

Mingara Recreation Club Limited

ABN: 81 001 662 648

Consolidated Financial Statements

For the Year Ended 28 June 2026

Mingara Recreation Club Limited

ABN: 81 001 662 648

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For the Year Ended 28 June 2026

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Mingara Recreation Club Limited

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Directors' Report For the Year Ended 28 June 2026

The directors present their report, together with the financial statements of the Club, being the Company and its controlled entities, for the financial year ended 28 June 2026.

Directors

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

Names

Jessica Jemima Gleeson
Kate Herron
Russell Johnston
Debbie Phillips
Ian Robilliard, OAM
Brendan Stallworthy
Philip Walker

Appointed

Commenced April 2024
Commenced May 2018
Retired May 2026
Commenced June 2016
Commenced May 2019
Commenced June 2026*
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 was also the Chief Executive Officer of the group and has been in the gaming and hospitality industry since 1988. Mr Barnett retired from his position as Company Secretary on 31 January 2026.

Mr Grant Bradley Gladman (GAICD) was appointed to the position of Company Secretary on 31 January 2026. Mr Gladman is also the Chief Executive Officer of the group and has been in the gaming and hospitality industry since 1992, later diversifying into health and wellness in 2008. Mr Gladman was also appointed to the position of Chair of the Board for MLG Holdings Pty Ltd and its subsidiary, Mingara Retirement Living Pty Ltd effective 31 January 2026.

Principal Activities

The principal activity 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 has progressed the Mingara Retirement Living project, Salus by Mingara.

Review of operations

The consolidated surplus of the Company for the financial year after providing for income tax amounted to \$4,643,593 (2025: \$2,105,242).

The operating surplus for the year amounted to \$17,605,818 (2025: \$13,399,408) before charging \$11,165,485 (2025: \$9,706,602) for depreciation and amortisation, \$1,276,941 (2025: \$1,444,655) for financing costs and income tax expense of \$519,799 (2025: \$142,909).

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Directors' Report For the Year Ended 28 June 2026

Review of operations (cont'd)

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

	2026	2025
	\$	\$
Mingara Recreation Club Ltd (Tumbi Umbi)	6,065,536	3,591,725
The Westport Club (Port Macquarie)	2,716,558	3,580,778
Lantern Club (Roselands)	4,847,037	3,708,112
Springwood Sports Club	822,691	537,495
The Greens The Entrance	(219,144)	(933,524)
Other Group Income and Expenses	(9,069,286)	(8,236,435)
	5,163,392	2,248,151
Income tax expense	(519,799)	(142,909)
Total	4,643,593	2,105,242

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.

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.

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Directors' Report For the Year Ended 28 June 2026

Short and long term objectives (cont'd)

Membership

The Club is a company limited by guarantee and without share capital. The number of members at 28 June 2026 and the comparison with the prior year is as follows:

	2026 No.	2025 No.
Ordinary	68,331	63,998
Special	6,119	6,154
Junior	1,399	842
Employee	434	409
Life	7	7
Total	76,290	71,410

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 Experience	Business Manager Director since April 2024 Business Owner Glee, Coffee Roasters Pty Ltd, since 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 Experience	Business Manager Deputy Chair, since November 2025 Director since May 2018 Director/Shareholder, Tumby Medical Suites, since 2022 Director/Shareholder, Kids Health Gosford Pty Ltd, since 2021 Director/Shareholder, Kids Point Specialist Centre Pty Ltd, since 2021 Director/Shareholder, HealthPoint Mingara (Allied Health medical practice), since 2017 Director/Shareholder, KidsPoint Mingara (pediatric medical practice), since 2017 Business Owner
Russell Johnston Experience	Retired Director March 2013 - May 2026 Mingara Community Advisory Committee member, 2010 - 2013 Director, All Over Beauty and Medi Spa Pty Ltd, 2010 - 2014 Head Teacher, Department of Education and Communities, 1981 - 2016
Debbie Phillips Experience	Licensed Real Estate Agent/Auctioneer Director since June 2016 Licensed Real Estate Agent, since July 2002 Accredited Auctioneer, since 2020 Licensed Real Estate Agent, Licensee in Charge, 2012 - 2019 Qualified Fitness Instructor Business Owner

