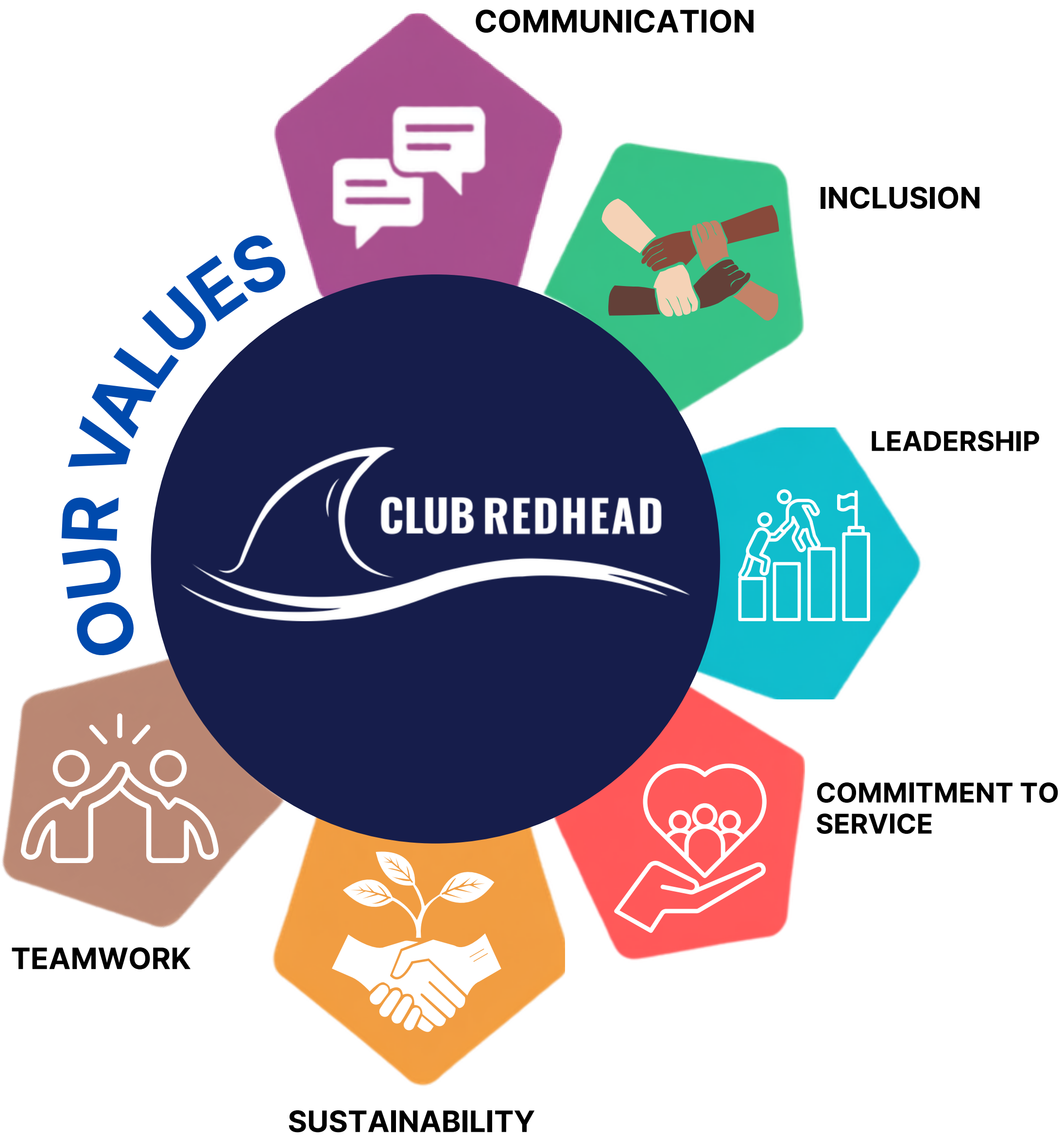
REDHEAD BOWLING CLUB CO-OPERATIVE LIMITED

ABN: 91 505 907 215

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDING 30 JUNE 2026

MISSION STATEMENT

OUR MISSION: To provide a community relevant bowls based sporting and entertainment facility which maintains an atmosphere of enjoyment, harmony, transparency and belonging while ensuring that what we do is sustainable, flexible and responsive to changing needs.



