

Mingara Recreation Club Limited

ABN: 81 001 662 648

Financial Statements

For the Year Ended 29 June 2025

Mingara Recreation Club Limited

ABN: 81 001 662 648

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Mingara Recreation Club Limited

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Directors' Report
For the Year Ended 29 June 2025

The directors present their report on Mingara Recreation Club Limited for the financial year ended 29 June 2025.

Directors

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

Names	Appointed
Jessica Jemima Gleeson	Commenced April 2024
Kate Herron	Commenced May 2018
Russell Johnston	Commenced March 2013
Debbie Phillips	Commenced June 2016
Ian Robilliard, OAM	Commenced May 2019
Philip Walker	Commenced October 1996

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

Company Secretary

The following person held the position of Company secretary at the end of the financial year:

Mr Paul Barnett (MME (Newcastle), GAICD, JP) was appointed to the position of Company Secretary on 27 December 2002. Mr Barnett is also the Chief Executive Officer of the group and has been in the gaming and hospitality industry since 1988.

Principal Activities

The principal activities of the Company is to be a non-proprietary, not-for-profit members' club conducted in good faith as a club for the benefit of members and their guests.

During the financial year the Company opened a hotel, Encore by Mingara, on the property at Tumby Umbi.

Review of operations

The profit of the Company after providing for income tax amounted to \$2,105,242 (2024: profit of \$6,160,673).

The operating profit for the year amounted to \$13,399,408 (2024: \$15,821,538) before charging \$9,706,602 (2024: \$8,763,210) for depreciation and amortisation, \$1,444,655 (2024: \$389,883) for financing costs and income tax expense of \$142,909 (2024: \$507,772).

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Directors' Report For the Year Ended 29 June 2025

Review of operations (cont'd)

The profit break up between each of the Club's sites is as follows:

	2025	2024
	\$	\$
Mingara Recreation Club Ltd (Tumbi Umbi)	3,591,725	6,160,141
The Westport Club (Port Macquarie)	3,580,778	4,553,391
Lantern Club (Roselands)	3,708,112	3,733,284
Springwood Sports Club	537,495	(286,574)
The Greens The Entrance	(933,524)	(858,253)
Other Group Income and Expenses	(8,236,435)	(6,633,544)
	2,248,151	6,668,445
Income tax expense	(142,909)	(507,772)
Total	2,105,242	6,160,673

Core and non-core property

For the purpose of complying with section 41J Registered Clubs Act, the Club's members, at the Annual General Meeting held on 18 November 2007, passed the following ordinary resolution:

That all of the real property owned or occupied by the Club is declared not to be core property of the Club except:

- the Club's defined premises other than the areas within those defined premises currently occupied by third-party users; and
- the bowling greens currently used in connection with the Club's Port Macquarie premises.

Short and long term objectives

The Club's short and long term objectives as outlined in the Club's business plan is reviewed on an annual basis. The Club's short term objective is to maintain the current level of services provided to members and their guests whilst improving trading performance at all venues. This integrates with the longer term objective of conducting business activities in a sound and responsible manner ensuring value to members and the community.

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Directors' Report For the Year Ended 29 June 2025

Short and long term objectives (cont'd)

These objectives are measured through both financial and non-financial key performance indicators that have been determined as relevant to the club industry.

The Club continually reviews its operations and assesses opportunities to determine if they can be a benefit to the Club and its members.

Membership

The Club is a company limited by guarantee and without share capital. The number of members at 29 June 2025 and the comparison with the prior year is as follows:

	2025 No.	2024 No.
Ordinary	63,998	58,226
Special	6,154	6,116
Junior	842	269
Employee	409	362
Life	7	7
Total	71,410	64,980