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Directors' Report For the Year Ended 28 June 2026

Information relating to Directors (cont'd)

Ian Robilliard, OAM Experience	Business Manager Chair, since November 2025 Deputy Chair, November 2020 - November 2025 Director, MLG Holdings Pty Ltd since January 2026 Director, Mingara Retirement Living Pty Ltd since January 2026 Director since May 2019 Graduate of Australian Institute of Company Directors, 2025 Managing Director Central Coast Academy of Sport, 2004 - 2023 Founder, Central Coast Academy of Sport, 2004 Director, Regional Academies of Sport Inc, since 2005 Director, Regional Academies of Sport Ltd, since 2022 Deputy Chair, Sport Central Coast, 2019 - November 2025 OAM Recipient for Services 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
Brendan Stallworthy Experience	Business Manager Director, since June 2026 Business Owner, Coastal Office National, 2006 - May 2026 Mingara Community Advisory Committee member, 2021 - 2026 Non-Executive Director, Office National Australia, 2012 -2022 Non-Executive Director, Volunteering Central Coast, 2021-2023
Philip Walker Experience	Retired Director since October 1996 Chair, 2001 - 2003, 2012 - November 2025 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 28 June 2026 the collective liability of members was \$1,525,800 (2025: \$1,428,200).

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Directors' Report For the Year Ended 28 June 2026

Future developments and results

Likely developments in the operations of the Club 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 Club.

Meetings of directors

During the financial year, 14 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	9	9	5	3
Kate Herron	9	9	5	5
Russell Johnston	9	9	5	5
Debbie Phillips	9	8	5	5
Ian Robilliard, OAM	9	9	5	5
Brendan Stallworthy*	-	-	-	-
Philip Walker	9	9	5	5

Directors' Continuing Professional Development (CPD)

Industry best practice recommends that active directors record their CPD results each year, with a goal of achieving 100 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 2025 - 2026

Jessica Jemima Gleeson	215
Kate Herron	235
Russell Johnston	210
Debbie Phillips	240
Ian Robilliard, OAM	365
Brendan Stallworthy*	30
Philip Walker	355

* Commenced June 1, 2026

Mingara Recreation Club Limited

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Directors' Report
For the Year Ended 28 June 2026

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 28 June 2026 has been received and can be found on page 9 of the financial report.