Club Redhead Directors

TROY REEVES
CHAIRMAN

CLUB MEMBER 2003 - PRESENT
CHAIRMAN 2024 - PRESENT

MICHAEL DENNIS
DEPUTY CHAIRMAIN

CLUB MEMBER 2013 - PRESENT
DEPUTY CHAIRMAN 2023 - PRESENT
DEPUTY CHAIRMAN 2016 - 2018
A/G CHAIRMAN FEB 2018 - OCT 2018

MICK COCKREM
TREASURER

CLUB MEMBER 2010 - PRESENT
TREASURER 2024 - PRESENT

DANIEL WHITE
ASSISTANT SECRETARY

CLUB MEMBER 2021 - PRESENT
ASSISTANT SECRETARY 2025 - PRESENT

SHANNON MAYBURY
DIRECTOR

CLUB MEMBER 1996 - PRESENT
DIRECTOR 2023 - PRESENT

GLENN HOWARD
DIRECTOR

CLUB MEMBER 2003 - PRESENT
DIRECTOR 2025 - PRESENT

TROY REEVES
CHAIRMAN

Chairman's Report

As Chairman, it is a privilege to present this report to our members and reflect on what has been an incredibly challenging, but ultimately very rewarding, year for Club Redhead.

This year marks Kurt Forester's first full 12-month financial year as Secretary Manager of the Club, and I believe it is important that we recognise the significant contribution he has made.
Kurt's leadership has had a substantial impact on the Club. We have seen strong growth in membership, an increase in revenue, improved staff morale and, importantly, a noticeable change in the way our broader community views Club Redhead.

These results have not happened by accident. Kurt's commitment, energy and leadership have been a significant part of this transformation, but no Secretary Manager can achieve these outcomes alone. They have been made possible by the strong support of the Board of Directors and the extraordinary amount of time and effort contributed by individual Board members, often well beyond what would ordinarily be expected of a volunteer director.

Together, this team has given the Club the capacity to address many areas that had been neglected over a long period of time.
Some of the most important improvements are not necessarily the ones our members see immediately. We have replaced air-conditioning systems, replaced and upgraded the sound system, and spent many thousands of dollars repairing and maintaining plant and equipment that had been allowed to deteriorate over a number of years. These are significant investments in the long-term sustainability of our Club.

We have also reopened the downstairs bar and established live entertainment every weekend, creating a more vibrant environment for our members and giving the community more reasons to visit and enjoy Club Redhead.
What makes these achievements even more significant is that much of this work has been undertaken while the Club has been dealing with the considerable pressures and challenges arising from its recent history.
Our members are aware that the Club has experienced four different Secretary Managers over the past three years. That level of instability places enormous pressure on any organisation, particularly a community club.
The Board has worked through these challenges patiently, diligently and consistently, always with the interests of the Club at the forefront and with a commitment to operating within the Club's rules and its legal obligations.

The past year has been challenging and, at times, costly. There have certainly been moments when walking away from this volunteer roll would have been the easier option. I can honestly say that there were times when I questioned whether I had the capacity to continue.
What kept me going was the people around me, along with the many words of support and encouragement we have received from members and our broader community. In particular, it has been incredibly rewarding to hear members speak about how welcoming and inviting the Club has become for young families.

I am incredibly proud to have served alongside a group of Directors who have continued to turn up, do the work and remain committed to the Club through some very difficult circumstances. The teamwork, commitment and resilience shown by this Board has been exceptional.
I also believe we have now reached an important turning point.
A significant chapter in the Club's recent history has come to an end, and the Board can now look forward rather than continually having to manage the consequences of the past.