Information relating to Directors

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

Jessica Jemima Gleeson	Business Manager
Experience	Director since April 2024 Business Owner Glee Coffee Roasters Pty Ltd, 2008 Leadership and Business consultant, 2022 – 2024 Mentor Tactical Skills Coach NSW Police Force, 2022 - 2024 Team Leader NSW Police Force, 2019 - 2024 Business Manager Glee Coffee Roasters, 2012 - 2019 Over 10 years experience in professional communications
Kate Herron	Business Manager
Experience	Director since May 2018 Director/Shareholder, Tumby Medical Suites, 2022 Director/Shareholder, Kids Health Gosford Pty Ltd, since 2021 Director/Shareholder, Kids Point Specialist Centre Pty Ltd, 2021 Director/Shareholder, HealthPoint Mingara (Allied Health medical practice), 2017 Director/Shareholder, KidsPoint Mingara (pediatric medical practice), 2017 Business Owner
Russell Johnston	Retired
Experience	Director since March 2013 Member, Mingara Community Advisory Committee, 2010 - 2013 Director, All Over Beauty and Medi Spa Pty Ltd, 2010 - 2014 Head Teacher, Department of Education and Communities, 1981 - 2016

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Directors' Report For the Year Ended 29 June 2025

Information relating to Directors (cont'd)

Debbie Phillips Experience	Licensed Real Estate Agent/Auctioneer Director since 2016 Licensed Real Estate Agent, July 2002 - present Accredited Auctioneer, 2020 - present Licensed Real Estate Agent, Licensee in Charge, 2012 - 2019 Registered Fitness Instructor Business Owner
Ian Robilliard, OAM Experience	Business Manager Director since May 2019, Deputy Chair, since November 2020 Graduate of Australian Institute of Company Directors, 2025 Managing Director & Founder Central Coast Academy of Sport, 2004 Director, Regional Academies of Sport Inc, 2005 Director, Regional Academies of Sport Ltd, 2022 Deputy Chair, Sport Central Coast, 2019 OAM Recipient for Service to Sport as a Player, Coach and Administrator, 2017 Director, Central Coast Basketball, 2018 - 2021 Chair, Regional Academies of Sport Inc, 2018 - 2021 Managing Director, Gold Coast Academy of Sport, 2005 - 2016 CEO Sydney Kings National Basketball League, 2012 Head Coach, Sydney Kings, 2010 - 2012 Chief Operations Officer, PGA Australia, 1998 - 2003 National Education Director, PGA Australia, 1993 - 1997
Philip Walker Experience	Retired Director since 1996 Chair, 2001 - 2003, and 2012 Deputy Chair, 1998 - 2000, 2009 - 2011 Junior Deputy Chair, 1997 - 1998, 2008 - 2009 Chair, ClubsNSW Central Coast Region, since 2016 Community Support Committee member, 2008 - 2009 Chair, Regional Development Australia, Central Coast, 2014 - 2021 Acting Chair, Regional Development Australia, Central Coast, 2013 - 2014 Director of Central Coast Tourism Inc, 2003 - 2013 Former Detective Senior Sergeant, NSW Police Crime Agencies Former Chief of Staff for a member of the Australian Senate

Members' guarantee

Mingara Recreation Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 subject to the provisions of the company's constitution.

At 29 June 2025 the collective liability of members was \$1,428,200 (2024: \$1,299,600).

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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Directors' Report
For the Year Ended 29 June 2025

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Special Board Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Jessica Jemima Gleeson	8	8	3	3
Kate Herron	8	7	3	3
Russell Johnston	8	7	3	3
Debbie Phillips	8	7	3	3
Ian Robilliard, OAM	8	7	3	3
Philip Walker	8	8	3	3

Directors' Continuing Professional Development (CPD)

Industry best practice recommends that active directors record their CPD results each year, with a goal of achieving 120 points over a 3 year period (40 points per year). This demonstrates our Directors' commitment that the highest standards of governance are being applied by all Board members. Directors' CPD points during the financial year were as follows:

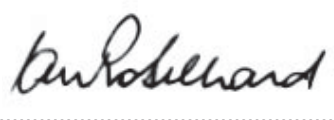
	CPD Points Achieved 2024 - 2025
Jessica Jemima Gleeson	100
Kate Herron	100
Russell Johnston	80
Debbie Phillips	100
Ian Robilliard, OAM	290
Philip Walker	280

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 29 June 2025 has been received and can be found on page 8 of the financial report.

