## Subsequent events

On 6 August 2025, the Group received a fully franked dividend from Insurance Manufacturers of Australia Pty Ltd, an associate, amounting to \$27.3 million. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2025 and will be recognised in a subsequent financial period.

In the opinion of the directors, apart from matters disclosed above, there are no other matters or circumstances which have arisen between 30 June 2025 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial years.

## Environmental regulation and performance

The Group has in place procedures to identify and comply with particular and significant environmental regulations. Except as set out below, the operations of the Group are not subject to any particular and significant environmental regulation under a law of the Commonwealth of Australia or any of its states or territories and has not incurred any significant liabilities under any environmental legislation.

The *National Greenhouse and Energy Reporting Act 2007* makes registration and reporting mandatory for corporations whose energy production, energy use, or greenhouse gas emissions trigger the specified corporate or facility threshold. RACV has reached the corporate threshold defined within this legislation and is required to submit its annual report by 31 October 2025.

# Board of Directors

The Board currently comprises nine non-executive directors and one executive director who is appointed as Managing Director/Chief Executive Officer.

Non-executive directors are elected by Members in accordance with Rule 40 of the RACV Constitution.

The maximum annual aggregate directors' fee pool limit is \$2,000,000 which was approved by Members at the Annual General Meeting on

12 November 2013 in accordance with Rule 49(a) of the RACV Constitution. The total amount of fees paid to non-executive directors during the financial year was \$1,530,634 (2024: \$1,410,055).



## Gregory J Robinson

Bsc (Hons), MBA, MAICD

### Experience

Independent non-executive director appointed in April 2018. Over 30 years' experience in strategy, operations management, finance, accounting, risk management and resources both in Australia and overseas. Chairman of Dyno Nobel Ltd and a former non-executive Director of Rex Minerals Ltd. Previously CEO of Newcrest Mining and Lattice Energy, Finance Director Newcrest Mining, CFO/CDO BHP's Energy Division (member group Executive Committee) and Director Merrill Lynch Investment Banking. Previous board member at St Vincent's Institute of Medical Research.

### Special responsibilities

President and Chairman



## Neil Taylor

BA (Geog) (Hons)

### Experience

Managing Director and Chief Executive Officer of RACV Limited and its associated entities, appointed in March 2016. Over 25 years' experience in the corporate sector, both in Australia and overseas. Neil sits on several subsidiary company boards including Insurance Manufacturers Australia, Home Trades Hub, RepairHub, JET Charge, Australian Automotive Association and is the Chairman of both Home Trades Hub Australia and Australian Motoring Services. Neil has completed courses at both Wharton and Harvard Business Schools in the United States of America.

### Special responsibilities

Managing Director and Chief Executive Officer



## Elaine Collins

B.Sc (Hons), M.Ec, FIAA, FAICD

### Experience

Independent non-executive director appointed in November 2022. A qualified actuary, with extensive general insurance industry experience in an executive career, including regulatory actuarial appointments in Australia and overseas. Currently, a board member of ANZLMI, a wholly owned subsidiary of ANZ Bank, Ivory Insurance, a new insurance startup underwriting professional indemnity business and ART Life Insurance, providing life insurance products to Australian Retirement Trust members. An Adjunct Professor at the University of New South Wales Business School. Former non-executive director of Zurich Insurance, Australian Reinsurance Pool Corporation, MAIB, RACTI, and RT Health.



## Hisham M El-Ansary

BEC, MBA, FAICD, FCPA

### Experience

Independent non-executive director appointed in November 2023. Extensive experience in a variety of industries including health, retail, energy, aviation and construction. Formerly CEO of Bupa Asia Pacific and Executive Director of Bupa Group companies. Prior to that held senior positions at Myer, Integral Energy and Airservices Australia. Currently he is an Operating Advisor at Goldman Sachs and consults to a range of other companies in the healthcare sector. Formerly a non-executive Director of Very Special Kids. Holds a Bachelor of Economics and Master of Business Administration.

### Special responsibilities

Chair of Governance and Risk Management Committee



## Julie K Green

FCA, FAICD, WCLP

### Experience

Independent non-executive director initially elected in November 2013. Director of Bendigo Health, BLP Australia and Advisory Board Member for Symphony 7 and ClimateWise Associations. Formerly director in aged care and innovation. Executive career in professional services, infrastructure, transport, utilities and healthcare, in the public and private sectors. A business consultant in strategy, governance and change management.



## Simon McDowell

BA., M.Comm (Marketing)

### Experience

Independent non-executive director appointed in October 2020. Extensive business experience in the Retail, Management Consulting and Consumer Products sectors. Broad geographic experience working in Australia, Asia, Europe and USA for Woolworths, Bunnings, Coles, Sony Pictures Home Entertainment and The Coca-Cola Company. Holds a Bachelor of Arts and a Masters of Commerce (Marketing).



## John Merakovsky

PhD Genetics, BSc (Hons)

### Experience

Independent non-executive director appointed in November 2024. Broad experience in general management roles within digital and digitally enabled businesses.

Currently, Chair of Cashrewards, Orijin Plus and Experimenta Media Arts, a non-executive director of Lawcover and SAAFE CRC (an agribusiness research centre). Previously CEO of Flybuys, CEO/MD of Integrated Research and CEO, Experian Marketing Services APAC. John has a PhD in Genetics and Bachelor of Science (Hons).



## Denice Pitt

MBM, GAICD

### Experience

Independent non-executive director appointed in November 2019. Chief Executive Officer of Online Education Services (OES) since July 2011. Over 25 years' leadership experience in the telecommunications, technology and outsourcing industries. Currently a non-executive director of Firkbank Grammar, Proversity Ltd and Interactive Design Institute (UK). Formerly non-executive director of Good Shepherd Microfinance. Holds a Masters of Business Management and is a Graduate of the Australian Institute of Company Directors.

### Special responsibilities

Chair of Appointments and Remuneration Committee



## Stephanie J Reeves

B.Comm, LLB, GDip Sports Law, GDip Applied Law (Wills and Estates), GAICD

### Experience

Independent non-executive director initially elected in 2020. Co-principal of an aged care and elder law consultancy business. Formerly a senior in-house commercial law practitioner with extensive experience in the resources sector. Significant corporate governance, risk management and strategic planning experience.

Currently deputy chair (formerly chair) of the Australian Centre for the Prevention of Cervical Cancer. Formerly a member of the Melbourne Cricket Ground Trust, Council of Royal Melbourne Golf Club, non-executive director / chair of Crime Stoppers Victoria Ltd, member of the Advisory Board of Lexvoco Pty Ltd, and a member of the committees of management of various local community organisations.

### Special responsibilities

Chair of the Club and Membership Committee



## Julie Stanley

B.Comm, CA, GAICD

### Experience

Independent non-executive director appointed in October 2020. Extensive experience in finance, accounting, risk management and assurance both in Australia and overseas. Chartered Accountant and Graduate of the Australian Institute of Company Directors. An independent non-executive director of South East Water Corporation (Chair of Financial Audit and Risk Management Committee). Former Assurance and Advisory partner at Deloitte and formerly a non-executive director of Transgrid and Regional Arts Victoria.

### Special responsibilities

Chair of Audit and Compliance Committee

## RACV Board and Committee meetings

Directors	Board Meetings		Appointments & Remuneration Committee		Audit & Compliance Committee		Club & Membership Committee		Governance & Risk Management Committee	
	A	B	A	B	A	B	A	B	A	B
Mr G J Robinson	8	8	4	4	-	-	3	3	-	-
Mr G O Cosgriff	3	3	2	2	-	-	-	-	-	-
Mr N Taylor	8	8	-	-	-	-	-	-	-	-
Ms E Collins	8	8	-	-	5	4	-	-	3	2
Mr H M El-Ansary	8	8	-	-	5	5	-	-	3	3
Ms J K Green	8	8	-	-	5	5	3	2	-	-
Mr S J McDowell	8	7	4	4	-	-	3	3	-	-
Mr J Merakovsky	5	5	2	2	2	2	-	-	-	-
Ms D M Pitt	8	8	4	4	-	-	-	-	3	2
Ms S J Reeves	8	8	-	-	-	-	3	3	3	3
Ms J M Stanley	8	7	-	-	5	5	-	-	3	3
Mr G D Willis	3	3	-	-	2	2	-	-	1	1

**A** Number of meetings eligible to attend    **B** Number of meetings attended

The President and Chairman attends all Committee meetings as either an ex officio member or by invitation.

The MD & CEO attends all Committee Meetings by invitation.

### Company secretary

Ms M E Grogan, LLB (Hons), BA, GradDipAppFin, GAICD was appointed to the position of Company Secretary in April 2018. Ms Grogan is admitted to practice as an Australian lawyer and has had over 30 years' commercial, governance and legal experience. Ms Grogan has responsibility for all Company and Board secretarial duties.

The alternate Company Secretaries are:

- Mr R C Tweddle, AGIA, BA, LLB who was appointed to the position of alternate Company Secretary in 2005. He has practised as a solicitor for over 30 years.
- Mr P C Rich, AGIA, BCom, Grad.Dip.AppCorpGov who was appointed to the position of alternate Company Secretary in 2010.

### Indemnification and insurance of directors and officers

To the extent permitted by law, the parent entity has indemnified each director, secretary and officer against liability arising from their role as directors and officers by paying premiums on an insurance contract. This insurance contract prohibits disclosure of the premium paid. No liabilities have arisen under these indemnities as at the date of this report.

### Auditor's independence declaration

The Auditor's independence declaration is set out on page 29 and forms part of the Directors' report for the year ended 30 June 2025.

### Rounding

The Group is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 issued by the Australian Securities and Investments Commission. Amounts in this Directors' report and the consolidated Financial Statements, unless otherwise indicated, have been rounded to the nearest hundred thousand dollars or, in certain cases, to the nearest thousand dollars in accordance with that Instrument.

This Directors' report is signed in accordance with a resolution of the Board of directors.



**Mr G J Robinson**  
Chairman



**Mr N Taylor**  
Managing Director and Chief Executive Officer

**Melbourne**  
10 September 2025



**Shape the future  
with confidence**

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## **Auditor's Independence Declaration to the Directors of Royal Automobile Club of Victoria (RACV) Limited**

As lead auditor for the audit of the financial report of Royal Automobile Club of Victoria (RACV) Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Royal Automobile Club of Victoria (RACV) Limited and the entities it controlled during the financial year.

Ernst & Young

Jacob Gossan  
Partner  
10 September 2025



**RACV**

**Home & Roadside  
Assistance**

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# Financial Statements

## Consolidated Statement of Profit or Loss FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 \$m	2024 \$m
<b>Revenue</b>			
Subscription and entrance fee income		256.7	244.1
Commission income		225.9	200.0
Club and resorts trading income		222.5	212.5
Sale of goods		75.0	82.4
Other trading income		74.8	60.3
Traffic content income		5.5	9.0
Towing income		48.2	49.8
Interest on loans and leases		43.8	34.1
Trust distributions		36.4	23.0
Other investment income		14.7	10.2
<b>Operating revenue</b>		<b>1,003.5</b>	<b>925.4</b>
Gain on sale of investments in associates		20.8	-
Gain on sale of plant and equipment		1.1	1.4
Other income		-	7.4
<b>Total other income</b>		<b>21.9</b>	<b>8.8</b>
<b>Total income</b>		<b>1,025.4</b>	<b>934.2</b>
<b>Expenses</b>			
Employee benefits expense		(398.1)	(385.4)
Contractors and other external fees		(138.7)	(129.3)
Computer and telecommunications expense		(111.7)	(84.3)
Depreciation and amortisation expense	4, 5, 6	(54.1)	(51.3)
Inventories recognised as expense		(85.4)	(85.1)
Consumables expense		(61.4)	(58.7)
Property expense		(38.7)	(36.0)
Interest expense and other finance costs		(51.8)	(45.1)
Advertising expense		(41.8)	(35.4)
Other expenses		(43.1)	(33.1)
<b>Total expenses</b>		<b>(1,024.8)</b>	<b>(943.7)</b>

	Notes	2025 \$m	2024 \$m
Share of net profit and impairment of equity accounted investments	22(b)	164.7	134.1
<b>Profit before net gain on financial instruments, fair value adjustments to assets and income tax</b>		<b>165.3</b>	<b>124.6</b>
<b>Net gain/(loss) on financial instruments and fair value adjustments to assets</b>			
Net gain on financial instruments		15.9	27.1
Fair value adjustments to assets		(15.1)	5.1
<b>Profit before income tax</b>		<b>166.1</b>	<b>156.8</b>
Income tax (expense)/benefit	16	(0.2)	0.2
<b>Profit after income tax</b>		<b>165.9</b>	<b>157.0</b>

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

## Consolidated Statement of Comprehensive Income FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 \$m	2024 \$m
<b>Profit after income tax</b>		<b>165.9</b>	<b>157.0</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Gain/(loss) on revaluation of land and buildings, net of tax	24(a)	9.9	(4.7)
Superannuation plan remeasurements, net of tax	24(c)	1.0	(0.5)
Change in associate retained earnings, net of tax	24(c)	0.3	0.3
Derecognised deferred tax	24(a), 24(c)	2.3	(1.5)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>13.5</b>	<b>(6.4)</b>
<b>Total comprehensive income for the year</b>		<b>179.4</b>	<b>150.6</b>

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Consolidated Balance Sheet**  
AS AT 30 JUNE 2025

	Notes	2025 \$m	2024 \$m
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	128.7	79.5
Receivables	2	200.6	175.1
Financial assets at fair value through profit or loss	12	26.2	5.0
Inventories		6.9	8.1
Prepayments and accrued income	8	56.7	41.0
Finance lease receivables	14(a)(i)	3.3	3.6
Assets classified as held for sale	9	-	35.7
Other current assets		0.4	0.5
<b>Total current assets</b>		<b>422.8</b>	<b>348.5</b>
<b>Non-current assets</b>			
Receivables	2	415.4	381.6
Financial assets at fair value through profit or loss	12	686.2	551.5
Investments accounted for using the equity method	22	580.1	532.8
Property, plant and equipment	4	1,019.3	1,013.4
Right-of-use assets	5	10.4	13.3
Intangible assets	6	47.7	48.6
Investment properties	7	108.3	113.6
Finance lease receivables	14(a)(i)	22.0	21.1
Superannuation benefits	19	10.5	7.2
<b>Total non-current assets</b>		<b>2,899.9</b>	<b>2,683.1</b>
<b>Total assets</b>		<b>3,322.7</b>	<b>3,031.6</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	3	161.9	140.2
Interest bearing liabilities	13	131.2	167.5
Lease liabilities	5	3.8	4.2
Provisions	10	82.2	62.2
Unearned income and contract liabilities	11	163.3	158.6
<b>Total current liabilities</b>		<b>542.4</b>	<b>532.7</b>