That gives us an opportunity to give full focus of our energy where it belongs — on our members, our staff, our facilities and the future of Club Redhead.
There is still much work to do. We have ambitious plans and many ideas for improving the Club and providing our members with even greater value, entertainment and facilities.
But for the first time in some time, I believe we have the stability, leadership, financial capacity and teamwork necessary to pursue those opportunities with confidence.
I want to thank Kurt, every member of the Board, our management team and all of our staff for their commitment throughout the year.
Most importantly, I want to thank our members. Without your words of encouragement, support and patronage, the Club could not continue to grow and improve.

Club Redhead exists because of you. Your continued support, patience and belief in the Club have allowed us to get to where we are today.
I am extremely proud of what this team has achieved, and even more excited about what we can achieve together from here.
The difficult chapter is closing.
The next chapter is about growth, investment, enjoyment and building a Club that our members and the Redhead community can be proud of.

MICK COCKREM
TREASURER

Treasurer's Report

Dear Members,

As the Club Redhead Treasurer its my pleasure to present this report to our members.

The 2025/26 financial result saw a net profit of $36,199. Comparing that to the result from the 2024/25 year, a loss of $185,475, saw a turnaround change of $221,674. The cash position as at 30th June was approximately $725k and the Club has a working capital ratio of 2.15. The Club has gained access to funding support through a $300k loan facility from the bank. The partial draw down of this loan facility has assisted in funding large expense projects such as the air-conditioning replacement while maintaining an appropriate cash position. Club membership has grown to over 2800 members.

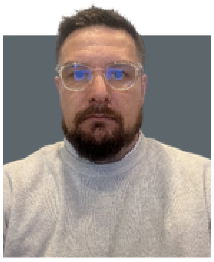
There were encouraging increases in some income areas;
·Bar sales increased by 33% to a figure of $1.43M. The bar operations achieved a Gross Profit margin of 64.5% compared to a benchmark figure of around 61.2%

- Donations and sponsorships increase of $14k on last years $3.6k.
- Room hire up from $6k last year to $17k.
- Poker Machine profit up by $80k on a revenue increase of $99k.

Significant project expenditure during 25/26
1. Completion of the replacement of the Club's air-conditioning plant at a cost of approximately $140k.
2. Replacement of the sound system at cost of approximately $17k.
3. Refurbishment and opening of the Downunder Bar at a cost of approximately $58k.

Strategies for improving the bottom line for 26/27
1. On-going management review of staffing costs including rostering and manning.
2. Review of the poker machine area.
3. Review of raffles to optimise Club value.
4. Management review of costs and contracts associated with cleaning, insurance and electricity.
5. Development of asset management plan for the Club's buildings and equipment.
6. Review of offerings for functions and development of effective marketing for functions.
7. Ongoing management review of beer and spirit/wine supply arrangements for best value.
8. Preparation and ongoing review of the operating budget.

Potential Significant Forward Expenses
1. Investigation and repair of roof leaks.
2. Review of assets as part of the asset management plan may identify other areas of significant future expenditure.



KURT FORESTER
GENERAL MANAGER

General Manager's Report

Dear Members,

It is my pleasure to present the General Manager's report for 2025-2026 Financial year.
With this being my first full year as the General Manager of Club Redhead I'm pleased to present the result that was achieved. Last year was truly a year of change with transformation touching nearly every corner of our operations and community engagement.

Our aging facilities underwent significant upgrades, including new air conditioning, an upgraded sound system with interactive music player, a refreshed Down Under Bar, new kitchen equipment, updated furniture, and enhanced Marquee facilities featuring Beer on Tap among many other improvements.

This was also the first full year for Testa Rossa, the change in cuisine direction along with our themed special nights have been embraced enthusiastically by the community. We extend our sincere thanks to the Testa Rossa staff for their dedication and hard work.