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

Director: 
Philip Walker

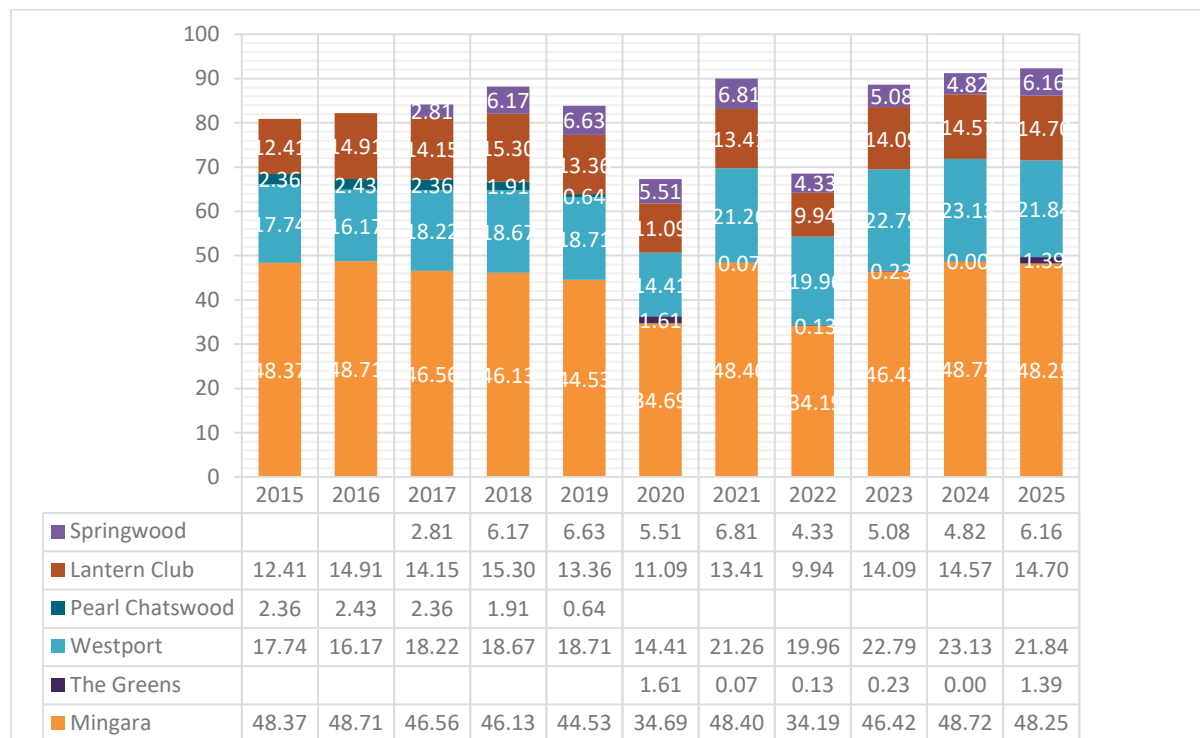
Director: 
Ian Robilliard, OAM

Dated September 23, 2025

Statement of Profit or Loss and Other Comprehensive Income

The FY25 total operating revenue is \$92.3M, an increase of \$1.1M or 1.2% on the FY24 operating revenue of \$91.2M.

SALES REVENUE BY BUSINESS 2015 - 2025
FIGURES SHOWN IN \$M'S



REVENUE BY CLUB

Commentary

Our largest expense relates to employee benefits, which includes all wages, payroll on-costs, staff training, uniforms and recruitment. Total employee benefits increased by \$1.8M for the year to \$31.2M. This represents 33.8% of revenue compared to 32.3% in the previous year. This increase is due to the addition and training of team members for our 2 new businesses, Encore by Mingara and The Greens - The Entrance, which opened throughout the year.

Poker machine compliance costs, which include the NSW Government's gaming tax increased slightly to \$19.4M. At 21% of operating revenue, this is consistent with last year and continues to be the second largest recurrent cost.

The main cost increases were Electricity by \$0.6M and Insurance by \$0.4M, while R&M decreased by \$0.6M. Depreciation was \$0.9M higher and Finance Costs increased by \$1M on last year due to interest payments on loans for the new businesses.

The FY25 profit of the club after providing for income tax is \$2.1M with the comparable result for FY24 being \$6.2M.

Mingara Recreation Club Limited

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Discussion and Analysis on the Concise Financial Report

For the Year Ended 30 June 2025

Statement of Financial Position

Net assets increased by \$2.1M from \$134.3M to \$136.4M.

Total Assets increased \$21.8M from \$168.7M to \$190.5M while Total Liabilities increased by \$19.7M from \$34.4M to \$54.1M.