	Notes	2025 \$m	2024 \$m
<b>Non-current liabilities</b>			
Interest bearing liabilities	13	423.0	319.3
Lease liabilities	5	7.6	10.4
Provisions	10	6.2	7.4
Unearned income and contract liabilities	11	5.5	8.4
Other non-current liabilities		5.2	-
<b>Total non-current liabilities</b>		<b>447.5</b>	<b>345.5</b>
<b>Total liabilities</b>		<b>989.9</b>	<b>878.2</b>
<b>Net assets</b>		<b>2,332.8</b>	<b>2,153.4</b>
<b>EQUITY</b>			
Reserves	24(a)	269.3	257.7
Retained earnings	24(c)	2,063.5	1,895.7
<b>Total equity</b>		<b>2,332.8</b>	<b>2,153.4</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 \$m	2024 \$m
<b>Cash flows from operating activities</b>			
Subscription and entrance fee income received		278.0	271.5
Club and resorts trading income received		247.7	235.4
Commission income received		246.5	222.9
Sale of goods		87.8	88.0
Other trading, traffic content and towing income received		125.9	141.5
Payments to suppliers and employees		(978.1)	(941.8)
Net cash outflow from loans and leases		(52.9)	(118.3)
Dividends received from equity accounted investments		176.1	80.1
Interest received		53.3	41.0
Interest paid		(27.4)	(21.6)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1</b>	<b>156.9</b>	<b>(1.3)</b>
<b>Cash flows from investing activities</b>			
Trust distributions received		26.3	19.4
Proceeds from sale of property, plant and equipment		4.0	5.8
Proceeds from sale/maturity of financial assets at fair value through profit or loss		292.6	278.5
Purchase of financial assets at fair value through profit or loss		(425.8)	(273.1)
Purchase of property, plant and equipment		(66.0)	(57.2)
Purchase of investment property		(0.7)	(19.3)
Purchase of intangibles		(7.2)	(4.0)
Payment for equity accounted investments		(6.2)	(19.2)
Proceeds from sale of equity accounted investments		3.8	-
<b>Net cash outflow from investing activities</b>		<b>(179.2)</b>	<b>(69.1)</b>
<b>Cash flows from financing activities</b>			
Net (repayment)/proceeds from secured funding facility		(17.9)	8.3
Net (repayment)/proceeds from chattel mortgages		(4.7)	5.7
Net repayment of lease liabilities		(3.2)	(4.6)
Net proceeds/(repayment) of finance lease receivables		7.4	(8.8)
Net proceeds from securitised warehouse facility		89.9	81.4
<b>Net cash inflow from financing activities</b>		<b>71.5</b>	<b>82.0</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of financial year		79.5	67.5
Cash acquired through business combination		-	0.4
<b>Cash and cash equivalents at end of financial year</b>	<b>1</b>	<b>128.7</b>	<b>79.5</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes In Equity

### FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Reserves \$m	Retained earnings \$m	Total equity \$m
<b>Balance at 1 July 2023</b>		<b>263.7</b>	<b>1,734.2</b>	<b>1,997.9</b>
Profit after income tax		-	157.0	157.0
Other comprehensive loss		(6.0)	(0.4)	(6.4)
Total comprehensive (loss)/income for the year		(6.0)	156.6	150.6
Change in associate retained earnings		-	4.9	4.9
<b>Balance at 30 June 2024</b>	<b>24</b>	<b>257.7</b>	<b>1,895.7</b>	<b>2,153.4</b>
Profit after income tax		-	165.9	165.9
Other comprehensive income		11.6	1.9	13.5
<b>Total comprehensive income for the year</b>		<b>11.6</b>	<b>167.8</b>	<b>179.4</b>
<b>Balance at 30 June 2025</b>	<b>24</b>	<b>269.3</b>	<b>2,063.5</b>	<b>2,332.8</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

30 JUNE 2025

## Working capital management

### 1. Cash and cash equivalents

	2025 \$m	2024 \$m
Cash at bank and on hand	128.7	79.5

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Group has a combined net bank overdraft facility of \$5.5 million (2024: \$5.5 million). After adjusting for cash balances and unpresented cheques the Group net bank overdraft amounted to \$nil (2024: \$nil).

#### Restricted Cash

Included in cash is an amount of \$10.8 million (2024: \$10.2 million) held as part of the Group's funding arrangements that is not available to the Group. This cash is held within the securitised warehouses and as such is under the control of the external Trustees. A liquidity reserve balance of \$5.7 million (2024: \$5.2 million) is required to be held under the funding arrangement, restricted for trust-related obligations and forms part of restricted cash. Free cash is \$117.9 million (2024: \$69.3 million) as at 30 June 2025.

### (a) Reconciliation of net cash inflow provided by operating activities to net profit after income tax

	2025 \$m	2024 \$m
<b>Profit after income tax</b>	<b>165.9</b>	<b>157.0</b>
Add/(less) items classified as investing/financing activities:		
Share of loss/(profit) of equity accounted investments (net of dividends)	11.4	(54.0)
Net profit on sale of plant and equipment	(1.1)	(1.4)
Trust distributions	(36.4)	(23.0)
Gain on financial assets at fair value through profit or loss	(36.7)	(27.1)
Interest expense on lease liabilities	0.6	0.6
Add non-cash items:		
Depreciation and amortisation	54.1	51.3
Provision for doubtful debts	1.9	1.6
Amortisation of loan and lease receivables	3.5	2.6
Superannuation – defined benefit expense	(0.4)	0.2
Fair value adjustments to assets	15.1	(5.1)
Assets write-off	3.2	0.6
Tax expense/(benefit) relating to items in other comprehensive income	0.2	(0.2)
Changes in operating assets and liabilities:		

	2025 \$m	2024 \$m
Increase in receivables	(58.7)	(120.8)
Decrease in inventories	1.2	1.4
(Increase)/decrease in prepayments and accrued income	(5.6)	2.5
Increase in payables	21.7	24.1
(Decrease)/increase in unearned income and contract liabilities	(1.8)	4.2
Increase/(decrease) in provisions	18.8	(15.8)
<b>Net cash provided by/(used in) operating activities</b>	<b>156.9</b>	<b>(1.3)</b>

## (b) Changes in liabilities arising from financing activities

	Lease liabilities \$m	Chattel mortgages \$m	Secured funding facility \$m	Securitised warehouse facility \$m	Total \$m
Opening balance 1 July 2024	14.6	29.4	62.9	394.2	501.1
Cash flows	(3.2)	(4.7)	(17.9)	89.9	64.1
Non-cash items	-	-	0.4	-	0.4
<b>Closing balance 30 June 2025</b>	<b>11.4</b>	<b>24.7</b>	<b>45.4</b>	<b>484.1</b>	<b>565.6</b>
Opening balance 1 July 2023	19.2	23.7	54.6	312.8	410.3
Cash flows	(4.6)	5.7	8.3	81.4	90.8
<b>Closing balance 30 June 2024</b>	<b>14.6</b>	<b>29.4</b>	<b>62.9</b>	<b>394.2</b>	<b>501.1</b>

## 2. Receivables

	2025 \$m	2024 \$m
<b>Current</b>		
Loan receivables	137.5	124.0
Trade receivables	40.5	39.5
	178.0	163.5
Provision for doubtful debts	(1.8)	(2.0)
	176.2	161.5
Other receivables	24.4	13.6
	<b>200.6</b>	<b>175.1</b>
<b>Non-current</b>		
Loan receivables	416.9	383.0
Provision for doubtful debts	(1.5)	(1.4)
	<b>415.4</b>	<b>381.6</b>

## 2. Receivables continued

Loans are granted at a fixed rate for periods between 12 and 84 months with most loans secured by goods mortgages over motor vehicles. The average fixed rate for FY25 is 8.72% (2024: 8.04%). The mortgaged property must be insured for its full insurable value. Loans can be repaid before their full term, however early termination fees may apply.

Loan receivables with a carrying amount of \$554.4 million have an approximate fair value of \$543.7 million as at 30 June 2025 (2024: carrying amount of \$507.0 million have a fair value of \$489.8 million).

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. As at 30 June 2025, current receivables from related parties amounting to \$21.6 million (2024: \$19.4 million) are included in trade receivables and non-current receivables from related parties amounting to \$12.6 million (2024: \$11.1 million) are included in loan receivables (refer to note 25).

### (a) Movement in provision for doubtful debts

	Loan receivables \$m	Trade receivables \$m	Total \$m
<b>2025</b>			
Opening balance	1.7	1.7	3.4
Provision raised during the year	1.8	0.1	1.9
Write-off during the year	(1.4)	(0.6)	(2.0)
<b>Closing balance</b>	<b>2.1</b>	<b>1.2</b>	<b>3.3</b>
<b>2024</b>			
Opening balance	1.7	1.5	3.2
Provision raised during the year	0.3	1.3	1.6
Write-off during the year	(0.3)	(1.1)	(1.4)
<b>Closing balance</b>	<b>1.7</b>	<b>1.7</b>	<b>3.4</b>

### (b) Accounting estimates, assumptions and judgements: Provision for expected credit losses of loan receivables

Loan receivables are carried at amortised cost less a provision for expected credit losses. The provision is measured based on an expected credit loss model as outlined in note 14(a). In calculating the provision for expected credit losses, the Group has made assumptions about the indicators of credit risk deterioration and write off rates. Expected credit losses are reviewed at each reporting period and sensitivity analysis is performed over key assumptions to address estimation uncertainty. The analysis at 30 June 2025 indicates that reasonable possible change in key assumptions would have a minimal impact on the provision for expected credit losses. In addition, all loans are subject to regular management review.

## 3. Trade and other payables

	2025 \$m	2024 \$m
<b>Current</b>		
Trade payables	110.7	99.5
Other payables	51.2	40.7
	<b>161.9</b>	<b>140.2</b>

Trade payables and other payables are non-interest bearing and are normally settled on 30-day terms. As at 30 June 2025, payables from related parties amounting to \$24.3 million (2024: \$19.0 million) are included in other payables (refer to note 25).

## Other assets and liabilities

### 4. Property, plant and equipment

	Freehold land and improvements \$m	Buildings \$m	Plant and equipment \$m	In course of construction \$m	Total \$m
<b>2025</b>					
<b>Year ended 30 June 2025</b>					
Opening net book amount	300.6	616.8	69.8	26.3	1,013.5
Additions	1.3	5.9	12.6	39.8	59.6
Disposals	(0.5)	(2.6)	(5.1)	-	(8.2)
Transfers	1.8	19.5	13.3	(35.1)	(0.5)
Vehicles refinanced	-	-	(3.8)	-	(3.8)
Revaluation surplus	34.1	(31.2)	-	-	2.9
Depreciation charge	(1.4)	(27.5)	(15.3)	-	(44.2)
<b>Closing net book amount</b>	<b>335.9</b>	<b>580.9</b>	<b>71.5</b>	<b>31.0</b>	<b>1,019.3</b>
<b>At 30 June 2025</b>					
Cost or fair value	344.4	706.3	136.3	31.0	1,218.0
Accumulated depreciation	(8.5)	(125.4)	(64.8)	-	(198.7)
<b>Net book amount</b>	<b>335.9</b>	<b>580.9</b>	<b>71.5</b>	<b>31.0</b>	<b>1,019.3</b>
<b>2024</b>					
<b>Year ended 30 June 2024</b>					
Opening net book amount	298.1	601.5	60.3	37.7	997.6
Additions	2.3	9.0	15.8	30.1	57.2
Disposals	-	(0.1)	(0.4)	-	(0.5)
Transfers	0.8	31.1	8.5	(41.5)	(1.1)
Vehicles refinanced	-	-	(4.9)	-	(4.9)
Revaluation surplus	0.7	5.1	-	-	5.8
Depreciation charge	(1.3)	(29.8)	(9.5)	-	(40.6)
<b>Closing net book amount</b>	<b>300.6</b>	<b>616.8</b>	<b>69.8</b>	<b>26.3</b>	<b>1,013.5</b>
<b>At 30 June 2024</b>					
Cost or fair value	308.2	728.5	132.4	26.3	1,195.4
Accumulated depreciation	(7.6)	(111.7)	(62.6)	-	(181.9)
<b>Net book amount</b>	<b>300.6</b>	<b>616.8</b>	<b>69.8</b>	<b>26.3</b>	<b>1,013.5</b>

#### Valuations of freehold land and improvements and buildings

The basis of the valuation of freehold land and improvements and buildings is fair value, being the price for which the properties could be sold in an orderly transaction between market participants at the measurement date. Information about the valuation is provided in note 15(b).

## 5. Leases

This note provides information for leases where the Group is a lessee. The Group leases various buildings such as retail shops, office space and warehouses.

### (a) Amounts recognised in the Consolidated Balance Sheet

#### Right-of-use assets

	Buildings \$m	Total \$m
<b>2025</b>		
As at 1 July 2024	13.3	13.3
Additions	4.3	4.3
Disposals	(0.9)	(0.9)
Lease modifications	(2.3)	(2.3)
Depreciation	(4.0)	(4.0)
<b>As at 30 June 2025</b>	<b>10.4</b>	<b>10.4</b>
<b>2024</b>		
As at 1 July 2023	18.1	18.1
Additions	1.0	1.0
Lease modifications	(0.6)	(0.6)
Depreciation	(5.2)	(5.2)
<b>As at 30 June 2024</b>	<b>13.3</b>	<b>13.3</b>

	2025 \$m	2024 \$m
<b>Lease liabilities</b>		
Current	3.8	4.2
Non-current	7.6	10.4
	<b>11.4</b>	<b>14.6</b>

### (b) Amounts recognised in the Consolidated Statement of Profit or Loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2025 \$m	2024 \$m
Depreciation charge on right-of-use assets - Buildings	4.0	5.1
Expenses relating to short term leases and low assets value	1.1	-
Loss on early termination of leases	(0.1)	-
Interest expense (included in finance cost)	0.6	0.6
<b>Total amount recognised in profit or loss</b>	<b>5.6</b>	<b>5.7</b>

The total cash outflow for leases in 2025 was \$3.8 million (2024: \$5.4 million).