Membership has flourished, with a remarkable 60% increase in social memberships. It has been wonderful to see families from Redhead and surrounding areas joining and supporting the Club.

Our bowls facilities have continued to be a source of great pride for the Club, and none of that would be possible without the tireless work of Chris, our Greenskeeper. Chris, your hard work and dedication have kept our two grass greens in fantastic condition, a true reflection of the care and effort you put in year-round. Whether hosting Club Championships, our Tuesday, Wednesday and Saturday Galas, the Thursday social bowling group the Retired Bowlers, the Sunday Flying Bowlers or numerous barefoot bowls events, our greens continue to enjoy strong and enthusiastic participation. Looking ahead, the Club has big plans in line with the strategic plan to further grow and promote Bowls, building on the wonderful foundation Chris and our bowling community have created.

Community support has grown substantially, with the Club becoming the venue of choice in Redhead for birthday parties, engagements, and fantastic support for our Family Fun Day on the Green. We proudly hosted numerous fundraisers, the Breast Screening Van (which screened 1,920 clients), Sub Club events, and sponsored community groups including the Redhead Board riders, among many other events.

Our bar offerings have also evolved through a new tap agreement partnership, bringing exciting new options to members. Our Bar Manager Ella has been instrumental in expanding our RTD, cocktail, and wine offerings, changes that have proven to be firm favourites among both new and existing members and I would like to thank her for contributions to the Club.

The Gaming Room saw over a third of our aging machines on the floor updated. Continued investment is planned to modernise our offerings further in the next few years. Our staffing has also strengthened, with the Club successfully attracting and retaining quality team members.

Marketing has been transformed with a brand-new website, active Instagram presence, and record-breaking engagement across all platforms. This has also been complemented by a cohesive, revamped in-house marketing theme across all materials.

Entertainment has expanded significantly, with live music moving from monthly to every Saturday night, drawing increased patronage and continued support from the community.

We've added Puzzle Night and Open Mic Night alongside our popular Trivia, Poker, and Musical Bingo, plus PPV UFC and Boxing events in the Down Under Bar. School holiday entertainment including Movie Nights and Kids Discos has been a hit, with more exciting events planned ahead truly making Club Redhead your home of entertainment.
None of these changes would have been possible without the unwavering support of our Board, whose guidance and vision in line with the strategic plan of the Club have helped steer the Club through such a transformative year.

To our management team and staff, thank you for your hard work, dedication, and commitment to excellence, it is your efforts behind the scenes and on the front line that bring our Club to life every single day.

To our members, thank you for your continued support, loyalty, and enthusiasm. It is your involvement and passion that make Club Redhead the vibrant, welcoming community it is today, and none of what we've achieved this year would mean anything without you.

The future of the Club is bright, and I look forward to what we will achieve together in the years ahead.

Redhead Bowling Club Co-Operative Limited

ABN 91 505 907 215

Annual Financial Report for the year ended 30 June 2026

Redhead Bowling Club Co-Operative Limited ABN 91 505 907 215
Annual financial report for the year ended 30 June 2026

Contents

These financial statements are the financial statements of Redhead Bowling Club Co-Operative Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 31 August 2026. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Redhead Bowling Club Co-Operative Limited (the Club) for the year ended 30 June 2026.

Directors details
The following persons were Directors of Redhead Bowling Club Co-Operative Limited during the financial year, and up to the date of this report:

Mr Troy Reeves
Chairman
Director since 2024

Experienced professional in real estate, hospitality and community service

Mr Michael Dennis
Deputy Chairman
Director since 2023

Retired Business Manager

Mr Michael Cockrem
Treasurer
Director since 2024

Retired Engineering Manager

Mr Shanon Maybury
Director
Director since 2023

2IC - Electrical Wholesale Manager

Mr Daniel White
Director
Director since 2025 (from AGM October 2025)

Owner of an engineering firm

Mr Glenn Howard
Director
Director since 2025 (from AGM October 2025)

Retired

Ms Lisa McCarthy
Director
Director since 2024 (until 6 August 2026)

Owner and Operator of a Gym

Mr John Collins
Director
Director since 2022 (until AGM October 2025)

Company Director

Company secretary

Kurt Forester has joined the Club as Secretary Manager in May 2025 and held the position of Company Secretary since that date. During his career he has held senior positions with a number of Clubs and Hotels.