Major movements in Assets during the year were:

- Increase in Property, Plant and Equipment of \$18M
- Increase in Cash holdings of \$2.9M

Major movements in Liabilities during the year were:

- Increase in Total Borrowings of \$19.6M

Total loan balances have increased from \$14.9M to \$34.5M in FY25.

Statement of Cash Flows

Cash generated from operating activities was \$10.8M, a decrease of \$12.3M on the previous year.

The Club invested \$27.3M in Property, Plant and Equipment in FY25, slightly less than the FY24 investment of \$27.6M. The main investments were the building of the hotel, Encore by Mingara, and rebuilding The Greens - The Entrance.

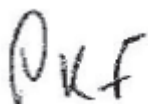
Net cash from Financing activities was \$19.4M, being \$22.2M in proceeds from bank borrowings, and \$3.6M in equipment and insurance financing, offset by \$2.9M repayment of bank borrowings, \$3.3M repayment of equipment and insurance financing, and \$0.2M repayment of leases.

As a result of these cash flow movements, opening cash of \$14.8M was increased by \$2.9M to \$17.7M at year end.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Mingara Recreation Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

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

**PKF****CLAYTON HICKEY****PARTNER****23 SEPTEMBER 2025****NEWCASTLE, NSW**

Mingara Recreation Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 29 June 2025

		2025	2024
	Note	\$	\$
Revenue	4	92,332,541	91,239,662
Finance income		217,840	40,079
Changes in inventories		103,187	(75,592)
Raw materials and consumables used		(7,135,686)	(6,668,964)
Employee benefits expense		(31,237,583)	(29,411,907)
Entertainment, promotions and members amenities		(5,326,561)	(5,443,505)
Depreciation and impairment expense		(9,706,602)	(8,763,210)
Insurance expense		(1,989,625)	(1,611,647)
Poker machine compliance costs		(19,427,488)	(19,143,557)
Postage, printing and stationery		(103,393)	(102,523)
Professional service fees		(288,054)	(275,368)
Property and IT expense		(7,144,566)	(6,148,424)
Repairs and maintenance		(2,547,262)	(3,150,525)
Other operating expenses		(4,053,942)	(3,426,191)
Finance costs		(1,444,655)	(389,883)
Profit before income tax		2,248,151	6,668,445
Income tax expense	6	(142,909)	(507,772)
Profit for the year		2,105,242	6,160,673
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2,105,242	6,160,673

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 29 June 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	17,732,283	14,790,217
Trade and other receivables	8	893,008	327,890
Inventories	9	711,819	608,632
Other assets		1,809,725	1,685,738
TOTAL CURRENT ASSETS		21,146,835	17,412,477
NON-CURRENT ASSETS			
Property, plant and equipment	10	155,100,409	137,058,966
Deferred tax assets	17	273,926	326,746
Intangible assets	11	13,673,593	13,673,593
Right-of-use assets	12	331,031	263,198
TOTAL NON-CURRENT ASSETS		169,378,959	151,322,503
TOTAL ASSETS		190,525,794	168,734,980
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	6,551,466	6,929,207
Financial liabilities	14	6,665,732	4,272,885
Current tax liabilities	17	42,198	434,121
Short-term provisions	15	5,702,974	4,862,556
Lease liabilities	12	179,491	160,967
Employee benefits	16	3,743,764	3,843,766
TOTAL CURRENT LIABILITIES		22,885,625	20,503,502
NON-CURRENT LIABILITIES			
Financial liabilities	14	27,846,859	10,609,329
Deferred tax liabilities	17	3,047,610	2,999,719
Employee benefits	16	185,481	209,241
Lease liabilities	12	155,614	113,826
TOTAL NON-CURRENT LIABILITIES		31,235,564	13,932,115
TOTAL LIABILITIES		54,121,189	34,435,617
NET ASSETS		136,404,605	134,299,363
EQUITY			
Reserves	18	3,279,120	3,279,120
Retained earnings		133,125,485	131,020,243
TOTAL EQUITY		136,404,605	134,299,363

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 29 June 2025

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 30 June 2024	131,020,243	3,279,120	134,299,363
Profit for the year	2,105,242	-	2,105,242
Balance at 29 June 2025	133,125,485	3,279,120	136,404,605
Balance at 26 June 2023	124,859,570	3,279,120	128,138,690
Profit for the year	6,160,673	-	6,160,673
Balance at 30 June 2024	131,020,243	3,279,120	134,299,363