## 6. Intangible assets

	Goodwill \$m	Customer contracts \$m	Software \$m	Software in development \$m	Total \$m
<b>2025</b>					
<b>Year ended 30 June 2025</b>					
Opening net book amount	25.0	5.9	13.3	4.4	48.6
Assets from business combinations	-	-	-	-	-
Additions	-	-	-	5.2	5.2
Transfers	-	-	7.4	(7.4)	-
Amortisation	-	(0.6)	(5.5)	-	(6.1)
<b>Closing net book amount</b>	<b>25.0</b>	<b>5.3</b>	<b>15.2</b>	<b>2.2</b>	<b>47.7</b>
<b>At 30 June 2025</b>					
Cost	51.8	10.6	38.3	3.3	104.0
Accumulated amortisation and impairment	(26.8)	(5.3)	(23.1)	(1.1)	(56.3)
<b>Net book amount</b>	<b>25.0</b>	<b>5.3</b>	<b>15.2</b>	<b>2.2</b>	<b>47.7</b>
<b>2024</b>					
<b>Year ended 30 June 2024</b>					
Opening net book amount	21.3	5.1	17.8	0.5	44.7
Assets from business combinations	3.7	1.5	-	-	5.2
Additions	-	-	(0.5)	4.5	4.0
Disposal and write offs	-	-	(0.1)	-	(0.1)
Transfers	-	-	0.9	(0.6)	0.3
Amortisation	-	(0.7)	(4.8)	-	(5.5)
<b>Closing net book amount</b>	<b>25.0</b>	<b>5.9</b>	<b>13.3</b>	<b>4.4</b>	<b>48.6</b>
<b>At 30 June 2024</b>					
Cost	51.8	10.6	30.9	5.5	98.8
Accumulated amortisation and impairment	(26.8)	(4.7)	(17.6)	(1.1)	(50.2)
<b>Net book amount</b>	<b>25.0</b>	<b>5.9</b>	<b>13.3</b>	<b>4.4</b>	<b>48.6</b>

## 6. Intangible assets continued

### Impairment tests for goodwill

A cash-generating unit (CGU) to which goodwill is allocated is identified according to business units and tested for impairment annually. The amount of goodwill as at 30 June 2025 and 2024 is mainly attributed to the Nationwide CGU amounting to \$19.1 million and Rapid Building Inspections CGU amounting to \$3.7 million.

The recoverable amount for the Nationwide and Rapid Building Inspections business units are as follows:

	Nationwide \$m	Rapid Building Inspections \$m
<b>2025</b>		
Recoverable amount	75.2	5.6
<b>2024</b>		
Recoverable amount	91.8	5.8

The recoverable amount of each CGU is determined based on value in use calculations. The value in use calculations use cash flow projections based on financial forecasts prepared by management covering a 5 year period (2024: 5 year period).

The key assumptions used in the Nationwide and Rapid Building Inspections goodwill calculations are as follows:

	Nationwide %	Rapid Building Inspections %
<b>2025</b>		
Discount rate (post-tax)	10.7	10.4
Average revenue growth rate	4.5	8.5
EBITDA margin	10.1-11.6	17.3-18.2
Terminal growth rate	2.5	2.5
<b>2024</b>		
Discount rate (post-tax)	10.9	12.2
Average revenue growth rate	6.6	4.4
EBITDA margin	11.3-12.3	7.4-11.4
Terminal growth rate	2.5	2.5

Management has determined the values assigned to each of the above assumptions as follows:

Assumption	Approach used to determining values
Discount rate (post-tax)	Reflects specific risks relating to the relevant CGU.
Revenue growth rate	Annual growth rate over the five-year forecasted period based on past performance and management's expectations of market developments.
EBITDA margin	Based on past performance and management's expectations for the future.
Terminal growth rate	This is the growth rate used to calculate the terminal value. The rate is in line with long term inflation targets.

Determining the recoverable amount requires management to make certain estimates and assumptions as to future events and circumstances. These calculations also take into account market conditions, investment market returns and where available public data. Whenever the CGU is impaired, the carrying amount of goodwill is written down to its recoverable amount.

## 7. Investment properties

	2025 \$m	2024 \$m
Opening balance	113.6	100.8
Additions	0.7	20.1
Disposal	-	(1.6)
Transfer	0.5	1.0
Net loss from fair value adjustments	(6.5)	(6.7)
<b>Net book amount</b>	<b>108.3</b>	<b>113.6</b>

### (a) Amounts recognised in the Consolidated Statement of Profit or Loss for investment properties

	2025 \$m	2024 \$m
Rental income	3.9	3.7
Direct operating expenses from property that generated rental income	(1.7)	(1.9)
Fair value loss	(6.5)	(6.7)
	<b>(4.3)</b>	<b>(4.9)</b>

### (b) Valuation basis

The basis of the valuation of investment properties is fair value, being the price for which the properties could be sold in an orderly transaction between market participants at the measurement date. Information about the valuation of investment properties is provided in note15(b).

## 8. Prepayments and accrued income

	2025 \$m	2024 \$m
Prepayments	26.5	22.1
Accrued income	30.2	18.9
	<b>56.7</b>	<b>41.0</b>

## 9. Assets classified as held for sale

Management approved the sale of 11,050,000 shares held in Club Assets Pty Ltd to Australian Motoring Services Pty Ltd (AMS). As a result, the carrying amount of the Group's investment in Club Assets Pty Ltd at 30 June 2024 of \$35.7 million is classified as an 'asset held for sale' and is measured at the lower of its carrying amount and fair value less costs of disposal in accordance with AASB 5. The sale was completed on 1 July 2024. Following this transaction, RACV received additional shares issued by AMS as the proceeds of this sale, and derecognised the investment in Club Assets Pty Ltd. The Group recognised a gain of \$19.9 million from this derecognition, representing the difference between the fair value of the investment in Club Assets Pty Ltd and its carrying amount at completion date. This gain is included in "Gain on sale of investments in associates" on the consolidated statement of profit or loss.

## 10. Provisions

	Employee benefits \$m	Other \$m	Total \$m
<b>2025</b>			
Opening balance	55.5	14.1	69.6
Net provision recognised	10.6	16.0	26.6
Payments of economic benefits	(6.1)	(1.7)	(7.8)
<b>Closing balance</b>	<b>60.0</b>	<b>28.4</b>	<b>88.4</b>
Current 2025	53.8	28.4	82.2
Non-current 2025	6.2	-	6.2
	<b>60.0</b>	<b>28.4</b>	<b>88.4</b>
Current 2024	48.1	14.1	62.2
Non-current 2024	7.4	-	7.4
	<b>55.5</b>	<b>14.1</b>	<b>69.6</b>

## 11. Unearned income and contract liabilities

	2025 \$m	2024 \$m
<b>Current</b>		
Unearned income	126.6	121.5
Contract liabilities	36.7	37.1
	<b>163.3</b>	<b>158.6</b>
<b>Non-current</b>		
Contract liabilities	5.5	8.4
	<b>5.5</b>	<b>8.4</b>
	<b>168.8</b>	<b>167.0</b>

### Unearned income

Unearned income encompasses various types of income received in advance for services or products that will be delivered in future periods. These items represent liabilities on the balance sheet until the related services are performed or products are delivered. Refer to note 28(c) for more details. Revenue recognised in the reporting period relates to the opening balances of unearned income at the beginning of the period was \$121.5 million (2024: \$115.3 million).

### Contract liabilities

Contract liabilities mainly consist of deferral of fee income related to insurance member benefits and cancellation, and traffic content revenue. Revenue recognised in the reporting period relates to the opening balances of contract liabilities was \$24.5 million (2024: \$22.5 million).

Contracts for traffic content revenue provide customers with a right to access a licence, with revenue recognised over the contract term. The portion of monies received, which relate to performance obligations which are discharged after the reporting date, is included in contract liabilities.

The following table outlines the traffic content revenue on existing contracts expected to be recognised in the future which relates to performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting period:

	2025 \$m	2024 \$m
<b>Year in which transaction price is expected to be realised</b>		
Within one year	4.3	6.8
Later than one year but not later than five years	3.2	6.1
Later than five years	-	-
<b>Total</b>	<b>7.5</b>	<b>12.9</b>

The Group applies the practical expedient in AASB 15 and does not disclose information about the remaining performance obligation on contracts that have an original expected duration of one year or less or where the Group has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance to date.

## Financial Instruments and Risk Management

### 12. Financial assets at fair value through profit or loss

	2025 \$m	2024 \$m
<b>Current</b>		
Unit trusts - unlisted	25.0	5.0
Other	1.2	-
	<b>26.2</b>	<b>5.0</b>
<b>Non-current</b>		
Unit trusts - unlisted	672.8	539.6
Other	13.4	11.9
	<b>686.2</b>	<b>551.5</b>

During the year \$105.0 million of Unit Trust investments were purchased by the Group (2024: \$30.0 million was redeemed). Refer to note 15 for further information of fair value measurement.

### 13. Interest bearing liabilities

	2025 \$m	2024 \$m
<b>Current</b>		
Secured funding facility	12.1	62.9
Chattel mortgages	3.4	11.0
Securitised warehouse facility	115.7	93.3
Other	-	0.3
	<b>131.2</b>	<b>167.5</b>
<b>Non-current</b>		
Secured funding facility	33.3	-
Chattel mortgages	21.3	18.4
Securitised warehouse facility	368.4	300.9
	<b>423.0</b>	<b>319.3</b>

#### (a) Securitised warehouse facility

The Group's wholly-owned subsidiary R.A.C.V. Finance Limited is financed by securitised warehouse facility ("the warehouses") with senior notes held by an international bank and a major Australian Bank, and seller notes held by R.A.C.V. Finance Limited.

The warehouses are secured by loan payments and are non-recourse to the Group, which means that R.A.C.V. Finance Limited's liability is limited to its seller notes unless it is liable in damages for breach of the documents or it is required to buy back an ineligible receivable.

RACVF Warehouse Trust No. 1 has \$320.0 million in committed financing (2024: \$280.0 million), \$298.2 million of which has been utilised (2024: \$242.5 million). RACVF Warehouse Trust No. 2 has \$200.0 million in committed financing (2024: \$155.0 million), \$185.9 million of which has been utilised (2024: \$151.7 million). The facilities are secured against the loan receivables they fund respectively. The warehouses consist of two classes of notes with R.A.C.V. Finance Limited as the holder of the Seller note. The availability period of the facilities is until September 2026 for Warehouse Trust No. 1 and October 2025 for Warehouse Trust No. 2. Negotiations to extend the availability period for Warehouse Trust No. 2 are actively progressing, with the execution of the Deed of Amendment expected by late September 2025.

Interest on the warehouses is charged at floating 1 month BBSW rate plus a margin.

## (b) Secured funding facility

On 1 September 2021, an amendment to the existing facility was executed with Australia and New Zealand Banking Group Limited ("ANZ") consisting of Facility A of \$75.0 million and Facility B of \$100.0 million. Both facilities were initially due to expire on 1 September 2024. The facilities were extended for a six month period in July 2024 with a termination date of 28 February 2025. Subsequently, the facility agreement has been extended for another three years in 6 May 2025 with a new termination date of 28 February 2028. In the extended agreement, the commitment for Facility A is \$45.0 million and the commitment for Facility B is \$130.0 million.

As at 30 June 2025, a principal amount of \$45.0 million of the \$175.0 million facility was drawn (2024: \$62.9 million of the \$175.0 million facility was drawn). The facility has been secured by a guarantee from certain Group entities and mortgages over two properties.

Under facility agreement, the Group is required to comply with the following financial covenants at each calculation date i.e on 30 June and 31 December each year:

- i. Interest cover ratio is not less than 5.00:1.00. This ratio is calculated as EBITDA divided by interest expense;
- ii. Leverage ratio is not greater than 2.50:1.00. This ratio is calculated as total financial indebtedness divided by EBITDA;
- iii. Gearing ratio is not greater than 30%. This ratio is calculated as total interest bearing liabilities, excluding operating lease liabilities divided by total tangible assets; and
- iv. Total equity is not less than \$1,000,000,000.

The interest cover ratio as at 30 June 2025 was 59.90:1.00 (2024: 58.00:1.00). The leverage ratio as at 30 June 2025 was 0.38:1.00 (2024: 0.40:1.00). The gearing ratio as at 30 June 2025 was 2.65% (2024: 2.67%). Total equity as at 30 June 2025 was \$2,269.0 million (2024: \$2,075.7 million).

The Group has complied with these covenants throughout the reporting period. There are no indications that Group would have difficulties complying with the covenants when they will be next tested as at the 31 December 2025.

## (c) Chattel mortgages

Chattel mortgages are secured by the underlying assets. These mortgages have varying terms and renewal rights.

	2025 \$m	2024 \$m
<b>Commitments in relation to chattel mortgages are payable as follows:</b>		
Due not later than one year	0.2	1.0
Due later than one year but not later than five years	11.0	6.7
Due later than five years	17.2	27.0
	<b>28.4</b>	<b>34.7</b>

	2025 \$m	2024 \$m
<b>The present value of chattel mortgages is as follows:</b>		
Due not later than one year	3.4	1.0
Due later than one year but not later than five years	9.2	6.2
Due later than five years	12.1	22.1
	<b>24.7</b>	<b>29.3</b>

## 14. Financial risk management

The Group's activities expose it to a variety of financial risks such as credit risk, liquidity risk and market risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the Group's management under policies approved by the Board of Directors. The Group uses different methods to measure different types of risk to which it is exposed. These methods include monthly cash flow projections for liquidity risk, assessment of creditworthiness, adequate collateral, diversification of receivables and ageing analysis for credit risk and portfolio diversification and hedging for market risk.

### (a) Credit risk

Credit risk arises from cash and cash equivalents, counterparty credit risk on derivative financial instruments, as well as receivables and committed transactions. The maximum exposure to credit risk on financial assets of the Group is the carrying amount of those assets as indicated in the Consolidated Balance Sheet. Cash and cash equivalents and derivative financial instruments are held with independently rated banks with a minimum rating of 'A' (2024: 'A') and do not expose the Group to significant credit risk.

Credit risk also arises in relation to financial guarantees given to certain parties (refer to note 14(a)(iv)). Such guarantees are only provided in exceptional circumstances and are subject to specific Board approval. Trade and other receivables are well diversified across a large number of customers and do not expose the Group to significant credit risk. Credit risk exposures relating to loans and financial guarantees are disclosed below in more detail.