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

Director: 
Kate Herron

Director: 
Ian Robilliard, OAM

Dated 22 September 2026

Mingara Recreation Club Limited

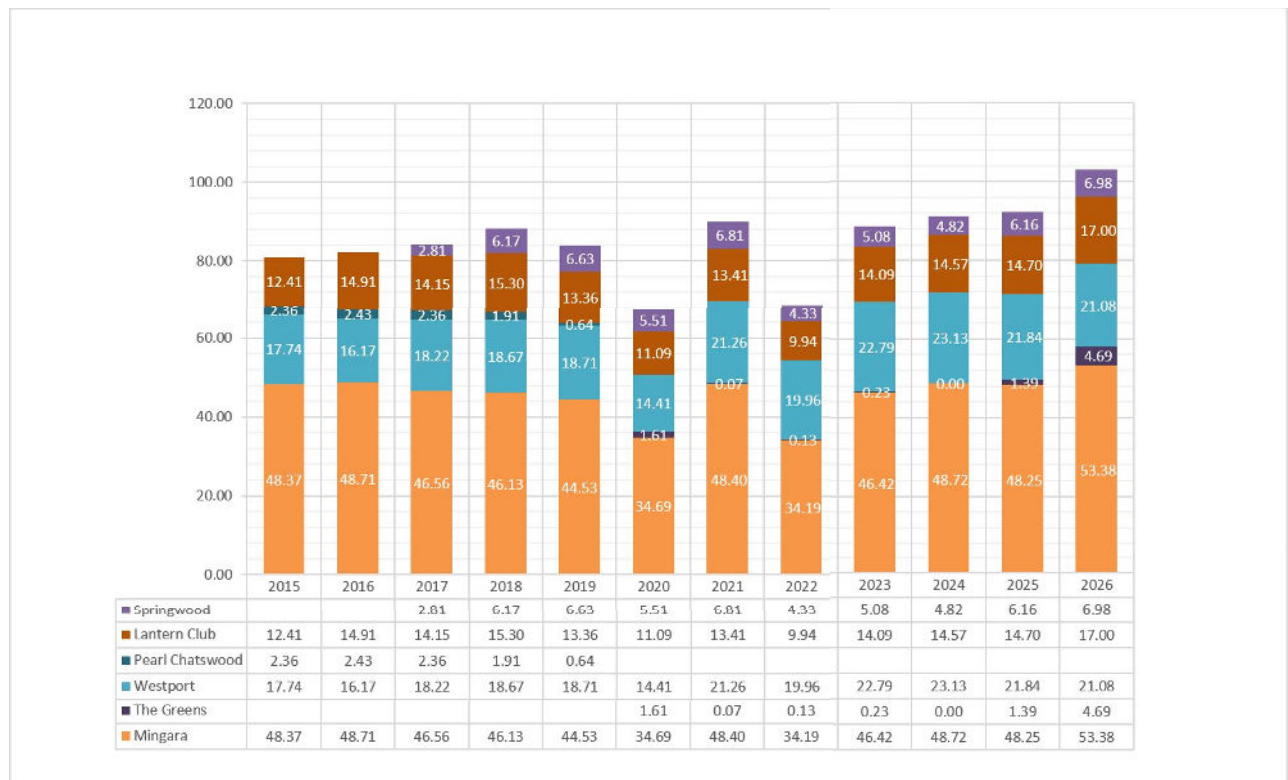
ABN: 81 001 662 648

Discussion and Analysis on the Concise Financial Report For the Year Ended 28 June 2026

Statement of Profit or Loss and Other Comprehensive Income

FY26 total operating revenue is \$103.1M, an increase of \$10.8M or 11.7% on the FY25 operating revenue of \$92.3M.

SALES REVENUE BY BUSINESS 2015 - 2026
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 \$3.1M for the year to \$34.3M. This represents 33.3% of revenue compared to 33.8% in the previous year. This increase is mainly due to a full year of operations for our hotel, Encore by Mingara, and The Greens – The Entrance club, as well as a change in leadership.

Poker machine compliance costs, which include the NSW Government's gaming tax increased to \$21.1M. At 21% of operating revenue, this is consistent with last year and continues to be the second largest recurrent cost.

The other main cost increases are raw materials & consumables of \$0.6M, property costs including utilities of \$0.5M, repairs & maintenance of \$0.3M, and depreciation increased by \$1.5M.

The FY26 profit of the club after providing for income tax is \$4.6M with the comparable result for FY25 being \$2.1M.

Discussion and Analysis on the Concise Financial Report For the Year Ended 28 June 2026

Statement of Financial Position

Net assets increased by \$4.6M from \$136.4M to \$141M.

Total Assets increased \$10.2M from \$190.5M to \$200.7M while Total Liabilities increased by \$5.6M from \$54.1M to \$59.7M.

Major movements in Assets during the year were:

- Increase in Cash holdings of \$6.7M
- Increase in Property, Plant and Equipment of \$3.8M

Major movements in Liabilities during the year were:

- Increase in Total Borrowings of \$4.6M

Total loan balances have increased from \$34.5M to \$39.1M in FY26.

Statement of Cash Flows

Cash generated from operating activities was \$17.4M, an increase of \$6.6M on the previous year.

The Club invested \$15M in Property, Plant and Equipment in FY26, less than the FY25 investment of \$27.3M which included part of the building of the hotel, Encore by Mingara, and rebuilding The Greens - The Entrance.

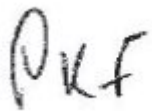
Net cash from Financing activities was \$4.4M, being \$6M in proceeds from bank borrowings, and \$3.6M in equipment and insurance financing, offset by \$0.9M repayment of bank borrowings, \$4.1M repayment of equipment and insurance financing, and \$0.2M repayment of leases.