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 29 June 2025

	2025	2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	94,807,418	100,104,285
Payments to suppliers and employees	(82,401,166)	(76,705,414)
Interest received	217,840	40,079
Interest paid	(1,431,105)	(378,381)
Income taxes paid	(434,121)	(221,022)
Receipt from Government Grants	-	249,974
Net cash provided by operating activities	<u>10,758,866</u>	<u>23,089,521</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	3,197
Purchase of property, plant and equipment	(27,257,562)	(27,564,737)
Net cash used in investing activities	<u>(27,257,562)</u>	<u>(27,561,540)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings	25,750,533	13,910,236
Repayment of bank borrowings	(6,120,156)	(13,084,503)
Repayment of lease liabilities	(189,615)	(182,050)
Net cash used in financing activities	<u>19,440,762</u>	<u>643,683</u>
Net increase/(decrease) in cash and cash equivalents held	2,942,066	(3,828,336)
Cash and cash equivalents at beginning of year	14,790,217	18,618,553
Cash and cash equivalents at end of financial year	7 <u>17,732,283</u>	<u>14,790,217</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 29 June 2025

The financial statements are for Mingara Recreation Club Limited as a not-for-profit individual entity. A not-for-profit entity is an entity whose primary objective is to provide goods or services for community or social benefit and where equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

The functional and presentation currency of Mingara Recreation Club Limited is Australian dollars.

1 Basis of Preparation

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

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

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

Comparatives are consistent with prior years, except for the reclassification of cost of sales account from revenue.

2 Summary of Material Accounting Policies

(a) Revenue and other income

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time where the performance obligations have been met and transfer of control have been completed. Revenue is recognised net of any discounts given to members/patrons.

Provision of services

Revenue from rendering of services comprises revenue from memberships together with other services to members and other patrons of the club and is recognised when the services are provided.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Revenue from room rentals are recognised over the period of the rental period.

Gaming machine revenue is recognised on an accrual basis calculated as net of gaming machine collections and payout's, less any costs associated with future jackpot contributions.

(b) Income Tax

As the Club is not for profit, any profits made from members goes back into the organisation to carry out its purpose. Profits made from non-members are taxed under the mutuality principle.

Notes to the Financial Statements

For the Year Ended 29 June 2025

2 Summary of Material Accounting Policies (cont'd)

(c) Cash and cash equivalents

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

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(d) Property, plant and equipment

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

Depreciation

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

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

Fixed asset class	Useful life
Buildings	7 - 66 years
Plant and Equipment	3 - 25 years
Furniture, Fixtures and Fittings	6 - 15 years
Motor Vehicles	6 - 8 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Capital work in progress

Capital work in progress are recognised at cost and are not subject to depreciation until the asset is ready for use and transferred to plant and equipment.

(e) Financial instruments

Financial liabilities

The Club's financial liabilities include bank borrowings, insurance refinance, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements

For the Year Ended 29 June 2025

2 Summary of Material Accounting Policies (cont'd)

(f) Intangible assets

Poker machine entitlements

Purchase of poker machine entitlements are held at cost and are deemed to have an indefinite useful life. They are tested for impairment in accordance with Note 2(i).

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from the services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled in more than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on Australian Corporate bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(h) Provisions

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

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

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Notes to the Financial Statements

For the Year Ended 29 June 2025

3 Critical Accounting Estimates and Judgments (cont'd)

Key estimates - impairment of intangibles

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. Cash flow projections are based on 6 months expected trading revenue in the year to 30 June 2025 and allow for sufficient headroom.

The cash flows are discounted using a rate of 5% and an annual growth rate of 3%. Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount. The assumptions used in the discounted cash flow model are tested against a sensitivity model (+/- 5%).