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

		Board meetings	
Board members		**A**	**B**
Mr Troy Reeves		16	16
Mr Michael Dennis		16	16
Mr Michael Cockrem		16	16
Mr Shanon Maybury		16	10
Mr Daniel White	(from AGM October 2025)	12	8
Mr Glenn Howard	(from AGM October 2025)	12	10
Ms Lisa McCarthy	(until 6 August 2026)	16	9
Mr John Collins	(until AGM October 2025)	4	4

Where:
- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

The Club held its Annual General Meeting on 12 October 2025.

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2026, the following land and buildings are considered to be core property:
Core - 42A Cowlishaw St, Redhead

Principal activities

During the year, the principal activities of the Club was the operation of a Licensed Bowling Club.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

The profit achieved for the year was $36,199 (2025 loss $185,475). The return to profitability reflects the increase in trading revenue, particularly from bar and gaming. These improvements were partly offset by an increase in operating expenses.

	2026	2025
	$	$
Revenue and other income	2,911,543	2,369,953
Expenses	(2,875,344)	(2,555,428)
Profit before income tax	36,199	(185,475)

Significant changes in state of affairs

No significant changes in the Club's state of affairs occurred during the financial year.

Events since the end of the financial year

No other 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.

Likely developments and expected results of operations

The Club expects to continue to improve its financial performance and continue to provide quality facilities and services for members and guests.

Environmental regulation

The Club's operations are not regulated by any significant environmental regulations under the law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

The Club is prohibited from paying dividends under its Constitution.

Indemnifying Officer or Auditor

The Club has, not during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs in successfully defending legal proceedings.

During the financial year, the Club has paid a premium in respect of a contract of insurance insuring Directors and Officers (including former and future Directors and Officers) against certain liabilities incurred in that capacity. Disclosure of the total amount of premiums and the nature of the liabilities in respect of such insurance is prohibited by the contract of the insurance.

Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this Directors' report.

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

Troy Reeves - Chairman

Michael Cockrem - Treasurer

Dated: 31 August 2026
Redhead, NSW

Level 5, 12 Stewart Avenue
Newcastle West NSW 2302

20 Church Street
Maitland NSW 2320

Box 29, Hunter Region MC NSW 2310

+61 2 4923 4000

pitchernewcastle.com.au

Auditor's independence declaration

To the Directors of Redhead Bowling Club Co-Operative Limited

In accordance with section 307C of the *Corporations Act 2001* , I declare to the best of my knowledge and belief in relation to the audit of the financial report of Redhead Bowling Club Co-operative Limited for the year ended 30 June 2026, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

Shaun Mahony

Shaun Mahony - Partner

Pitcher Partners NH Partnership

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 31 August 2026
Newcastle West, NSW

Redhead Bowling Club Co-Operative Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Revenue from continuing operations	2	**2,888,692**	2,330,622
Other Income	3	**22,851**	39,331
Bar cost of goods sold		**(507,702)**	(418,164)
Bar direct expenses		**(420,713)**	(321,556)
Poker machine direct expenses		**(160,252)**	(136,985)
Paper gaming Expenses		**(33,424)**	(32,683)
Men's bowling Expenses		**(52,068)**	(70,880)
Women's bowling expenses		**(1,275)**	(13,831)
Sub-club expenses		**(14,632)**	(17,712)
Members amenities		**(372,881)**	(357,378)
Greens direct expenses		**(149,892)**	(160,308)
Clubhouse operations		**(296,464)**	(282,684)
Administration expenses		**(866,041)**	(743,247)
		(2,875,344)	(2,555,428)
Profit / (loss) before income tax		**36,199**	(185,475)
Income Tax		**-**	**-**
Profit / (loss) for the year		**36,199**	(185,475)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income / (loss) for the year		**36,199**	(185,475)