The Group's material risks are disclosed below:

#### (i) Credit risk in relation to loan and finance lease receivables

Credit risk is managed by using a prudent risk assessment process for all customers with the intention of seeking minimum exposure at all times and assessing the borrower's capacity to repay the loan. Credit risk is assessed similarly for each loan based on the borrower's creditworthiness, credit history and the collateral being provided. Internal policies provide guidance on the acceptable mix of risk categories associated with the receivables portfolio.

#### Collateral held as security and other credit enhancements

Credit risk on loan and finance lease receivables is mitigated by obtaining security over the underlying asset. The majority of consumer loan receivables and all finance lease receivables are secured with a motor vehicle and the security registered on the Personal Property Security Register. The vehicle can be repossessed if the counterparty is in default under the terms of agreement.

For business loans (goods mortgage), the motor vehicle remains the property of the Group until all payments and the residual are repaid.

The following table shows the extent to which mortgage over motor vehicles (for consumer loans and finance lease receivables) and ownership of property (for business loans) mitigate credit risk:

	Maximum exposure to credit risk \$m	Market value* of collateral held at reporting date \$m	Secured %
<b>30 June 2025</b>			
Loan receivables	554.4	507.2	91
Finance lease receivables	25.3	19.8	75
<b>30 June 2024</b>			
Loan receivables	507.0	459.6	91
Finance lease receivables	24.7	19.7	70

\* Value of motor vehicles as quoted in the Glass's Guide vehicle pricing guide.

All loans over 60 days in arrears are considered to be in default and are subject to the formal collection procedures which includes the issuance of an enforcement notice (under section 88 of the National Credit Code). Steps are taken to repossess the collateral if the overdue payment is not made within 35 days of the notice.

Repossessed collateral is sold at a public auction. The carrying amount of repossessed vehicles as at 30 June 2025, representing the foreclosed collateral obtained through the enforcement of security was immaterial. In certain circumstances, a default record may be listed on a customer's personal credit file.

### Concentrations of credit risk in relation to loan and lease receivables

The Group minimises concentrations of credit risk in relation to loan receivables by diversification across a large number of customers. A prudent risk assessment process for all customers is used to manage the credit risk on loan receivables.

Concentration of risk on finance lease receivables is minimised by the spread of transactions with a large number of customers. Credit risk is minimised through prudent assessment of policies and ensuring final balloon repayment amounts are in line with estimated asset values at the end of the repayment term.

The categories of credit risk exposure and the maximum exposure for each concentration are as follows:

	2025 %	2024 %	2025 \$m	2024 \$m
<b>Category</b>				
Secured loans	96	95	554.2	506.8
Unsecured loans	-	-	0.2	0.1
Finance lease receivables	4	5	25.3	24.7
<b>Total receivables</b>	<b>100</b>	<b>100</b>	<b>579.7</b>	<b>531.6</b>

### (ii) Impairment

The impairment requirements apply to financial assets measured at amortised cost and finance lease receivables. For trade receivables and finance lease receivables the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For loan receivables, the Group applies a three-stage approach to measuring the expected credit loss ("ECL") based on changes in the financial asset's underlying credit risk.

#### Stage 1: 12-months ECL

At initial recognition, and for financial assets for which there has not been a significant increase in credit risk (SICR), ECL is determined based on the probability of default (PD) over the next 12 months. Interest income is determined with reference to the financial asset's effective interest rate (EIR) and the financial asset's gross carrying amount.

#### Stage 2: Lifetime ECL - not credit impaired

When there has been a SICR, the ECL is determined with reference to the financial asset's lifetime PD and the lifetime losses associated with that PD. The Group assesses whether there has been a SICR since initial recognition based on qualitative and quantitative data. Interest income is determined with reference to the financial asset's EIR and the financial asset's gross carrying amount.

#### Stage 3: Lifetime ECL - credit impaired

Financial assets are classified as stage 3 where they are determined to be credit impaired, which is where loans are more than 60 days past due or flagged as 'At Risk'.

The ECL for credit impaired financial assets is generally measured as the difference between the contractual and expected cash flows from the individual exposure, discounted using the EIR for that exposure. Interest income is determined with reference to the financial asset's EIR and the financial asset's amortised cost carrying value, being the exposure's gross carrying value after the ECL provision.

## 14. Financial risk management continued

### (a) Credit risk continued

#### (ii) Impairment continued

The Group uses three categories for loans which reflect their credit risk and how the loan loss provision is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage 1	<ul style="list-style-type: none"> <li>Loans without any impairment indicators</li> </ul>	<ul style="list-style-type: none"> <li>12 month expected losses</li> <li>Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime</li> </ul>
Stage 2	<ul style="list-style-type: none"> <li>Hardship/variation</li> <li>30 days in arrears 3 times</li> </ul>	<ul style="list-style-type: none"> <li>Lifetime expected losses</li> </ul>
Stage 3	<ul style="list-style-type: none"> <li>Loans flagged 'At Risk'</li> <li>60 days in arrears once</li> </ul>	<ul style="list-style-type: none"> <li>Lifetime expected losses</li> </ul>

Historical evidence demonstrates that loans '30 days in arrears' are often due to administrative matters or a genuine oversight on the customer's behalf, and there is no correlation between a once off '30 days in arrears' and a significant increase in risk of a default occurring. The Group considers where a loan is '30 days in arrears' 3 times to be more representative of the credit risk deterioration.

Indicators for loans flagged 'At Risk' include bankruptcy, deceased customers, fraud identified or legal action taken.

The Group considers its historical loss experience and adjusts this for current observable data. In addition, the Group monitors the macroeconomic conditions to ensure impacts are appropriately reflected when estimating the amount of an expected impairment loss. The management overlay outlined below includes an extended analysis to reflect the impact of macroeconomic volatility observed in both reporting periods.

Interest on consumer loans is calculated on the daily balance outstanding and is charged in arrears to a customer's account in accordance with the terms of the loan agreement.

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

#### Management overlay

The management overlay is applied to supplement the existing ECL model, which does not fully incorporate the forward-looking impact of potential macroeconomic and microeconomic events. During the year ended 30 June 2025, inflation eased and interest rates were reduced, with recent rate cuts indicating an improving trend in the domestic market. However, the effects of these changes typically take time to be reflected in credit performance and therefore continue to have an impact on the ECL. The ECL model relies on a 24-month historical lookback period to estimate stage 2 and stage 3 expected credit losses. Actual write-offs were particularly low in the year ended 30 June 2024 which reduces the ECL determined by the model. As such, a management overlay has been applied to better reflect borrower behaviour and credit risk. As at 30 June 2025, the Group held management overlay of \$0.65 million (2024: \$0.69 million).

#### Modification of financial assets

The Group sometimes modifies the terms of loans provided to customers due to payment holidays. Restructuring policies and practices are based on indicators or criteria which, based on management's judgement, indicates that payment will most likely continue. These policies are kept under continuous review.

#### (iii) Credit quality

The level of risk associated with a loan is indicated by its credit quality which is evaluated using the Equifax score. The following table represents the credit quality of loan receivables.

	Stage 1 - 12 month expected credit loss			Stage 2 - Lifetime expected credit loss	Stage 3 - Lifetime expected credit loss	Total
	Low Grade <sup>3</sup>	Medium Grade <sup>2</sup>	High Grade <sup>1</sup>			
	\$m	\$m	\$m	\$m	\$m	\$m
<b>30 June 2025</b>						
Loan receivables	0.8	10.9	531.5	5.0	6.2	554.4
	<b>0.8</b>	<b>10.9</b>	<b>531.5</b>	<b>5.0</b>	<b>6.2</b>	<b>554.4</b>
<b>30 June 2024</b>						
Loan receivables	1.8	17.4	479.2	4.4	4.2	507.0
	<b>1.8</b>	<b>17.4</b>	<b>479.2</b>	<b>4.4</b>	<b>4.2</b>	<b>507.0</b>

The Group has assessed expected credit losses on lease receivables as nil due to the historically strong collections of lease payments. The Group holds security over all motor vehicles leased and therefore, has the ability to repossess any vehicles held by lessees who default on their payment obligations.

The provision for impairment by category is as follows:

	Stage 1 - 12 month expected credit loss			Management Overlay	Stage 2 - Lifetime expected credit loss	Stage 3 - Lifetime expected credit loss	Total
	Low Grade <sup>3</sup>	Medium Grade <sup>2</sup>	High Grade <sup>1</sup>				
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>30 June 2025</b>							
Loan receivables	-	-	0.5	0.7	0.1	0.8	2.1
	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>0.7</b>	<b>0.1</b>	<b>0.8</b>	<b>2.1</b>
<b>30 June 2024</b>							
Loan receivables	-	-	0.3	0.7	0.2	0.5	1.7
	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>0.7</b>	<b>0.2</b>	<b>0.5</b>	<b>1.7</b>

<sup>1</sup> Equifax score above 500

<sup>2</sup> Equifax score between 0 to 500

<sup>3</sup> Equifax score below zero

#### (iv) Financial guarantees

Cross guarantees are given by RACV and each of its wholly owned subsidiaries within the Closed Group as described in note 26. No deficiencies of assets exist in the Closed Group. No liability was recognised by the Group in respect of these guarantees.

## 14. Financial risk management continued

### (b) Liquidity risk

Liquidity risk is the risk that the financial obligations of the Group cannot be met as and when they fall due without incurring significant costs. The Group manages liquidity risk by continuously monitoring budget and actual cash flows and reporting liquidity projections to the Board. The Group monitors its liquidity position on a monthly basis with the aim of maintaining a liquidity target between 0.3 and 0.6 of one month's operating expenses. The average liquidity position for the Group

was 0.6 months (2024: 0.4 months). Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available. While part of the Financial Assets at Fair Value Through Profit or Loss are classified as non-current based on their expected redemption profile, these investments are redeemable on demand and are therefore also available to meet the Group's liquidity needs if required.

### Financing arrangements

The Group had access to the following net undrawn borrowing facilities at the reporting date:

	2025 \$m	2024 \$m
<b>Floating rate</b>		
Expiring within 1 year (bank overdraft)	5.5	5.5
Expiring within 1 year (secured funding facility)	-	80.0
Expiring within 1 year (securitised warehouse facility)*	14.1	40.7
Expiring within 2 – 5 years (securitised warehouse facility)*	21.8	-
Expiring within 3 years (secured funding facility)	130.0	-
	<b>171.4</b>	<b>126.2</b>

\*Warehouse facility can only be used for the purpose of issuance of class A notes.

### Maturities of financial liabilities

The table below analyses the Group's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Up to 1 month 1 year \$m	or less \$m	Over 1 to 5 years \$m	Over 5 years \$m	Total contractual cash flows \$m	Carrying amount \$m
<b>June 2025</b>						
Non-interest bearing	161.9	-	-	-	161.9	161.9
Fixed interest rate	-	6.6	19.1	11.2	36.9	24.7
Floating interest rate	13.8	136.5	458.8	-	609.1	529.5
Lease liabilities	-	2.6	4.9	0.2	7.7	11.4
	<b>175.7</b>	<b>145.7</b>	<b>482.8</b>	<b>11.4</b>	<b>815.6</b>	<b>727.5</b>
<b>June 2024</b>						
Non-interest bearing	140.2	-	-	-	140.2	140.2
Fixed interest rate	-	1.1	7.0	27.0	35.1	29.4
Floating interest rate	8.1	148.4	300.9	-	457.4	457.4
Lease liabilities	-	4.6	10.6	0.3	15.5	14.6
	<b>148.3</b>	<b>154.1</b>	<b>318.5</b>	<b>27.3</b>	<b>648.2</b>	<b>641.6</b>

## (c) Market risk

### (i) Price risk

The Group is exposed to unit trust price risk. This arises from investments held by the Group and classified as financial assets at fair value through profit or loss. The Group diversifies its portfolio to manage its price risk arising from investments in unit trusts. Diversification of the portfolio is done in accordance with the limits set by the Group.

The fair values of the investments are based on current exit price. Subsequent changes in fair value are recognised in the Consolidated Statement of Profit or Loss.

The reasonable possible changes in market value of the Group's investments have been assessed to range from +/- 3.4% to 8.8% (2024: +/- 4.5% to 10.4%). This range is predominately based on Australian equity (7.3%) and Global equity (8.4%). The impact of these changes on the pre-tax profit would be +/- \$45.9 million (2024: +/- \$44.5 million). The analysis is based on the assumption that the market prices of all investments have moved by their respective percentages with all other variables held constant. Refer to note 15 for more details.

### (ii) Interest rate risk

Interest rate risk is the risk to the Group's earnings and capital arising from changes in market interest rates. The Group's interest rate risk exposure results primarily from repricing risk or differences in the repricing characteristics of its financial assets and liabilities.

The Group's financial assets consist primarily of cash, financial assets at fair value through profit or loss, fixed rate loan receivables with maturities ranging from 12 to 84 months.

The financial liabilities funding these receivables consist primarily of floating rate borrowings on the securitised warehouse facility and the secured funding facility. The secured funding facility has been extended to 28 February 2028. The initial availability period of both warehouse facilities was until July 2024, and the renewed availability period is now until September 2026 for Warehouse Trust No. 1 and October 2025 for Warehouse Trust No. 2.

Due to the mismatch in the maturities of its receivables and the financial liabilities funding these receivables, the Group is exposed to repricing risk. The risk is managed by the Group using interest rate swap contracts to convert the floating rate exposure on the securitised warehouse facility to fixed interest rates. The impact on equity and pre-tax profit of reasonable possible changes in the interest rate over the next 12 months between -/+ 0 and 50 basis points (2024: between -/+ 0 and 50 basis points), with all other variables held constant is -/+ \$0.4 million (2024: -/+ \$0.4 million). The Group's net exposure to interest rate risk at the end of the reporting period is \$138.6 million (2024: \$74.6 million).

### Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the cash flow exposures on the variable rate borrowings.

Swaps currently in place cover approximately 108.7% of the warehouse funding balance (2024: 76.0%). The fixed interest rates of the swaps range between 3.64% and 3.94% (2024: range between 3.60% and 3.94%) and the variable rates of the loans are at 1 month BBSW which at the end of the reporting period was 3.73% (2024: 4.31%).