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 29 June 2025

4 Revenue and Other Income

Revenue

	2025	2024
	\$	\$
- sale of goods	82,028,411	82,022,387
- provision of services	8,835,163	7,774,936
- rental revenue	1,404,230	1,192,365
- other income	64,737	249,974
	<u>92,332,541</u>	<u>91,239,662</u>

Disaggregation of revenue from contracts with customers

Timing of revenue recognition

- At a point in time	84,024,944	82,655,338
- Over time	8,307,597	8,584,324
	<u>92,332,541</u>	<u>91,239,662</u>

5 Result for the Year

Depreciation and impairment expense		
Depreciation - property, plant and equipment	9,516,393	8,583,432
Depreciation - right-of-use assets	190,209	179,778
	<u>9,706,602</u>	<u>8,763,210</u>
Finance costs		
Interest on bank loans	1,431,105	378,381
Interest on lease liabilities	13,550	11,502
	<u>1,444,655</u>	<u>389,883</u>
Cost of sales		
Raw materials and consumables used	7,135,686	6,668,964
Changes in inventories	(103,187)	75,592
	<u>7,032,499</u>	<u>6,744,556</u>

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 29 June 2025

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2025	2024
	\$	\$
Current tax	42,198	655,143
Deferred tax	100,711	(147,371)
	<u>142,909</u>	<u>507,772</u>

(b) Reconciliation of income tax to accounting profit:

The Income Tax Assessment Act 1997 (amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities.

Prima facie income tax expense 30% (2024: 30%)	674,445	2,000,533
Net income and expenditure relating to member activity	<u>(531,536)</u>	<u>(1,492,761)</u>
Income tax benefit	<u>142,909</u>	<u>507,772</u>

7 Cash and Cash Equivalents

Cash on hand	5,331,656	4,277,288
Cash at bank	11,253,310	9,384,012
ATM cash on hand	1,147,317	1,128,917
	<u>17,732,283</u>	<u>14,790,217</u>

8 Trade and Other Receivables

Trade receivables	823,018	223,789
Related party receivables	642	-
Other receivables	69,348	104,101
	<u>893,008</u>	<u>327,890</u>

9 Inventories

At cost:		
Bar and beverage stock	564,815	521,531
Promotions and other stock	147,004	87,101
	<u>711,819</u>	<u>608,632</u>

Mingara Recreation Club Limited

ABN: 81 001 662 648

Notes to the Financial Statements For the Year Ended 29 June 2025

10 Property, plant and equipment

	2025 \$	2024 \$
LAND AND BUILDINGS		
Freehold land		
Land, at cost	<u>21,388,185</u>	<u>21,388,185</u>
Buildings, at cost	<u>163,702,291</u>	<u>127,146,523</u>
Accumulated depreciation	<u>(59,335,975)</u>	<u>(55,044,121)</u>
Total land and buildings	<u>104,366,316</u>	<u>72,102,402</u>
PLANT AND EQUIPMENT		
Capital works in progress, at cost	<u>1,424,193</u>	<u>23,610,044</u>
Plant and equipment, at cost	<u>53,614,194</u>	<u>46,270,142</u>
Accumulated depreciation	<u>(32,874,256)</u>	<u>(30,535,397)</u>
Total plant and equipment	<u>20,739,938</u>	<u>15,734,745</u>
Furniture, fixtures and fittings, at cost	<u>13,174,963</u>	<u>9,388,946</u>
Accumulated depreciation	<u>(5,999,514)</u>	<u>(5,174,927)</u>
Total furniture, fixtures and fittings	<u>7,175,449</u>	<u>4,214,019</u>
Motor vehicles, at cost	<u>16,264</u>	<u>16,264</u>
Accumulated depreciation	<u>(9,936)</u>	<u>(6,693)</u>
Total motor vehicles	<u>6,328</u>	<u>9,571</u>
Total plant and equipment	<u>29,345,908</u>	<u>43,568,379</u>
Total property, plant and equipment	<u>155,100,409</u>	<u>137,058,966</u>

Mingara Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 29 June 2025

10 Property, plant and equipment (cont'd)

(a) Movements in Carrying Amounts

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	23,610,044	21,388,185	72,102,402	15,734,745	4,214,019	9,571	137,058,966
Additions	21,674,697	-	144,813	5,434,487	437,337	-	27,691,334
Disposals	-	-	-	(133,497)	-	-	(133,497)
Transfers from WIP	(43,860,547)	-	36,410,956	4,100,911	3,348,680	-	-
Depreciation expense	-	-	(4,291,855)	(4,396,708)	(824,587)	(3,243)	(9,516,393)
Balance at the end of the year	1,424,194	21,388,185	104,366,316	20,739,938	7,175,449	6,328	155,100,410

The properties of Mingara Recreation Club Limited are held as security for the bank loans with Westpac Banking Corporation (See note 14).