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Redhead Bowling Club Co-Operative Limited

Statement of financial position

For the year ended 30 June 2026

	Notes	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**375,010**	411,260
Trade receivables	5	**501**	-
Inventories	6	**23,948**	41,209
Financial assets at amortised cost	7	**385,435**	372,408
Other assets	8	**24,321**	18,010
Total current assets		**809,215**	842,887
Non-current assets			
Property, plant and equipment	9	**2,194,057**	2,044,366
Lease assets	10	**47,355**	49,650
Total non-current assets		**2,241,412**	2,094,016
Total assets		**3,050,627**	2,936,903
LIABILITIES			
Current liabilities			
Trade and other payables	11	**225,720**	185,085
Provisions	12	**107,099**	92,120
Other liabilities	13	**40,463**	17,516
Lease liabilities	10	**22,900**	22,039
Total current liabilities		**396,182**	316,760
Non-current liabilities			
Provisions	12	**4,584**	3,219
Other liabilities	13	**14,560**	11,570
Lease liabilities	10	**26,248**	32,500
Total non-current liabilities		**45,392**	47,289
Total liabilities		**441,574**	364,049
Net assets		**2,609,053**	2,572,854
MEMBERS FUNDS			
Reserves		**13,029**	13,029
Retained profits		**2,596,024**	2,559,825
Total members funds		**2,609,053**	2,572,854

The above *statement of financial position* should be read in conjunction with the accompanying notes

Redhead Bowling Club Co-Operative Limited

Statement of changes in equity

For the year ended 30 June 2026

	Reserves $	Retained Profits $	Total $
Balance at 1 July 2024	13,029	2,745,300	2,758,329
Profit / (loss) for the year	-	(185,475)	(185,475)
Total comprehensive income for the year	**-**	**(185,475)**	**(185,475)**
Balance at 30 June 2025	**13,029**	**2,559,825**	**2,572,854**
Profit / (loss) for the year	-	36,199	36,199
Total comprehensive income for the year	**-**	**36,199**	**36,199**
Balance at 30 June 2026	**13,029**	**2,596,024**	**2,609,053**

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Redhead Bowling Club Co-Operative Limited

Statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts from members and customers		**3,181,597**	2,578,814
Payments to suppliers and employees		**(2,854,603)**	(2,480,697)
Interest received		**12,704**	22,299
Interest paid		**(6,516)**	(4,595)
Net cash inflow (outflow) from operating activities		**333,182**	115,821
Cash flows from investing activities			
Payments for property, plant and equipment		**(355,089)**	(230,978)
Proceeds from sale of property, plant and equipment		**8,000**	13,500
Net cash inflow (outflow) from investing activities		**(347,089)**	(217,478)
Cash flows from financing activities			
Repayment of lease liabilities		**(22,343)**	(21,661)
Net cash inflow (outflow) from financing activities		**(22,343)**	(21,661)
Net increase in cash and cash equivalents		**(36,250)**	(123,318)
Cash and cash equivalents at the beginning of the financial year		**411,260**	534,578
Cash and cash equivalents at the end of the financial year	**4**	**375,010**	411,260

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2026

1 Summary of material accounting policies

(a) Information about the entity

- Redhead Bowling Club Co-Operative Limited is a co-operative with no share capital.
- Redhead Bowling Club Co-Operative Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Co-operative is 42A Burns Street, Redhead NSW 2290.
- The principal place of business of the Co-operative is 42A Cowlishaw Street, Redhead, NSW 2290.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the *Co-operatives National Law (NSW)* .

(c) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

(d) Statement of compliance

This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian Dollars.

(e) Income Taxes

The Club is exempt from income tax under section 50-45 of the *Income Tax Assessment Act 1997* .

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO is included with other receivables or payables in the statement of financial position.