As a result of these cash flow movements, opening cash of \$17.7M increased by \$6.7M to \$24.5M at year end.

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

I declare that, to the best of my knowledge and belief, during the year ended 28 June 2026, there have been:

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



PKF



CLAYTON HICKEY
PARTNER

22 SEPTEMBER 2026
NEWCASTLE, NSW

Mingara Recreation Club Limited

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 28 June 2026

	Note	2026 \$	2025 \$
Revenue	4	103,137,040	92,332,541
Finance income		15,362	217,840
Changes in inventories		3,775	103,187
Raw materials and consumables used		(7,647,064)	(7,065,089)
Employee benefits expense		(34,344,446)	(31,237,583)
Entertainment, promotions and members amenities		(5,310,797)	(5,326,561)
Depreciation and impairment expense		(11,165,485)	(9,706,602)
Insurance expense		(1,806,415)	(1,989,625)
Poker machine compliance costs		(21,144,068)	(19,427,488)
Postage, printing and stationery		(99,311)	(103,393)
Professional service fees		(285,960)	(288,054)
Property and IT expense		(7,983,156)	(7,643,709)
Repairs and maintenance		(2,856,076)	(2,547,262)
Other operating expenses		(4,073,066)	(3,625,396)
Finance costs		(1,276,941)	(1,444,655)
Surplus before income tax		5,163,392	2,248,151
Income tax expense	6	(519,799)	(142,909)
Surplus for the year		4,643,593	2,105,242
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		4,643,593	2,105,242

The accompanying notes form part of these financial statements.

Mingara Recreation Club Limited

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Consolidated Statement of Financial Position

As At 28 June 2026

	Note	2026 \$	2025 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	24,468,277	17,732,283
Trade and other receivables	8	514,054	893,008
Inventories	9	715,594	711,819
Other assets		1,816,223	1,809,725
TOTAL CURRENT ASSETS		27,514,148	21,146,835
NON-CURRENT ASSETS			
Property, plant and equipment	10	158,917,884	155,100,409
Deferred tax assets		354,447	273,926
Intangible assets	11	13,673,593	13,673,593
Right-of-use assets		286,564	331,031
TOTAL NON-CURRENT ASSETS		173,232,488	169,378,959
TOTAL ASSETS		200,746,636	190,525,794
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	6,705,067	6,551,466
Financial liabilities	13	3,894,291	6,665,732
Current tax liabilities		120,952	42,198
Short-term provisions	14	6,211,927	5,702,974
Lease liabilities		173,920	179,491
Employee benefits	15	3,883,149	3,743,764
TOTAL CURRENT LIABILITIES		20,989,306	22,885,625
NON-CURRENT LIABILITIES			
Financial liabilities	13	35,186,476	27,846,859
Deferred tax liabilities	16	3,153,927	3,047,610
Employee benefits	15	251,311	185,481
Lease liabilities		117,418	155,614
TOTAL NON-CURRENT LIABILITIES		38,709,132	31,235,564
TOTAL LIABILITIES		59,698,438	54,121,189
NET ASSETS		141,048,198	136,404,605
EQUITY			
Reserves	17	3,279,120	3,279,120
Accumulated surplus		137,769,078	133,125,485
TOTAL EQUITY		141,048,198	136,404,605

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity For the Year Ended 28 June 2026

	Accumulated Surplus \$	Asset Revaluation Surplus \$	Total \$
Balance at 29 June 2025	133,125,485	3,279,120	136,404,605
Surplus for the year	4,643,593	-	4,643,593
Balance at 28 June 2026	137,769,078	3,279,120	141,048,198
Balance at 30 June 2024	131,020,243	3,279,120	134,299,363
Surplus for the year	2,105,242	-	2,105,242
Balance at 29 June 2025	133,125,485	3,279,120	136,404,605

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows For the Year Ended 28 June 2026