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 29 June 2025

11 Intangible Assets

	2025	2024
	\$	\$
626 (2024: 626) Purchased poker machine entitlements, at cost	13,673,593	13,673,593

The Club has a total of 1,111 (2024: 1,111) poker machine entitlements at its Club sites.

These poker machine entitlements are stated at cost, and have an indefinite useful life given they have no expiry date. The remainder of the Club's poker machine entitlements were granted for no cost, and have not been recognised as they do not meet the recognition and measurement criteria of the Accounting Standards.

(a) Movements in carrying amounts of intangible assets

	Poker Machine Entitlements \$	Total \$
Year ended 29 June 2025		
Balance at the beginning of the year	13,673,593	13,673,593
Additions	-	-
Amortisation	-	-
Closing value at 29 June 2025	13,673,593	13,673,593

12 Leases

Company as a lessee

The Company has leases over a range of motor vehicles.

Right-of-use assets

	Motor Vehicles \$	Total \$
Year ended 29 June 2025		
Balance at beginning of year	263,199	263,199
Depreciation charge	(190,209)	(190,209)
Additions to right-of-use assets	249,927	249,927
Disposal to right-of-use assets	8,114	8,114
Balance at end of year	331,031	331,031

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 29 June 2025

12 Leases (cont'd)

Lease liabilities

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

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2025					
Lease liabilities	160,860	189,036	-	349,896	335,105
2024					
Lease liabilities	161,056	125,623	-	286,679	274,793

13 Trade and Other Payables

	2025 \$	2024 \$
Trade payables	3,119,593	1,889,421
Goods and services tax payable	398,426	156,118
Accrued expenses	2,802,953	4,713,560
Income received in advance	230,494	170,108
	6,551,466	6,929,207

14 Financial liabilities

CURRENT

Bank borrowings	5,303,239	3,129,665
Other financial liabilities	1,362,493	1,143,220
	6,665,732	4,272,885

NON-CURRENT

Bank borrowings	27,846,859	10,609,329
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The bank loans are secured by a registered first mortgage over all of the Club's property; a fixed and floating charge over the assets and undertakings of the Club; and a Deed of Undertaking between the CEO, the Club and Westpac Banking Corporation in relation to the operating of the Club's gaming and liquor licences.

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 29 June 2025

15 Provisions

	2025	2024
	\$	\$
CURRENT		
Link Jackpots and Bonus Points	<u>5,702,974</u>	<u>4,862,556</u>
		Link Jackpots and Bonus Points
		\$
Opening balance at 1 July 2024		4,862,556
Additional provisions		5,365,960
Provisions used		<u>(4,525,542)</u>
Balance at 29 June 2025		<u><u>5,702,974</u></u>

16 Employee Benefits

CURRENT		
Long service leave	1,132,299	1,270,449
Provision for annual leave	<u>2,611,465</u>	<u>2,573,317</u>
	<u><u>3,743,764</u></u>	<u><u>3,843,766</u></u>
NON-CURRENT		
Long service leave	<u>185,481</u>	<u>209,241</u>

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 29 June 2025

17 Tax assets and liabilities

	2025	2024
	\$	\$
Income tax payable	(42,198)	(434,121)

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	\$	\$	\$	\$
Deferred tax assets				
Employee benefits	156,276	(26,076)	-	130,200
Property, plant and equipment	-	11,033	-	11,033
Lease liability	75,136	7,302	-	82,438
Trade and other payables	49,242	53,833	-	103,075
Balance at 30 June 2024	280,654	46,092	-	326,746
Employee benefits	130,200	1,950	-	132,150
Property, plant and equipment	11,033	(5,045)	-	5,988
Lease liability	82,438	18,094	-	100,532
Trade and other payables	103,075	(67,819)	-	35,256
Balance at 29 June 2025	326,746	(52,820)	-	273,926