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

(g) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(h) Comparative information

Comparative information has been adjusted to reflect current year disclosures where applicable.

2 Revenue

(a) Disaggregation of revenue from contracts with customers

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

2026	Beverage revenue $	Gaming revenue $	Raffle revenue $	Bowls Revenue $	Other revenue $	Total $
Revenue from contracts with customers	**1,430,193**	**1,054,430**	**133,614**	**53,157**	**200,118**	**2,871,512**
Other revenue (not covered by AASB15)	**-**	**17,180**	**-**	**-**	**-**	**17,180**
	1,430,193	**1,071,610**	**133,614**	**53,157**	**200,118**	**2,888,692**
Timing of revenue recognition						
At a point in time	**1,430,193**	**1,054,430**	**133,614**	**53,157**	**182,815**	**2,854,209**
Over time	**-**	**17,180**	**-**	**-**	**17,303**	**34,483**
	1,430,193	**1,071,610**	**133,614**	**53,157**	**200,118**	**2,888,692**

2025	Beverage revenue $	Gaming revenue $	Raffle revenue $	Bowls Revenue $	Other revenue $	Total $
Revenue from contracts with customers	1,069,691	953,906	142,422	62,076	85,347	2,313,442
Other revenue (not covered by AASB15)	-	17,180	-	-	-	17,180
	1,069,691	971,086	142,422	62,076	85,347	2,330,622
Timing of revenue recognition						
At a point in time	1,069,691	953,906	142,422	62,076	71,964	2,300,059
Over time	-	17,180	-	-	13,383	30,563
	1,069,691	971,086	142,422	62,076	85,347	2,330,622

(b) Accounting policies and significant judgements

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. vouchers issued, customer loyalty program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Beverage revenue

Revenue from the sale of beverages is recognised at a point in time when the physical control of the goods passes to the customer.

(ii) Gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

(iii) Raffle revenue

Raffle revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle event has been conducted as at this point the performance obligations have been satisfied.

(iv) Bowls revenue

Revenue from rendering services from bowling activities is recognised at a point in time when the game of bowls has been completed as at this point the performance obligations have been satisfied.

(b) Accounting policies and significant judgements (continued)

(v) Other revenue

Included within other revenue is membership subscriptions which are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

The balance of other revenue is recognises at a point in time when the performance obligation has been satisfied.

3 Other expense items

		2026 $	2025 $
(a) Other income			
Interest Income		14,851	16,926
Insurance proceeds		-	8,905
Gain on disposal of Property, Plant and Equipment		8,000	13,500
		22,851	39,331
(b) Other expenses			
Employee Benefits Expense		910,620	773,276
Loss on disposal of Property, Plant and Equipment	Note 9	6,407	24,267
Depreciation		266,461	250,417
Interest costs		6,516	4,595

4 Cash and cash equivalents

Current		
Cash and Cash Equivalents	375,010	411,260
	375,010	411,260

Accounting policy

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any).

5 Trade receivables

	2026 $	2025 $
Current		
Trade receivables	501	-
	501	-

6 Inventories

Current		
Stock on hand	23,948	41,209
	23,948	41,209

Accounting policy
Inventories are measured at the lower of cost and net realisable value.

7 Financial assets at amortised cost

Current		
Term deposits	350,000	350,000
Other receivables	35,435	22,408
	385,435	372,408