	2026	2025
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	106,863,822	94,807,418
Payments to suppliers and employees	(87,845,722)	(82,401,166)
Interest received	15,362	217,840
Interest paid	(1,263,102)	(1,431,105)
Income taxes paid	(415,249)	(434,121)
Net cash provided by operating activities	17,355,111	10,758,866
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(14,977,711)	(27,257,562)
Net cash used in investing activities	(14,977,711)	(27,257,562)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings	9,569,984	25,750,533
Repayment of bank borrowings	(5,001,808)	(6,120,156)
Repayment of lease liabilities	(209,582)	(189,615)
Net cash provided by financing activities	4,358,594	19,440,762
Net increase in cash and cash equivalents held	6,735,994	2,942,066
Cash and cash equivalents at beginning of year	17,732,283	14,790,217
Cash and cash equivalents at end of financial year	7 24,468,277	17,732,283

The accompanying notes form part of these financial statements.

Mingara Recreation Club Limited

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Notes to the Financial Statements

For the Year Ended 28 June 2026

The financial report covers Mingara Recreation Club Limited ('the Club'). Mingara Recreation Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Club prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

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.

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.

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.

(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 28 June 2026

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 consolidated statement of cash flows and are presented within current liabilities on the consolidated 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 Club, 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 28 June 2026

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.

(g) Employee benefits

Provision is made for the Club'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

Provisions are recognised when the Club 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 Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club 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 28 June 2026

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 12 months expected trading revenue in the year to 28 June 2026 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%).

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Notes to the Financial Statements For the Year Ended 28 June 2026

4 Revenue and Other Income

Revenue

	2026	2025
	\$	\$
- sale of goods	87,759,077	80,137,084
- provision of services	13,529,241	10,726,490
- rental revenue	1,610,211	1,404,230
- other income	238,511	64,737
	<u>103,137,040</u>	<u>92,332,541</u>

Disaggregation of revenue from contracts with customers

Timing of revenue recognition

- At a point in time	92,792,991	84,024,944
- Over time	10,344,049	8,307,597
	<u>103,137,040</u>	<u>92,332,541</u>

5 Result for the Year

Depreciation and impairment expense		
Depreciation - property, plant and equipment	10,966,967	9,516,393
Depreciation - right-of-use assets	198,518	190,209
	<u>11,165,485</u>	<u>9,706,602</u>
Finance costs		
Interest on bank loans	1,263,102	1,431,105
Interest on lease liabilities	13,839	13,550
	<u>1,276,941</u>	<u>1,444,655</u>
Cost of sales		
Raw materials and consumables used	7,647,064	7,065,089
Changes in inventories	(3,775)	(103,187)
	<u>7,643,289</u>	<u>6,961,902</u>

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 28 June 2026

6 Income Tax Expense

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

	2026	2025
	\$	\$
Current tax	494,003	42,198
Deferred tax	25,796	100,711
	<u>519,799</u>	<u>142,909</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% (2025: 30%)

- Net income and expenditure relating to member activity

Income tax benefit

1,549,018	674,445
<u>(1,029,219)</u>	<u>(531,536)</u>
<u>519,799</u>	<u>142,909</u>

7 Cash and Cash Equivalents

Cash on hand	4,931,913	5,323,472
Cash at bank	18,183,370	11,253,310
ATM cash on hand	1,352,994	1,155,501
	<u>24,468,277</u>	<u>17,732,283</u>

8 Trade and Other Receivables

Trade receivables	370,418	823,018
Related party receivables	-	642
Other receivables	143,636	69,348
	<u>514,054</u>	<u>893,008</u>

9 Inventories

At cost:

Bar and beverage stock	575,423	564,815
Promotions and other stock	140,171	147,004
	<u>715,594</u>	<u>711,819</u>