Deferred tax liability

Property, plant and equipment				
- tax allowance	87,554	(87,554)	-	-
Land	2,223,972	-	-	2,223,972
Springwood Sports Club land	365,463	-	-	365,463
Right of use asset	73,470	5,490	-	78,960
Buildings	350,539	(19,215)	-	331,324
Balance at 30 June 2024	3,100,998	(101,279)	-	2,999,719
Land	2,223,972	-	-	2,223,972
Springwood Sports Club land	365,463	-	-	365,463
Right of use asset	78,960	20,349	-	99,309
Buildings	331,324	27,542	-	358,866
Balance at 29 June 2025	2,999,719	47,891	-	3,047,610

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 29 June 2025

18 Reserves

Asset realisation reserve

The asset realisation reserve represents a reduction in the Club's deferred tax liability in relation to the calculation of the tax base of buildings owned by the Club. The tax base of buildings for registered clubs is calculated by reducing from the cost of the buildings the capital allowances deducted for taxation purposes under Division 43 of the Income Tax Assessment Act 1997.

19 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts, commercial bills and leases.

The Company does not have any derivative financial instruments. No financial assets and liabilities are readily traded on organised markets in standardised form.

The total for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2025	2024
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	17,732,283	14,790,217
Trade and other receivables	893,008	327,890
Total financial assets	18,625,291	15,118,107
Financial liabilities		
Held at amortised cost		
Goods and services tax payable	398,426	156,118
Sundry payables and accrued expenses	2,802,953	4,713,560
Trade payables	3,119,593	1,889,421
Borrowings	32,000,000	12,690,251
Other financial liabilities	2,512,591	2,191,963
Total financial liabilities	40,833,563	21,641,313

There is no material difference between the carrying value and fair value of the Club's financial assets and liabilities.

Mingara Recreation Club Ltd have utilised triannual commercial bill funding as a means to benefit from lower interest rate fees and increased flexibility, and use of a redraw facility.

Mingara Recreation Club Limited

ABN: 81 001 662 648

Notes to the Financial Statements For the Year Ended 29 June 2025

20 Interests in Subsidiaries

(a) Composition of the Group

Subsidiaries	Principal place of business / Country of Incorporation	Percentage owned (%)*	Percentage owned (%)*
		2025	2024
MLG Holdings Pty Ltd	Australia	100	100
Mingara Retirement Living Pty Ltd	Australia	100	100
Mingara Pariter Agent Pty Ltd	Australia	50	50

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

The above subsidiaries are dormant until Stage 1 of the Pariter Mingara Partnership has been finalised. The financial statements have been prepared in accordance with AASB 10 Consolidated Financial Statements. These subsidiaries are considered immaterial to the Group's financial position, performance, and cash flows. Their inclusion in the consolidation does not materially affect the presentation of the financial statements and is consistent with the Group's accounting policies.

21 Related Parties

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

There were no transactions with related parties during the financial year.

(a) Loans to related parties

	2025	2024
	\$	\$
MLG Holdings Pty Ltd	321	-
Mingara Retirement Living Pty Ltd	321	-

22 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 2,339,439 (2024: \$ 2,023,148).

Mingara Recreation Club Limited

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Notes to the Financial Statements
For the Year Ended 29 June 2025

23 Contingencies

In the opinion of the Directors, the Company had the following contingencies at 29 June 2025.

	2025	2024
	\$	\$
TAB Limited	5,000	5,000
Port Macquarie-Hastings Council	214,000	214,000
	<u>219,000</u>	<u>219,000</u>

The above contingencies have been incurred for the provision of facilities or services to the Club. The contingencies are ongoing for TAB facilities and overflow parking.

24 Events after the end of the Reporting Period

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

Consolidated Entity Disclosure Statement

Mingara Recreation Club Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001.

Mingara Recreation Club Limited

ABN: 81 001 662 648

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 27, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 29 June 2025 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declaration required by section 295A of the Corporations Act 2001. Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

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

Director

Philip Walker

Director

Ian Robilliard, OAM

Dated September 23, 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MINGARA RECREATION CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mingara Recreation Club Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Mingara Recreation Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2025, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

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.

Responsibilities of the Directors for the Financial Report

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

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the *Corporations Act 2001*; and
- b) 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:

- i) 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
- ii) 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

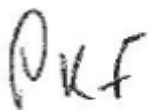
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



PKF



CLAYTON HICKEY
PARTNER

23 SEPTEMBER 2025
NEWCASTLE, NSW