The swap contracts require settlement of net interest receivable or payable every month. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

## 15. Fair value measurement

### (a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities into levels of the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (i) Recognised fair value measurements

The following table presents the Group's assets measured and recognised at fair value at 30 June 2025:

	Notes	Level 2 \$m	Level 3 \$m	Total \$m
<b>30 June 2025</b>				
<b>Assets</b>				
Unit trusts – unlisted	12	607.5	90.3	697.8
Land and buildings	4	-	916.8	916.8
Investment properties	7	-	108.3	108.3
		<b>607.5</b>	<b>1,115.4</b>	<b>1,722.9</b>
<b>30 June 2024</b>				
<b>Assets</b>				
Unit trusts – unlisted	12	448.8	95.8	544.6
Land and buildings	4	-	917.4	917.4
Investment properties	7	-	113.6	113.6
Interest rate swaps		1.8	-	1.8
		<b>450.6</b>	<b>1,126.8</b>	<b>1,577.4</b>

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

### (ii) Disclosed fair values

The Group also holds certain assets and liabilities not measured at fair value, for which approximate fair values are disclosed in the notes:

- the carrying amount of securitised warehouse facility, secured funding facility and chattel mortgages approximates their fair value as the impact of discounting is not significant;
- the carrying amount of trade payables approximates their fair value due to their short term nature.

### (b) Valuation techniques and inputs used to derive level 2 and level 3 fair values

The fair value of unlisted unit trusts is based on exit price which is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices of the underlying instruments are used to estimate fair value of majority approximately 87% (2024: approximately 82%) of the unlisted unit trusts.

The fair value of the remaining unlisted unit trusts is based on independent valuations of the underlying instruments. As the underlying Fund's interests in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and is therefore classified as a level 3 investment. The Fund reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations.

The fair value of interest rate swaps is classified as a level 2 instrument as they are not traded in an active market and are determined using valuation techniques. These valuation techniques calculate the present value of the estimated future cash flows using observable yield curves in the market.

The fair value of land and buildings and investment properties are based on independent assessments made by members of the Australian Property Institute. The Group obtains independent valuations for its investment properties and for its freehold land and buildings at least annually. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's fair value within a range of reasonable fair value estimates.

The discount rate applied is based on investors' current return expectations. The resulting valuations are compared to current sales prices in an active market for similar properties in the same location and condition.

### (c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents changes in level 3 fair value measurements:

	Unit trusts - unlisted \$m	Land and buildings \$m	Investment properties \$m	Total \$m
<b>June 2025</b>				
Opening balance 1 July 2024	95.8	917.4	113.6	1,126.8
Additions	2.7	7.2	0.7	10.6
Disposals	(15.5)	(3.1)	-	(18.6)
Transfers	-	21.3	0.5	21.8
Depreciation and impairment	-	(28.9)	-	(28.9)
Revaluation increment/(decrement)	7.3	2.9	(6.5)	3.7
<b>Closing balance 30 June 2025</b>	<b>90.3</b>	<b>916.8</b>	<b>108.3</b>	<b>1,115.4</b>
Total gain/(loss) for the period recognised in the consolidated Statement of Profit or Loss	7.3	(8.8)	(6.5)	(8.0)
Total gain for the period recognised in the consolidated Statement of Comprehensive Income	-	11.6	-	11.6
<b>June 2024</b>				
Opening balance 1 July 2023	89.5	899.6	100.8	1,089.9
Additions	5.4	11.3	20.1	36.8
Disposals	(1.3)	(0.1)	(1.6)	(3.0)
Transfers	-	32.0	1.0	33.0
Depreciation and impairment	-	(31.2)	-	(31.2)
Revaluation increment/(decrement)	2.2	5.8	(6.7)	1.3
<b>Closing balance 30 June 2024</b>	<b>95.8</b>	<b>917.4</b>	<b>113.6</b>	<b>1,126.8</b>
Total gain/(loss) for the period recognised in the consolidated Statement of Profit or Loss	2.3	11.9	(6.6)	7.6
Total loss for the period recognised in the consolidated Statement of Comprehensive Income	-	(6.0)	-	(6.0)

## 15. Fair value measurement continued

### (d) Valuation inputs and relationships to fair value (level 3)

The following table presents quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer to note 15(b) for the valuation techniques adopted.

Description	Valuation Technique	Unobservable Inputs	Range of inputs		Relationship of unobservable inputs to fair value
			2025	2024	
Land and buildings	Capitalisation	Capitalisation rate:	6.00% - 9.25%	6.00% - 9.25%	The higher the capitalisation rate, the lower the fair value. If the capitalisation rate changed by +0.5%, the financial impact would be -\$63.8m
	Discounted cash flow	Average daily rate (ADR):	\$155 - \$652	\$155 - \$550	The higher the ADR, the higher the fair value.
		Occupancy rate:	54% - 88%	60% - 85%	The higher the occupancy rate, the higher the fair value.
		Discount rate:	7.75% - 10.75%	7.50% - 10.50%	The higher the discount rate and terminal capitalisation rate, the lower the fair value. If the discount changed by +0.5%, the financial impact would be -\$55.0m.
	Terminal capitalisation rate:	6.00% - 9.25%	6.00% - 9.25%		
Investment property	Capitalisation	Core capitalisation rate:	5.5% - 6.5%	5.25% - 6.00%	The higher the capitalisation rate, the lower the fair value.
		Net face rental value :	\$140/m <sup>2</sup> - \$700/m <sup>2</sup>	\$165/m <sup>2</sup> - \$715/m <sup>2</sup>	The higher the net face rental value, the higher the fair value.
	Discounted cash flow	Discount rate:	7% - 7.5%	6.75% - 7.25%	The higher the discount rate and terminal capitalisation rate, the lower the fair value.
		Terminal capitalisation rate:	5.75% - 6.50%	5.75% - 6.50%	
Direct comparison	Sales price per square metre	\$2,775/m <sup>2</sup> - \$8,990/m <sup>2</sup>	\$3,000/m <sup>2</sup> - \$9,250/m <sup>2</sup>	The higher the sales price per square metre, the higher the fair value.	

There is no direct correlation between unobservable inputs.

### (e) Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties and land and buildings. Information about the valuation of freehold land and buildings and investment properties are provided in note 15(b). Valuation outcomes are reported to the Audit and Compliance Committee at least annually.

# Taxation

## 16. Income tax (expense)/ benefit

	2025 \$m	2024 \$m
Deferred tax (expense)/benefit	(0.2)	0.2
<b>Income tax (expense)/benefit</b>	<b>(0.2)</b>	<b>0.2</b>

### (a) Reconciliation of prima facie income tax

The assessable income of RACV for income tax purposes comprises only certain income deemed to be derived from non-member activities. Conversely, allowable deductions for income tax purposes are limited to certain expense and statutory deductions.

The prima facie tax on operating profit differs from the income tax provided in the accounts as follows:

	2025 \$m	2024 \$m
Profit before income tax	166.1	156.8
The prima facie tax expense on operating profit before income tax @ 30%	(49.8)	(47.0)
Tax effect of amounts which are not taxable/(deductible) in calculating income tax:		
Profit attributable to activities for the mutual benefit of members	7.6	11.3
Share of net profit of equity accounted investments	53.7	40.1
Current year tax losses derecognised	(10.2)	(13.8)
Deferred tax derecognised	(4.5)	7.5
Impairment of investments	(4.5)	-
Amortisation of intangibles	-	(0.1)
Sundry items	7.5	2.2
<b>Income tax (expense)/ benefit attributable to operating profit</b>	<b>(0.2)</b>	<b>0.2</b>

### (b) Tax expense relating to items of other comprehensive income

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to other comprehensive income:

	2025 \$m	2024 \$m
Net deferred tax debited directly to other comprehensive income	2.1	1.5
Derecognised deferred tax credited to other comprehensive income	(2.1)	(1.5)
	-	-

## 16. Income tax (expense)/ benefit continued

### (c) Tax consolidation

RACV and its wholly owned subsidiaries are parties to a tax sharing agreement and a tax funding agreement. The tax sharing agreement, in the opinion of the directors, limits the joint and several liability of the wholly owned subsidiaries in the case of default by RACV.

Under the tax funding agreement, the wholly owned subsidiaries fully compensate RACV for any current tax payable assumed and are compensated by RACV for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to RACV under the tax consolidation legislation. The funding amounts will be determined by reference to the amounts recognised in the wholly owned subsidiaries' financial statements.

### (d) Income tax contributions

RACV continues to contribute significantly to Australia's tax base across all applicable federal and state taxes. With respect to income tax, a major component of RACV's profit comes from its investments in associates where the dividend income is received on a fully franked basis meaning income tax is paid at source. The amount of income tax paid on RACV's dividend component was \$76.8 million during the financial year (2024: \$35.6 million).

## 17. Deferred tax assets

	2025 \$m	2024 \$m
<b>The balance comprises temporary differences attributable to:</b>		
<i>Amounts recognised in profit or loss</i>		
Property, plant and equipment	(4.2)	(4.7)
Employee benefits	11.0	10.2
Superannuation plan	(1.8)	(1.3)
Borrowing costs	0.1	0.2
Accrued income and prepayments	(0.6)	(0.9)
Provisions and accruals	8.5	4.3
Unearned income and contract liabilities	13.5	14.3
Financial assets	(6.9)	(3.8)
Intangible assets	7.4	7.4
Derecognition of deferred tax	(28.7)	(27.1)
Other	1.7	1.4
	-	-
<i>Amounts recognised directly in other comprehensive income</i>		
Revaluation of property	(36.5)	(34.8)
Superannuation plan	(1.3)	(0.9)
Derecognition of deferred tax	37.8	35.7
	-	-
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>
<b>Movements in temporary differences during the year:</b>		
Opening balance	-	-

	2025 \$m	2024 \$m
Debited to the Consolidated Statement of Profit or Loss	4.3	(7.6)
Derecognition of deferred tax (others)	(4.5)	7.5
Other	0.2	0.1
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### (a) Accounting estimates, assumptions and judgements: Income taxes

The Group assesses the recoverability of deferred tax assets based on detailed financial forecasts. When assessing the recoverability of the deferred tax assets, the directors consider the expected profitability of non-mutual activities, prevailing economic conditions and investment return rates.

The Group recognises deferred tax assets relating to carried forward tax to the extent it is probable that future tax liabilities will be available against which the deferred tax assets may be utilised or there are taxable temporary

differences (deferred tax liabilities) relating to the same taxation authority. The Group assessed that there was insufficient future tax liabilities and taxable temporary differences as at 30 June 2025 and derecognised \$10.1 million of deferred tax assets relating to tax losses, reduced by \$0.5 million relating to a reversal of other taxable temporary differences and recognised an income tax expense for current year deferred tax assets derecognised of \$11.7 million (2024: \$6.2 million). The unrecognised deferred tax asset as at 30 June 2025 is \$187.3 million (2024: \$177.8 million).

## Remuneration and benefits

### 18. Key management personnel

Key management personnel compensation comprises:

	2025 \$'000	2024 \$'000
Short-term benefits	8,307	7,891
Post-employment benefits	427	402
Long-term benefits	1,154	1,085
	<b>9,888</b>	<b>9,378</b>

#### Key management personnel of the Group

The key management personnel of the Group comprise all directors of RACV and the executives having authority and responsibility for planning, directing and controlling the activities of the Group. At 30 June 2025, in addition to the nine directors, nine executives were included as key management personnel (30 June 2024: eleven directors, nine executives).

#### Transactions with key management personnel of the wholly owned Group

The key management personnel of RACV have normal business transactions with various controlled entities including the use of various facilities available to them as members and the reimbursement of travelling expenses. These transactions include insurance and finance loans with the wholly owned Group's Finance Company and minor sales of products and services. All these transactions are conducted on a commercial basis on conditions no more beneficial than those available to members or employees.

## 19. Superannuation benefits

Upon joining the Group, new employees are able to choose whether to join the defined contribution section of the RACV Superannuation Fund (Plan) or an alternative fund. All members of the Plan are entitled to benefits on resignation, retirement, ill health, disability or death.

The Plan has both a defined benefit section and a defined contribution section. The defined benefit section provides defined benefits based on years of membership and final average salary for those members employed prior to 1 March 1998 and who elected to remain defined benefit members. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions for this section of the Plan.

Plan assets are held in trust which is subject to supervision by the prudential regulator. Funding levels are reviewed regularly. Where assets are less than vested benefits, being those payable upon exit, a management plan must be formed to restore the coverage to at least 100%.

Responsibility for governance of the Plan, including investment decisions and plan rules rests with the Board of Trustees of the Plan. Contribution levels are also the responsibility of the trustee, although these are usually set in consultation with the employer. Disclosures for the Plan are shown below:

	2025 \$m	2024 \$m
Fair value of superannuation Plan assets	205.0	194.8
Present value of the defined benefit obligation	(50.6)	(50.1)
Present value of the defined contribution obligation	(143.9)	(137.5)
<b>Superannuation plan asset in the Consolidated Balance Sheet</b>	<b>10.5</b>	<b>7.2</b>

### (a) Reconciliations

	2025 \$m	2024 \$m
<i>Movement in the present value of the defined benefit obligation:</i>		
Opening present value	50.1	48.1
Current service cost	0.1	0.3
Interest expense	2.6	2.7
Actuarial gain arising from changes in financial assumptions	1.2	2.2
Benefits, administrative costs and tax paid	(3.4)	(3.2)
<b>Closing present value</b>	<b>50.6</b>	<b>50.1</b>

### *Movement in the fair value of Plan assets (including defined contribution plan):*

Opening fair value	194.8	177.4
Interest income	2.9	2.9
Actual return on Plan assets, less interest income	2.7	1.5
Contributions by employer	1.6	1.6
Benefits, administrative costs and tax paid	(3.4)	(3.2)
Movement in vested benefits in respect of defined contribution members	6.4	14.6
<b>Closing fair value</b>	<b>205.0</b>	<b>194.8</b>

The closing fair value of plan assets includes \$61.1 million defined benefit plan assets that are valued using significant observable inputs and are classified within Level 2 of the fair value hierarchy (2024: \$57.3 million at Level 2). The fair value of Plan assets includes no amounts relating to RACV's own financial instruments or any property occupied by or other assets used by the Group.