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 28 June 2026

10 Property, plant and equipment

	2026 \$	2025 \$
LAND AND BUILDINGS		
Freehold land		
Land, at cost	<u>21,388,185</u>	<u>21,388,185</u>
Buildings, at cost	<u>164,804,617</u>	<u>163,702,291</u>
Accumulated depreciation	<u>(63,982,157)</u>	<u>(59,335,975)</u>
	<u>100,822,460</u>	<u>104,366,316</u>
Total land and buildings	<u>122,210,645</u>	<u>125,754,501</u>
PLANT AND EQUIPMENT		
Capital works in progress, at cost	<u>6,234,147</u>	<u>1,424,193</u>
Plant and equipment, at cost	<u>57,471,772</u>	<u>53,614,194</u>
Accumulated depreciation	<u>(34,084,233)</u>	<u>(32,874,256)</u>
Total plant and equipment	<u>23,387,539</u>	<u>20,739,938</u>
Furniture, fixtures and fittings, at cost	<u>13,662,236</u>	<u>13,174,963</u>
Accumulated depreciation	<u>(6,678,976)</u>	<u>(5,999,514)</u>
Total furniture, fixtures and fittings	<u>6,983,260</u>	<u>7,175,449</u>
Motor vehicles, at cost	<u>115,755</u>	<u>16,264</u>
Accumulated depreciation	<u>(13,462)</u>	<u>(9,936)</u>
Total motor vehicles	<u>102,293</u>	<u>6,328</u>
Total plant and equipment	<u>36,707,239</u>	<u>29,345,908</u>
Total property, plant and equipment	<u>158,917,884</u>	<u>155,100,409</u>

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 28 June 2026

10 Property, plant and equipment (cont'd)

(a) Movements in Carrying Amounts

The properties of Mingara Recreation Club Limited are held as security for the bank loans with Westpac Banking Corporation (See note 13).

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	1,424,193	21,388,185	104,366,316	20,739,938	7,175,449	6,328	155,100,409
Additions	8,040,152	-	274,788	6,281,628	281,652	99,491	14,977,711
Disposals	-	-	(4,161)	(187,738)	(1,370)	-	(193,269)
Transfers from WIP	(3,230,198)	-	835,569	1,765,673	628,956	-	-
Depreciation expense	-	-	(4,650,052)	(5,211,962)	(1,101,427)	(3,526)	(10,966,967)
Balance at the end of the year	6,234,147	21,388,185	100,822,460	23,387,539	6,983,260	102,293	158,917,884

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 28 June 2026

11 Intangible Assets

	2026	2025
	\$	\$
626 (2025: 626) Purchased poker machine entitlements, at cost	13,673,593	13,673,593

The Club has a total of 1,111 (2025: 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.

12 Trade and Other Payables

	2026	2025
	\$	\$
Trade payables	2,710,708	3,119,593
Goods and services tax payable	233,331	398,426
Accrued expenses	3,629,458	2,802,953
Income received in advance	131,570	230,494
	6,705,067	6,551,466

13 Financial liabilities

CURRENT

Bank borrowings	2,660,383	5,303,239
Other financial liabilities	1,233,908	1,362,493
	3,894,291	6,665,732

NON-CURRENT

Bank borrowings	35,186,476	27,846,859
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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.

The bank loans are principal and interest payment loans, repayable in monthly and quarterly instalments and are due to mature in 2028, 2029 and 2030. The variable interest rate is 6.39% (2025: 5.82%).

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 28 June 2026

14 Provisions

	2026 \$	2025 \$
CURRENT		
Link Jackpots and Bonus Points	<u>6,211,927</u>	<u>5,702,974</u>
		Link Jackpots and Bonus Points
		\$
Opening balance at 29 June 2025		5,702,974
Additional provisions		7,404,805
Provisions used		<u>(6,895,852)</u>
Balance at 28 June 2026		<u><u>6,211,927</u></u>

15 Employee Benefits

CURRENT		
Long service leave	1,049,318	1,132,299
Provision for annual leave	<u>2,833,831</u>	<u>2,611,465</u>
	<u>3,883,149</u>	<u>3,743,764</u>
NON-CURRENT		
Long service leave	<u>251,311</u>	<u>185,481</u>

16 Deferred tax liabilities

	Opening Balance \$	Charged to Income \$	Closing Balance \$
Land	2,223,972	-	2,223,972
Springwood Sports Club land	365,463	-	365,463
Right of use asset	99,309	6,124	105,433
Buildings	<u>358,866</u>	<u>100,193</u>	<u>459,059</u>
Balance at 28 June 2026	<u><u>3,047,610</u></u>	<u><u>106,317</u></u>	<u><u>3,153,927</u></u>

17 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.

Mingara Recreation Club Limited

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Notes to the Financial Statements For the Year Ended 28 June 2026

18 Financial Risk Management

The Club'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 Club 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:

	2026 \$	2025 \$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	24,468,277	17,732,283
Trade and other receivables	514,054	893,008
Total financial assets	24,982,331	18,625,291
Financial liabilities		
Held at amortised cost		
Goods and services tax payable	233,331	398,426
Sundry payables and accrued expenses	3,629,458	2,802,953
Trade payables	2,710,708	3,119,593
Borrowings	37,846,859	32,000,000
Other financial liabilities	1,233,908	2,512,591
Total financial liabilities	45,654,264	40,833,563

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

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Notes to the Financial Statements For the Year Ended 28 June 2026

19 Interests in Subsidiaries

(a) Composition of the Group

Subsidiaries	Principal place of business / Country of Incorporation	Percentage owned (%)*	Percentage owned (%)*
		2026	2025
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.

20 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

	2026	2025
	\$	\$
MLG Holdings Pty Ltd	-	321
Mingara Retirement Living Pty Ltd	-	321

21 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company and the Club is \$2,974,965 (2025: \$2,339,439).

22 Contingencies

In the opinion of the Directors, the Company had the following contingencies at 28 June 2026.

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.

23 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 may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Mingara Recreation Club Limited

ABN: 81 001 662 648

Notes to the Financial Statements

For the Year Ended 28 June 2026

24 Parent Entity

The following information has been extracted from the books and records of the parent, Mingara Recreation Club Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Mingara Recreation Club Limited has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Mingara Recreation Club Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

	2026	2025
	\$	\$
Statement of Financial Position		
Assets		
Current assets	27,515,848	21,146,835
Non-current assets	173,232,788	169,378,959
Total Assets	200,748,636	190,525,794
Liabilities		
Current liabilities	20,989,306	22,885,625
Non-current liabilities	38,709,132	31,235,564
Total Liabilities	59,698,438	54,121,189
Equity		
Accumulated surplus	137,770,878	133,125,485
Asset realisation reserve	3,279,120	3,279,120
Total Equity	141,049,998	136,404,605
Statement of Profit or Loss and Other Comprehensive Income		
Total surplus for the year	4,645,393	2,105,242
Total comprehensive income	4,645,393	2,105,242

Consolidated Entity Disclosure Statement

Entity Name	Entity Type	Place formed/ Country of Incorporation	Ownership Interest %	Tax Residency
Mingara Recreation Club Limited	Company	Australia	100%	Australia*
MLG Holdings Pty Ltd	Company	Australia	100%	Australia*
Mingara Retirement Living Pty Ltd	Company	Australia	100%	Australia*
Mingara Pariter Agent Pty Ltd	Company	Australia	50%	Australia

* Mingara Recreation Club Limited (the 'head entity') and its wholly-owned subsidiaries have formed an income tax consolidation group under tax consolidation regime.

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 10 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures Standard; and
 - b. give a true and fair view of the financial position as at 28 June 2026 and of the performance for the year ended on that date of the Company and consolidated group.
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

Kate Herron



Director

Ian Robilliard, OAM

Dated 22 September 2026

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 Club), which comprises the consolidated statement of financial position as at 28 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration of the Club and the consolidated entity comprising the Club and the entities it controlled at the year end or from time to time during the financial year.

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 consolidated entity's financial position as at 28 June 2026 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure Requirements 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 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 Club 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 Club, 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 consolidated entity's annual report for the year ended 28 June 2026 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 Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the consolidated entity'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 consolidated entity 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:

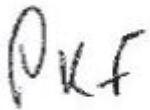
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- 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 consolidated entity'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 consolidated entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance 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.

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.

A stylized, handwritten signature of the PKF firm, rendered in a dark grey or black ink.

PKF

A handwritten signature in black ink, which appears to read "Clayton Hickey".

CLAYTON HICKEY
PARTNER

22 SEPTEMBER 2026
NEWCASTLE, NSW