## (b) Amounts recognised in the Consolidated Statement of Profit or Loss

	2025 \$m	2024 \$m
Current service cost	0.1	0.3
Net interest expense	(0.3)	(0.3)
<b>Total included in employee benefits expense</b>	<b>(0.2)</b>	<b>-</b>

## (c) Amounts recognised in the Consolidated Statement of Comprehensive Income

	2025 \$m	2024 \$m
<i>Remeasurements:</i>		
Actual return on Plan assets, less interest income	2.7	1.5
Actuarial gain incurred during the year	(1.2)	(2.2)
<b>Total amount recognised in the Consolidated Statement of Comprehensive Income</b>	<b>1.5</b>	<b>(0.7)</b>

## (d) Actuarial assumptions and sensitivity

	2025 %p.a.	2024 %p.a.
Discount rate – active members	5.6	5.7
Discount rate – pensioners	5.5	5.6
Future salary increases	3.5	3.0

The sensitivity of the defined benefit obligation to changes in the significant assumptions is presented below:

	Base Case	Change in discount rate % p.a.		Change in salary increase rate % p.a.		Change in pension take-up rate % p.a.	
		-0.5%	+0.5%	-0.5%	+0.5%	-20.0%	+20.0%
<b>June 2025</b>							
Discount rate – active members	5.6	5.1	6.1	5.6	5.6	5.6	5.6
Discount rate – pensioners	5.3	4.8	5.8	5.3	5.3	5.3	5.3
Salary increase	3.0	3.0	3.0	2.5	3.5	3.0	3.0
Pension take-up rate	80.0	80.0	80.0	80.0	80.0	60.0	100.0
Defined benefit obligation (\$m)	50.6	53.8	47.7	50.5	50.7	49.4	51.9
<b>June 2024</b>							
	%	-0.5%	+0.5%	-0.5%	+0.5%	-20.0%	+20.0%
Discount rate – active members	5.6	5.1	6.1	5.6	5.6	5.6	5.6
Discount rate – pensioners	5.5	5.0	6.0	5.5	5.5	5.5	5.5
Salary increase	3.5	3.5	3.5	3.0	4.0	3.5	3.5
Pension take-up rate	80.0	80.0	80.0	80.0	80.0	60.0	100.0
Defined benefit obligation (\$m)	50.1	53.3	47.2	50.0	50.3	48.7	51.5

## 19. Superannuation benefits continued

### (d) Actuarial assumptions and sensitivity continued

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the consolidated balance sheet.

### (e) Plan funding arrangements and maturity profile of the defined benefit liability

Plan funding levels are monitored on an annual basis and the current agreed contribution rate is 10% of salaries until 31 December 2025. The Group considers that the contribution rate is sufficient to ensure that the assets will cover vested benefits and that regular contributions will not increase significantly.

Expected contributions to the Plan for the next annual reporting period (year ending 30 June 2026) is \$0.2 million. The weighted average duration of the defined benefit obligation as at 30 June 2025 for active members is 13 years (2024: 13 years) and for pensioners is 10 years (2024: 10 years). The maturity profile of the undiscounted payments over the next 10 years is as follows:

	2025 \$m	2024 \$m
<b>Defined benefit payments</b>		
Less than 1 year	3.7	3.7
1 to 2 years	3.9	3.4
2 to 5 years	11.2	10.9
5 to 10 years	19.0	18.7
	<b>37.8</b>	<b>36.7</b>

The carrying amount of payables approximates fair value as the impact of discounting is not significant.

# Group structure

## 20. Subsidiaries

The Group's principal subsidiaries at 30 June 2025 are set out below:

	Equity interest held for the consolidated entity	
	2025 %	2024 %
• Arevo Pty Ltd	100	100
• Nationwide Group Pty Ltd & Controlled Entities	100	100
• RACV Travel and Experiences Pty Ltd	100	100
• RACV Holdings Pty Ltd	100	100
• Altius Property Group Pty Ltd <sup>1</sup>	100	100
• RACV Regional Services Pty Ltd	100	100
• R.A.C.V. Finance Limited <sup>1</sup>	100	100
• RACVF Warehouse Trust No.1	100	100
• RACVF Warehouse Trust No.2	100	100
• RACV Insurance Services Pty Ltd <sup>1</sup>	100	100
• Intelematics Australia Pty Limited	100	100
• RACV Investment Holdings Pty Ltd	100	100
• Club Tasmania Holdings Pty Ltd	100	100
• Home Trades Hub Australia Pty Limited & Controlled Entities	100	100

<sup>1</sup> In 2025, these controlled entities have not been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission (ASIC).

## 21. Business combinations

There were no business acquisitions during the financial year ended 30 June 2025.

### Acquisitions in 2024

#### (a) Summary of acquisition

On 29 April 2024, Home Trades Hub Australia Pty Ltd acquired 100% interest of Rapid Building Inspections Pty Ltd and Rapid Building Inspections IP Pty Ltd ("RBI Group") for a consideration of \$5.0 million.

The acquired business contributed revenue of \$0.9 million and operating profit/(loss) of \$0.2 million since the acquisition date on 29 April 2024. If the acquisition had occurred on 1 July 2023, the consolidated revenue and profit/(loss) for the year ended 30 June 2024 would have been \$5.9 million and \$0.6 million, respectively. These amounts have been calculated using the Group's accounting policies.

## 21. Business combinations continued

### (a) Summary of acquisition continued

Details of the fair value of the net assets acquired on business acquisition are as follows:

	RBI Group \$m
Purchase consideration	
Consideration transferred	5.0
<b>Total purchase consideration</b>	<b>5.0</b>
Less: Fair value of net identifiable assets acquired	1.3
Goodwill on business acquisition	3.7

### (b) Purchase consideration

	RBI Group \$m
Consideration transferred	5.0
<b>Total consideration transferred</b>	<b>5.0</b>

### (c) Assets and liabilities acquired

	RBI Group \$m
Cash	0.4
Receivables	0.1
Plant and equipment	-
Right-of-use assets	0.1
Intangibles	1.5
Other assets	0.1
Payables	-
Provisions	-
Lease liabilities	(0.1)
Deferred tax liability	(0.3)
Other liabilities	(0.5)
<b>Fair value of net identifiable assets acquired</b>	<b>1.3</b>

## 22. Investments accounted for using the equity method

### (a) Carrying amounts

All associates and joint ventures are measured using the equity method and have a reporting date of 30 June. The country of incorporation is also their principal place of business. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Principal activity	Place of Business	Ownership interest		Consolidated carrying amounts	
			2025 %	2024 %	2025 \$m	2024 \$m
<b>Associates</b>						
Insurance Manufacturers of Australia Pty Limited (IMA) <sup>1</sup>	General insurance	Australia	30	30	446.7	446.7
Australian Motoring Services Pty Ltd (AMS) <sup>2</sup>	Assistance services	Australia	33	24	66.9	6.8
Vendor Compare Pty Ltd trading as PropTech Labs	Property Management	Australia	43	43	19.7	19.9
JET Charge Pty Ltd	EV charging services	Australia	11	15	15.5	16.6
Vehicle Repairhub Pty Limited (Repairhub)	Vehicle repair services	Australia	28	27	9.6	7.6
Before You Buy Pty Ltd	Inspection services	Australia	20	20	5.4	5.4
Accel Air Pty Ltd	Heating and cooling services	Australia	40	-	1.8	-
PowerSync Pty Ltd	Energy optimisation technology	Australia	10	-	1.1	-
Deep Blue Company Pty Ltd (DBC)	Conveyancing services	Australia	16	16	0.9	14.0
Real Estate Agent Select Limited	Property services	Australia	23	23	-	0.2
Club Assets Pty Ltd (Club Assets) <sup>2</sup>	Assistance services	Australia	-	50	-	-
					<b>567.6</b>	<b>517.2</b>
<b>Joint Arrangements</b>						
Landchecker Holdings Pty Ltd <sup>3</sup>	Property services	Australia	50	62	12.5	15.6
					<b>580.1</b>	<b>532.8</b>

<sup>1</sup> RACV's associate, IMA, has a contingent liability for a civil penalty proceeding commenced by the Australian Securities and Investments Commission (ASIC) in the Federal Court of Australia against IMA on 24 August 2023 and a statement of claim for a policyholder class action in the Supreme Court of Victoria served to IMA on 28 May 2024. At 30 June 2025 and 2024, both items were not able to be reliably measured.

<sup>2</sup> Refer to Note 9 for further details on AMS and Club Assets merger transaction.

<sup>3</sup> Despite holding a majority of the voting rights, the Group does not have control over Landchecker Holdings Pty Ltd due to its inability to unilaterally direct the relevant activities without agreement from the other shareholder, as required by AASB 10. Therefore, the Group continues to equity account for this investment. During the year, the Group sold 3,231,513 shares, representing 12% ownership interest in Landchecker Holdings Pty Ltd.

Associates and joint ventures are strategic investments for the Group and complement the services provided by the general insurance, emergency roadside assistance and home businesses.

## 22. Investments accounted for using the equity method continued

### (b) Movements in carrying amount of investments in associates and joint ventures

	2025 \$m	2024 \$m
Opening balance	532.8	491.5
Increase in investment in associates and joint ventures	61.7	17.8
Disposals	(3.0)	-
Share of profits after income tax	177.7	134.1
Impairment	(12.8)	-
Dividend received	(176.1)	(80.1)
Changes to retained earnings	(0.2)	0.4
Classification of asset held for sale	-	(35.7)
Changes to retained earnings, due to adoption of AASB17	-	4.8
<b>Closing balance</b>	<b>580.1</b>	<b>532.8</b>

### (c) Summarised financial information for associates and joint ventures

The table below presents summarised financial information for associates and joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates.

	IMA		AMS		Other associates & joint ventures <sup>1</sup>	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
<b>Balance Sheet</b>						
Total assets	4,525.3	4,314.0	406.6	91.4	205.4	155.0
Total liabilities	3,034.0	2,824.0	192.3	63.9	106.4	94.5
<b>Net assets</b>	<b>1,491.3</b>	<b>1,490.0</b>	<b>214.3</b>	<b>27.5</b>	<b>99.0</b>	<b>60.5</b>
<b>Reconciliation to carrying amounts</b>						
Opening net assets 1 July	1,490.0	1,290.1	27.5	37.5	60.6	134.7
Increase in investment in associates and joint ventures	-	-	176.5	-	57.8	18.6
Profit/(loss) after tax for the period	586.3	439.0	10.3	(10.0)	(19.4)	(2.7)
Dividends paid	(587.0)	(256.0)	-	-	-	(7.9)
Share of reserves movement charged to retained earnings	2.0	16.9	-	-	-	(0.8)
Reclassified as held for sale	-	-	-	-	-	(81.4)
<b>Closing net assets 30 June</b>	<b>1,491.3</b>	<b>1,490.0</b>	<b>214.3</b>	<b>27.5</b>	<b>99.0</b>	<b>60.5</b>
<b>Group's share of closing net assets 30 June</b>	<b>446.7</b>	<b>446.7</b>	<b>71.1</b>	<b>6.7</b>	<b>21.0</b>	<b>16.8</b>
<b>Statement of Comprehensive Income</b>						
<b>Revenue</b>	<b>5,753.7</b>	<b>5,142.0</b>	<b>601.6</b>	<b>71.1</b>	<b>276.5</b>	<b>254.9</b>
Profit/(loss) after tax for the period	586.3	439.0	10.3	(10.0)	(19.4)	(15.9)
Other comprehensive income	2.0	16.4	-	-	-	-
<b>Total comprehensive income 30 June</b>	<b>588.3</b>	<b>455.4</b>	<b>10.3</b>	<b>(10.0)</b>	<b>(19.4)</b>	<b>(15.9)</b>

<sup>1</sup> Refer to note 22(a) for details of other associates.

## 23. Parent entity financial information

### (a) Summary financial information

The individual financial statements for Royal Automobile Club of Victoria (RACV) Limited, the parent entity, show the following aggregate amounts:

	RACV	
	2025 \$m	2024 \$m
<b>Loss for the year</b>	(100.4)	(42.3)
<b>Total comprehensive loss</b>	(86.9)	(46.2)

	RACV	
	2025 \$m	2024 \$m
<b>Balance Sheet</b>		
Current assets	536.3	498.7
Total assets	1,811.9	1,788.6
Current liabilities	1,813.9	1,735.4
Total liabilities	1,858.6	1,748.4
<b>Equity</b>		
Asset revaluation reserve	263.3	251.4
Retained earnings	(310.1)	(211.2)
<b>Total equity</b>	(46.8)	40.2

The individual financial statements for Royal Automobile Club of Victoria (RACV) Limited, has been prepared on the same basis as the consolidated Financial Statements.

### (b) Financial guarantees entered into by Royal Automobile Club of Victoria (RACV) Limited

Cross guarantees are provided by RACV and each of its wholly owned subsidiaries within the Closed Group as described in note 26. No deficiencies of assets exist in the Closed Group.

R.A.C.V. Finance Limited has a \$20.0 million line of credit with RACV Investment Holdings Pty Ltd to support its short term funding needs (2024: \$20.0 million). This remains undrawn at the reporting date (2024: undrawn).

No liability was recognised by the Group or RACV in respect of these guarantees.

### (c) Contingent liabilities of Royal Automobile Club of Victoria (RACV) Limited

RACV has agreed to support various Group subsidiaries to ensure their debts are paid as and when they fall due (refer to note 26).

### (d) Contractual commitments for the acquisition of plant and equipment

As at 30 June 2025, Royal Automobile Club of Victoria (RACV) Limited has contractual commitments related to capital expenditure as disclosed in note 29(a).

## Further details

### 24. Equity

#### (a) Reserves

	2025 \$m	2024 \$m
Asset revaluation reserve	269.3	257.7
<b>Movements:</b>		
Opening balance	257.7	263.7
Revaluation – gross	11.6	(6.0)
Deferred tax	(1.7)	1.3
Derecognised deferred tax	1.7	(1.3)
<b>Closing balance</b>	<b>269.3</b>	<b>257.7</b>

#### (b) Nature and purpose of reserves

##### Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of properties as described in note 28(l).

#### (c) Retained earnings

	2025 \$m	2024 \$m
Opening balance	1,895.7	1,734.2
Net profit for the year	165.9	157.0
Superannuation plan remeasurements	1.5	(0.7)
Deferred tax on superannuation plan	(0.5)	0.2
Derecognised deferred tax	0.6	(0.2)
Change in associate retained earnings	0.3	5.2
<b>Closing balance</b>	<b>2,063.5</b>	<b>1,895.7</b>

#### (d) Capital risk management

The Group's objective when managing members' equity (capital) is to protect the financial viability and sustainability of the Group and to ensure sufficient funds continue to be available to deliver member services and carry out business plans and initiatives. The Group's capital management is focused on monitoring balance sheet strength and flexibility using liquidity projections (refer to note 14(b)) and detailed budgeting processes.

## (e) Membership

	Number of members	
	2025	2024
<b>Membership category</b>		
Ordinary (Club)	25,192	24,874
Service	1,387,852	1,390,345
<b>Total voting members</b>	<b>1,413,044</b>	<b>1,415,219</b>
Relationship members	872,268	829,901
Associate Corporate and Honorary Club members	4,273	4,166
<b>Total members</b>	<b>2,289,585</b>	<b>2,249,286</b>

RACV operates as a company limited by guarantee with the liability of any member not exceeding \$6.30. The number of voting members represents the total number of members who are entitled to a vote.

In accordance with the Constitution, Service members and Ordinary (Club) members are entitled to vote in a Service election whilst only Ordinary (Club) members are entitled to vote in an Ordinary (Club) election.

Associate Corporate and Honorary Club members and Relationship members are not entitled to a vote under the Constitution.

## 25. Related party transactions

The Royal Automobile Club of Victoria (RACV) Limited is the ultimate controlling entity.

### (a) The following related party transactions occurred during the financial year:

#### Transactions with related parties within the wholly owned Group

Administrative and other service charges are made within the Group on commercial terms and conditions. All material transactions with associate companies are made on commercial terms and conditions.

	2025 \$'000	2024 \$'000
<i>Transactions with other related parties</i>		
Commission and other revenue		
IMA	209,213	186,175
AMS	47,192	9,516
Club Assets	-	36,425
Vehicle Repairhub	-	52
Interest and other income		
DBC	1,488	627
Superannuation expenses		
RACV Superannuation Fund	11,748	11,146
Purchase of goods and services		
AMS	26,815	546
Jetcharge	2,455	1,099
Club Assets	-	25,816

## 25. Related party transactions continued

### (a) The following related party transactions occurred during the financial year: continued

	2025 \$'000	2024 \$'000
<i>Outstanding balances with related parties</i>		
Current receivables		
IMA	18,184	15,921
AMS	3,427	-
Club Assets	-	3,191
Vehicle Repairhub	-	327
Non current receivables		
DBC <sup>1</sup>	11,545	10,057
Vehicle Repairhub	1,046	1,004
Current payables		
IMA	24,309	18,766
AMS	-	275

<sup>1</sup> The non current receivable from Deep Blue Company(DBC) is under a term loan facility for a maximum amount of \$15 million with an initial term of six months which may be extended for further two periods of six months by written agreement. The interest on this facility at 30 June 2025 was 15% per annum (2024: 12% per annum). Over the next 12 months, the Group intends to cease capitalising unpaid interest, with principal repayments to commence in 2026 financial year.

### (b) Ownership interests in related parties

Interests held in the following classes of related parties are set out in the following notes:

- i. Subsidiaries - note 20
- ii. Associates and joint ventures - note 22

## 26. Deed of cross guarantee

RACV and each of its wholly owned subsidiaries indicated in note 19, excluding Altius Property Group Pty Ltd, RACV Insurance Services Pty. Ltd. and R.A.C.V. Finance Limited and its subsidiaries (2024: excluding RACV Insurance Services Pty. Ltd., R.A.C.V. Finance Limited and its subsidiaries, Nationwide Group Pty Ltd, Homes Trades Hub Australia Pty Ltd and RACV Travel and Experiences Pty Ltd) are parties to a Deed of Cross Guarantee (Deed) under which each company guarantees the debts of the others. By entering into the Deed, these wholly owned subsidiaries have been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

These companies represent a 'Closed Group' for the purposes of the Instrument and, as there are no other parties to the Deed that are controlled by RACV, they also represent the 'Extended Closed Group'. Set out below is a consolidated Statement of Profit or Loss, Statement of Comprehensive Income, summary of movements in retained earnings and a Balance Sheet of the Closed Group, after eliminating all transactions between parties to the Deed.

	Closed Group	
	2025 \$m	2024 \$m
<b>Statement of Profit or Loss</b>		
Revenue and other income	784.2	620.1
Other investment income	46.2	30.8
Expenses	(801.4)	(612.3)
Interest expense and other finance costs	(16.4)	(15.3)
Impairment of assets	(26.4)	(1.0)
Share of net profit and impairment of equity accounted investments	164.7	133.9
Net gain on financial instruments	22.9	27.1
Fair value adjustment to assets	(15.1)	5.1
<b>Profit before income tax</b>	<b>158.7</b>	<b>188.4</b>
Income tax benefit	22.3	11.3
<b>Profit after income tax</b>	<b>181.0</b>	<b>199.7</b>
<b>Statement of Comprehensive Income</b>		
Profit after income tax	181.0	199.7
Items that will not be reclassified to profit or loss:		
Gain on revaluation of land and buildings, net of tax	9.9	(4.7)
Superannuation plan remeasurements, net of tax	1.1	(0.5)
Change in associate retained earnings, net of tax	0.3	0.3
Derecognised deferred tax	2.2	(1.5)
<b>Total comprehensive income for the year</b>	<b>194.5</b>	<b>193.3</b>
<b>Movement in retained earnings</b>		
Opening balance	1,825.7	1,621.5
Retained earnings of subsidiaries entered the Closed Group	11.3	-
Profit after income tax	181.0	199.7
Superannuation plan actuarial remeasurements	1.5	(0.7)
Change in associate retained earnings	0.3	5.2
<b>Retained earnings at the end of the financial year</b>	<b>2,019.8</b>	<b>1,825.7</b>

## 26. Deed of cross guarantee continued

	Closed Group	
	2025 \$m	2024 \$m
<b>Balance Sheet</b>		
<b>Current assets</b>		
Cash and cash equivalents	53.9	33.6
Receivables	45.6	16.1
Inventories	6.9	2.3
Financial assets at fair value through profit or loss	39.5	5.1
Prepayments and other financial assets	55.0	35.6
Assets held for sale	-	35.7
<b>Total current assets</b>	<b>200.9</b>	<b>128.4</b>
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	672.8	549.7
Investments accounted for using the equity method	622.1	611.4
Property, plant and equipment	1,019.2	991.6
Right-of-use assets	10.4	6.4
Investment properties	108.3	113.6
Intangible assets	47.7	41.2
Superannuation benefits assets	10.5	7.2
Receivables	19.8	-
<b>Total non-current assets</b>	<b>2,510.8</b>	<b>2,321.1</b>
<b>Total assets</b>	<b>2,711.7</b>	<b>2,449.5</b>
<b>Current liabilities</b>		
Trade and other payables	125.9	96.3
Interest bearing liabilities	15.5	62.9
Provisions	72.1	57.4
Unearned income and contract liabilities	131.7	126.6
Lease liabilities	3.8	1.9
Other financial liabilities	-	1.5
<b>Total current liabilities</b>	<b>349.0</b>	<b>346.6</b>
<b>Non-current liabilities</b>		
Interest bearing liabilities	54.6	-
Provisions	6.0	6.0
Unearned income and contract liabilities	5.5	8.4
Lease liabilities	7.6	5.1
<b>Total non-current liabilities</b>	<b>73.7</b>	<b>19.5</b>
<b>Total liabilities</b>	<b>422.7</b>	<b>366.1</b>
<b>Net assets</b>	<b>2,289.0</b>	<b>2,083.4</b>

	Closed Group	
	2025 \$m	2024 \$m
<b>Equity</b>		
Reserves	269.2	257.7
Retained earnings	2,019.8	1,825.7
<b>Total equity</b>	<b>2,289.0</b>	<b>2,083.4</b>

## 27. Auditor's remuneration

Details of the amounts paid or payable to the auditor, Ernst & Young (2024: PricewaterhouseCoopers and Moore Australia), for audit and non-audit services provided during the year are set out below.

	2025 \$'000	2024 \$'000
Audit of consolidated financial reports of RACV and the financial reports of its subsidiaries	1,029	715
Other assurance services	215	38
	<b>1,244</b>	<b>753</b>
<b>Non-assurance services</b>		
Other services	712	126
	712	126
<b>Total remuneration</b>	<b>1,956</b>	<b>879</b>
<b>Moore Australia</b>		
Audit of financial reports of Nationwide Group and Home Trades Hub Australia	-	168
<b>Total remuneration</b>	<b>-</b>	<b>168</b>

It is RACV's policy to employ auditors on assignments additional to their statutory audit duties where their expertise and experience with RACV are important. These assignments are principally audit and other services, or where the auditor is awarded assignments on a competitive basis. The board of directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the general standard of auditor independence imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

## 28. Material accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report is for the consolidated entity (the Group) consisting of Royal Automobile Club of Victoria (RACV) Limited ("RACV") and its subsidiaries.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for the purpose of preparing the financial statements.

#### Compliance with IFRS

The consolidated Financial Statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### Historical cost convention

These consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment, and investment property - measured at fair value or revalued amount; and
- defined benefit pension plans - plan assets measured at fair value.

#### Functional and presentation currency

The consolidated Financial Statements are presented in Australian dollars, which is the functional and presentation currency of the Group.

#### Accounting estimates, assumptions and judgements

In preparing these consolidated Financial Statements management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements are disclosed in the following notes:

- Provision for impairment of loan receivables - note 2(b);

- Property valuation - note 4;
- Impairment of goodwill and customer contracts - note 6;
- Investment in unlisted unit trusts - note 15;
- Income taxes - note 17;
- Impairment of associates and joint ventures - note 22; and
- Fair value of Interest rate swap - note 12.

#### Reclassification of prior year amounts

Where material, comparative amounts have been reclassified to ensure consistency with the current reporting period.

#### New and amended standards adopted by the Group

The Group has applied the following standards and amendments that are mandatory for the first time for the financial year beginning 1 July 2024. The below standards do not have a material impact on the entity in the current reporting period.

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Noncurrent [AASB 101]*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants [AASB 101]*

#### Early adoption of standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

- AASB 18 *Presentation and Disclosure in Financial Statements*  
The standard aims to provide greater consistency in presentation of profit and loss and cash flow statements. Based on the initial assessment, the adoption of AASB18 *Presentation and Disclosure in Financial Statements* is expected to impact the presentation of the Group's financial statements. The Group will complete a detailed impact assessment in FY26.

The below standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- AASB 2024-2 *Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments [AASB 7 & AASB 9]*
- AASB S2 *Climate-related Disclosures*

## (b) Principles of consolidation

### Subsidiaries

The consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of RACV as at 30 June 2025 and the results of all subsidiaries for the year then ended. RACV and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The entities controlled by RACV are set out in note 20. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 28(f)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Investments in subsidiaries are accounted for at cost in the individual statements of RACV.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet and Consolidated Statement of Changes in Equity respectively.

### Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for in the relevant parent entity Financial Statements using the cost method and in the Group's Financial Statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of associates' post-acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the relevant parent entity's statement of profit or loss, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate is equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of associates have been changed where necessary to ensure consistency with policies adopted by the Group.

### Joint ventures

The interest in a joint venture partnership is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the company's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

## (c) Revenue recognition

Revenue from contracts with customers comprise subscription and entrance fee income, commission income, club and resorts trading income, towing income, other trading income, traffic content income and sale of goods.

Revenue is recognised when control of goods or services is transferred to the customer and requires the identification of discrete performance obligations within a customer contract and an associated transaction price that is allocated to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of the goods or services is transferred to the customer.

## 28. Material accounting policies continued

### (c) Revenue recognition continued

Revenue recognition from contracts with customers is outlined below:

Revenue stream	Contract deliverables	Timing of recognition
Subscription fee income	Provision of motoring, home and leisure services	Annual subscriptions are prepaid and recognised over time and on a straight-line basis as the customer receives the benefit of access to the services.  The portion of subscriptions received, which relates to the period after the reporting date, are included in the consolidated Financial Statements as unearned income.
	Provision of traffic related services	Revenue is recognised over time and on a straight-line basis as the customer receives the benefit of access to the traffic services over the life of the contract.
	Provision of RACV member benefits	Customers of renewable subscription based services also become RACV members and are granted access to a range of member benefits. RACV membership is valued on a standalone selling price and the related revenue portion is recognised over time and on a straight-line basis in line with the relevant service provided.
Entrance fee income	Right to future services and benefits under the scheme	Non-refundable entrance fees are received in advance and recognised over time and on a straight-line basis according to the expected membership renewal period or on cancellation of membership.
Commission income	Sale of insurance, motoring and travel products	Recognised at the point in time the customer has purchased the product, less an amount for expected refund obligations, based on historical policy cancellation trends.
	Provision of RACV member benefits	Customers of renewable insurance products also become RACV members and are granted access to a range of member benefits. RACV membership is valued on a standalone selling price and the related revenue portion is recognised over time and on a straight-line basis in line with the relevant service provided.
Club and resorts trading income and other trading income	Sale of product or service provided	Recognised at the point in time the goods are transferred and the customer has control, or at the point in time the service is provided, net of any applicable returns and refunds.
Traffic content income	Provision of traffic content	Revenue is recognised over time and on a straight-line basis as the customer receives the benefit of access to the traffic content over the life of the contract.
Towing income	Provision of towing service	Recognised at the point in time the towing service has been provided and based on a fixed pricing structure.
Sale of goods	Sale of goods	Recognised at the point in time the goods are transferred and the customer has control, less an amount for expected returns.

Revenue streams paid in advance and recognised over time for services not performed at reporting date are recognised as a contract liability.

### Other trading income

Other trading income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

### Other investment income

Other investment income comprises interest and rental income. All interest is recognised as the interest accrues using the effective interest method, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument. Rental income is recognised on a straight-line basis over the lease term.

### Trust distributions

Revenue from trust distributions is recognised when the right to receive the payment is established.

## (d) Expenses

An expense is recognised when it is incurred, usually as goods or services are received or consumed.

## (e) Income tax

Income tax for the year comprises current and deferred tax. Current and deferred tax is recognised in the profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### Current tax

Current tax is the expected tax on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

### Deferred tax

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is not recognised for temporary differences relating to:

- i. initial recognition of goodwill
- ii. initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit
- iii. investment in subsidiaries, associates and jointly controlled entities where the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted at the reporting date.

Current and deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset and when the tax balances are related to taxes levied by the same tax authority and the Group intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

### Tax consolidation

RACV and its wholly owned and controlled entities have implemented the tax consolidation legislation. The head entity, RACV and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. Each entity in the tax consolidated group measures these tax amounts using the Group allocation approach.

Under the Group allocation approach, the tax effect of intercompany transactions is recognised within each wholly owned and controlled entity.

Assets or liabilities arising under the tax funding agreement with RACV are recognised as amounts due to/from controlled entities. Any differences between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to or distribution from wholly owned tax consolidated entities (refer to note 16).

## (f) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition, except in business combinations where acquisition related costs are expensed as incurred. In business combinations, contingent payments are included in the purchase consideration at their fair value. Contingent payments classified as debt are subsequently remeasured through profit and loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 28(p)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Consolidated Statement of Profit or Loss, but only after a reassessment of the identification and measurement of the net assets acquired.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

## 28. Material accounting policies continued

### (g) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired and are carried at cost less accumulated impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

### (h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and restricted cash. Bank overdrafts are presented in cash and cash equivalents when the entities are party to the Group's set-off agreement, otherwise they are shown within interest bearing liabilities in current liabilities on the Balance Sheet. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### (i) Receivables, finance lease receivables and financial assets at fair value through profit or loss

#### Classification

The Group has classified its financial assets into receivables, finance lease receivables and financial assets at fair value through profit or loss. Classification is dependent on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

#### Receivables

Receivables comprise principally consumer loans and trade receivables.

Consumer loans and trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The initial direct transaction costs and fee revenue relating to consumer loans are included in the initial measurement of the loan.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. Receivables are deemed to be uncollectable when certain characteristics are present. These include: arrears greater than 180 days with no payment within the last three months, total payments in the last six months lower than one contractual monthly repayment or customer under a Part IX Debt Agreement. A provision for impairment is established based on the expected credit loss model outlined in note 14(a).

#### Finance lease receivables

Finance lease receivables are recorded at their recoverable amount, an amount equal to the net investment in the lease. The net investment in the lease is equal to the minimum lease payments receivable under the lease plus any unguaranteed residual accruing to the Group discounted at the interest rate implicit in the lease.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise unit trust investments and derivative financial instruments. Unit trust investments are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Derivative financial assets are included in non-current assets.

Unit Trust Investments are initially recognised on trade date at fair value plus transaction costs and derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. The fair values of the investments are based on current exit price. Subsequent changes in fair value are recognised in the Statement of Profit or Loss.

#### Derivative Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Changes in the fair value of the derivatives are recognised immediately in profit or loss. Hedge accounting is not applied.

### (j) Inventories

Inventories comprising finished goods and supplies used in the provision of club and resorts services are stated at the lower of cost and net realisable value. Cost is determined on the basis of first in first out. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling costs.

### (k) Prepayments and accrued income

A prepayment is recognised where a payment is made in advance of the goods and/or services being provided and a refund entitlement exists if the future delivery/service is cancelled.

An income accrual is generally required where the goods and/or services have been provided to a member, but not invoiced or payment has not yet been received.

## (l) Property, plant and equipment

Land and buildings (except for investment properties – refer to note 28(n)) are shown at fair value, based on annual valuations by external independent valuers, less subsequent depreciation for buildings and freehold land improvements. 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. All other plant and equipment, including assets in the course of construction, are stated at historical cost less depreciation and impairment losses where applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

Land and assets in the course of construction are not depreciated. Depreciation on other assets is calculated on a straight-line basis to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Buildings and land improvements	15 to 40 years	(2024: 15 to 40 years)
Computer and communication equipment	2 to 10 years	(2024: 2 to 10 years)
Plant and equipment	2 to 25 years	(2024: 2 to 25 years)

Where carrying values exceed recoverable amount, assets are written down (refer to note 28(g)). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the Consolidated Statement of Profit or Loss. When revalued assets are sold, amounts included in the asset revaluation reserve in respect of the assets are transferred to retained earnings.

## (m) Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

## (n) Investment properties

Investment properties are held for long term rental yields and are not significantly occupied by the Group. If the portion occupied by the Group cannot be sold separately from the portion held for long term rental yields, the property is an investment property so long as the portion held for use in the production or supply of goods or services for administrative purposes is insignificant. Investment properties are carried at fair value, based on annual valuations determined by external independent valuers. Changes in fair value are recorded in the Consolidated Statement of Profit or Loss.

## (o) Assets classified as held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

## 28. Material accounting policies continued

### (o) Assets classified as held for sale continued

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

### (p) Intangible assets

Intangible assets include customer contracts, goodwill, software and software in development. These assets, except for software and customer contracts, are deemed to have an indefinite useful life and as a result are subject to impairment testing (refer to note 28(g)).

#### Customer contracts

Customer contracts are recognised where the legal rights attached to customer relationships can be reliably measured and are expected to provide future economic benefits to the Group as identified at the date of acquisition. These are measured at fair value at the date of acquisition. Subsequent to acquisition, customer contracts are stated at historical cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over 16 years. Where carrying values exceed recoverable amounts, customer contracts are written down to their recoverable amount. Gains and losses on the disposal of an entity include the carrying amount of customer contracts relating to the entity sold.

#### Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### Software

Costs incurred in acquiring software and licenses that will contribute to future financial benefits through revenue

generation and/or cost reduction are capitalised to software. Costs capitalised include external direct costs of materials and services, and an appropriate portion of directly attributable employee costs and overheads.

Software has a finite useful life and is stated at historical cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over periods generally ranging from 2 to 5 years (2024: 2 to 5 years). Where carrying values exceed recoverable amounts, assets are written down to their recoverable amount.

Costs incurred in configuring or customising Software as a Service (SaaS) arrangements can only be recognised as intangible assets if the implementation activities create an intangible asset that the Group controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangements to significantly customise the cloud-based software for the Group, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.

#### Software development

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future financial benefits through revenue generation and/or cost reduction are capitalised to software. Costs capitalised include external direct costs of materials and services and an appropriate portion of directly attributable employee costs and overheads. Software in development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Costs incurred in configuring or customising SaaS arrangements can only be recognised as intangible assets if the implementation activities create an intangible asset that the Group controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangements to significantly customise the cloud-based software for the Group, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.

### (q) Provisions for employee benefits

#### Wages and salaries and sick leave

Liabilities for wages and salaries and accumulating sick leave that are expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting

period and are measured as the amount unpaid at the reporting date at expected pay rates in respect of employees' services up to that date.

#### Long service leave and annual leave

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised and included in the employee entitlements liability and are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Consolidated Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

#### Incentive plans

A liability for incentive plans is recognised and included in employee entitlements liability when there is no realistic alternative but to settle the liability and at least one of the following conditions are met:

- i. there are formal terms in the plan for determining the amount of the benefit;
- ii. the amounts to be paid are determined before the time of completion of the financial report; or
- iii. past practice gives clear evidence of the amount of the obligation.

Liabilities for incentive plans are measured at the amounts expected to be paid when they are settled. Amounts payable under long term incentive plans are discounted using corporate bond rates with terms to maturity that match, as closely as possible, the estimated future cash outflows.

#### Superannuation benefits

The RACV Superannuation Fund (Plan) exists to provide benefits to employees of the Group on resignation, retirement, disability or death. RACV operates one fund but with two superannuation sections, a defined contribution section and a defined benefit section.

RACV subsidiaries do not recognise a plan asset/liability or defined benefit costs in their Financial Statements. The superannuation plan asset/liability and costs are recognised in the Financial Statements of RACV, which is the principal employer of the Plan.

A liability or asset in respect of the defined benefit section is recognised in the Consolidated Balance Sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated periodically by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Contributions to the defined contribution section of the Group's superannuation fund and alternative defined contribution superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Further information on superannuation benefits can be found in note 19.

#### Termination benefits

Liabilities for termination benefits, not in connection with the acquisition of an entity or operation, are recognised at the earlier of the following dates:

- i. when the Group can no longer withdraw the offer of those benefits; and
- ii. when the Group recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

#### Other benefits

All permanent employees are entitled to free Roadside Care upon completion of a three-month qualifying period of employment. All employees are entitled to discounted insurance and those with more than one year's service with RACV are entitled to free membership of the RACV Club. Liabilities for other benefits are measured at the amounts expected to be paid when they are settled.

### (r) Unearned income and contract liabilities

Members' subscriptions are paid annually in advance throughout the year and are allocated to revenue on an over time basis. The portion of subscriptions received, which relate to the period after the reporting date, are

## 28. Material accounting policies continued

### (r) Unearned income and contract liabilities continued

included in the consolidated Financial Statements as unearned income. Contract liabilities are disclosed in note 11 in line with the satisfaction of performance obligations as outlined in note 28(c).

### (s) Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are normally settled within 30 days. Payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. The carrying amount of payables approximates fair value as the impact of discounting is not significant.

### (t) Interest bearing liabilities

#### Securitised warehouse facility

The securitised warehouse facility is initially recorded at the fair value of the consideration received, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Details of the terms and conditions are set out in note 13(a).

#### Secured funding facility

The borrowings on the secured funding facility are recognised initially at fair value and subsequently measured at amortised cost. Details of the terms and conditions are set out in note 13(b).

#### Chattel mortgages

Chattel mortgages are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Refer to note 13(c).

### (u) Provisions

A provision is recognised where there is a legal, equitable or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, the timing or amount of which is uncertain and the amount has been reliably estimated.

### (v) Financial instrument transaction costs

Transaction costs are included in the carrying amounts of the financial instruments.

### (w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the Consolidated Balance Sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (x) Rounding of amounts

The Group is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, issued by the Australian Securities and Investments Commission (ASIC), relating to the rounding off of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars, except where otherwise indicated.

# Unrecognised items

## 29. Commitments and contingencies

### (a) Estimated capital expenditure contracted at reporting date but not provided for

	2025 \$m	2024 \$m
Estimated capital expenditure contracted at reporting date but not provided for	1.7	1.5

The balance represents the parent entity's contractual commitments with regard to property and software related works.

### (b) Credit related commitments

	2025 \$m	2024 \$m
Credit related commitments	18.3	17.2

This relates to customer loans approved by R.A.C.V. Finance Limited but not drawn at reporting date.

### (c) Bank guarantees

	2025 \$m	2024 \$m
Bank guarantees	14.6	11.9

## 30. Subsequent events

On 6 August 2025, the Group received a fully franked dividend from Insurance Manufacturers of Australia Pty Ltd, an associate, amounting to \$27.3 million. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2025 and will be recognised in subsequent financial period.

In the opinion of the directors, apart from matters disclosed above, there are no other matters or circumstances which have arisen between 30 June 2025 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial years.

# Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2025

As at 30 June 2025					
Name of entity	Type of entity	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Royal Automobile Club of Victoria (RACV) Limited	Body Corporate	100	Australia	Australian	-
RACV Holdings Pty Ltd	Body Corporate	100	Australia	Australian	-
RACV Investment Holdings Pty Ltd	Body Corporate	100	Australia	Australian	-
Club Tasmania Holdings Pty Ltd	Body Corporate	100	Australia	Australian	-
RACV Insurance Services Pty Ltd	Body Corporate	100	Australia	Australian	-
R.A.C.V. Finance Limited	Body Corporate	100	Australia	Australian	-
RACVF Warehouse Trust No.1	Trust	100	Australia	Australian	-
RACVF Warehouse Trust No.2	Trust	100	Australia	Australian	-
Intelematics Australia Pty Ltd	Body Corporate	100	Australia	Australian	-
RACV Regional Services Pty Ltd	Body Corporate	100	Australia	Australian	-
Arevo Pty Ltd	Body Corporate	100	Australia	Australian	-
Altius Property Group Pty Ltd	Body Corporate	100	Australia	Australian	-
RACV Solar Pty Ltd	Body Corporate	100	Australia	Australian	-
Bedlam Enterprises Pty Ltd	Body Corporate	100	Australia	Australian	-
Bedlam Enterprises Unit Trust	Trust	100	Australia	Australian	-
Nationwide Group Pty Ltd	Body Corporate	100	Australia	Australian	-
Eastern Van Services Pty Ltd	Body Corporate	100	Australia	Australian	-
Fleet Company 2017 Pty Ltd	Body Corporate	100	Australia	Australian	-
Leasetek Pty Ltd	Body Corporate	100	Australia	Australian	-
Nationwide Roadside Services Pty Ltd	Body Corporate	100	Australia	Australian	-

As at 30 June 2025					
Name of entity	Type of entity	% of share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Nationwide Towing & Transport Pty Ltd	Body Corporate	100	Australia	Australian	-
134 Tow Pty Ltd	Body Corporate	100	Australia	Australian	-
Truck Tow Pty Ltd	Body Corporate	100	Australia	Australian	-
Home Repair Network Philippines Inc	Body Corporate	100	Philippines	Australian*	-
Home Trades Hub Australia Pty Limited	Body Corporate	100	Australia	Australian	-
HT International Holdings Pty Ltd	Body Corporate	100	Australia	Australian	-
RACV Security Pty Ltd	Body Corporate	100	Australia	Australian	-
Club Home Response Pty Ltd	Body Corporate	100	Australia	Australian	-
PropertySafe Holdings Pty Ltd	Body Corporate	100	Australia	Australian	-
PropertySafe (Aust) Pty Ltd	Body Corporate	100	Australia	Australian	-
Maintenance Manager Pty Ltd	Body Corporate	100	Australia	Australian	-
PropertySafe Pty Ltd	Body Corporate	100	Australia	Australian	-
PropertySafe Administration Pty Ltd	Body Corporate	100	Australia	Australian	-
Property Safe (NZ) Limited	Body Corporate	100	New Zealand	Australian*	-
RACV Travel and Experiences Pty Ltd	Body Corporate	100	Australia	Australian	-
Cliqit Pty Ltd	Body Corporate	100	Australia	Australian	-
Rapid Building Inspections Pty Ltd	Body Corporate	100	Australia	Australian	-
Rapid Building Inspections IP Pty Ltd	Body Corporate	100	Australia	Australian	-

\* The two entities have been assessed as Australian tax residents under the Income Tax Assessment Act 1997 and therefore not classified as foreign tax residents under that Act.

# Directors' Declaration

In the directors' opinion:

- (a) the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's balance sheet as at 30 June 2025 and of its performance, for the year ended on that date; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement on page 86 is true and correct; and
- (d) at the date of the declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 26 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in note 26.

Note 28(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

**On behalf of the Board**



**Mr G J Robinson**  
Chairman



**Mr N Taylor**  
Managing Director and Chief Executive Officer

**Melbourne**  
10 September 2025



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Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## Independent Auditor's Report to the Members of Royal Automobile Club of Victoria (RACV) Limited

### Opinion

We have audited the financial report of Royal Automobile Club of Victoria (RACV) Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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



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## **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial report**

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



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- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Jacob Gossan', written in a cursive style.

Jacob Gossan  
Partner  
Melbourne  
10 September 2025



Level 7, 485 Bourke Street  
Melbourne Victoria 3000

Royal Automobile Club of Victoria  
(RACV) Limited  
ABN 44 004 060 833

[racv.com.au](http://racv.com.au)



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