Accounting policy
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

8 Other assets

	2026 $	2025 $
Current		
Prepayments	24,321	18,010
	24,321	18,010

9 Property, plant and equipment

Non-current assets	Land and buildings $	Plant and equipment $	Poker machines $	WIP	Total $
At 1 July 2025					
Cost	2,966,701	1,628,916	825,423	-	5,421,040
Accumulated depreciation	(1,527,174)	(1,184,446)	(665,054)	-	(3,376,674)
Net book amount	1,439,527	444,470	160,369	-	2,044,366
Year ended 30 June 2026					
Opening net book amount	1,439,527	444,470	160,369	-	2,044,366
Additions	162,537	58,998	111,537	67,510	400,582
Disposals	(3,991)	(2,416)	-	-	(6,407)
Depreciation charge	(73,752)	(87,888)	(82,844)	-	(244,484)
Closing net book amount	1,524,321	413,164	189,062	67,510	2,194,057
At 30 June 2026					
Cost	3,111,924	1,666,812	855,137	67,510	5,701,383
Accumulated depreciation	(1,587,603)	(1,253,648)	(666,075)	-	(3,507,326)
Net book amount	1,524,321	413,164	189,062	67,510	2,194,057

Accounting policy

(a) Land and buildings

Land and buildings is carried at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Plant and equipment and Poker Machines

Plant and equipment and poker machines are carried at cost less any accumulated depreciation and any accumulated impairment losses.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	20 - 40 years
Plant & Equipment	3 - 40 years
Poker Machines	4 - 5 years

Significant accounting estimates and judgements

The useful life of property, plant and equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

10 Lease assets and lease liabilities

	2026	2025
	$	$
The Club leases a photocopier and the POS system.		
a) Lease assets		
Non-current		
Carrying amount of lease assets, by class of underlying asset:		
Plant and equipment	47,355	49,650

Reconciliation of lease assets	**Plant and equipment**	**Total**	**Total**
2025	**$**	**$**	**$**
Carrying amount at the beginning of the year	49,650	49,650	67,265
Additions	24,956	24,956	5,068
Disposals	(5,274)	(5,274)	-
Amortisation	(21,977)	(21,977)	(22,683)
Carrying amount at the end of the year	47,355	47,355	49,650

b) Lease liabilities			
Current			
Lease liabilities	22,900	22,900	22,039
Non-current			
Lease liabilities	26,248	26,248	32,500
Total	49,148	49,148	54,539

Reconciliation of lease liabilities	**Plant and equipment**	**Total**	**Total**
2025	**$**	**$**	**$**
Carrying amount at the beginning of the year	54,539	54,539	71,132
Additions	24,956	24,956	5,068
Disposals	(8,004)	(8,004)	-
Interest expense	3,541	3,541	4,595
Lease payments	(25,884)	(25,884)	(26,256)
Net movement during year	(5,391)	(5,391)	(16,593)
Carrying amount at the end of the year	49,148	49,148	54,539

Maturity analysis of future lease payments	**Plant and equipment**	**Total**	**Total**
		$	**$**
Not later than 1 year	25,760	25,760	25,217
Later than 1 year and not later than 5 years	29,133	29,133	34,204
Lease payments	54,893	54,893	59,421

Accounting policy

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 7.34%.

10 Lease assets and lease liabilities (continued)

Accounting policy (continued)

Significant accounting estimates and judgements

The useful life of lease assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

11 Trade and other payables

	2026 $	2025 $
Current		
Trade payables	175,470	99,071
Other payables and accruals	48,830	71,006
GST payable	1,420	15,008
	225,720	185,085

Accounting policy
Trade and other payables, including accruals, are non-interest bearing and are generally due for payment within 30 days of the invoice date.

12 Provisions

Current		
Employee entitlements (i) & (ii)	107,099	92,120
	107,099	92,120
Non-current		
Employee entitlements (ii)	4,584	3,219
	4,584	3,219

Accounting policy

(i) *Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) *Long service leave*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

13 Other liabilities

Current		
Contract liabilities - membership income	9,064	15,727
Other liabilities	31,399	1,789
	40,463	17,516
Non-current		
Contract Liabilities - membership income	14,560	11,570
	14,560	11,570

14 Commitments

		2026 $	2025 $
(i)	*Capital Commitments*		
	Air conditioning system	68,610	-
		68,610	-

Capital commitments relate to the planned replacement of the Club's rooftop air conditioning system.

15 Contingent liabilities

Bank guarantee substituting for a security deposit for TAB facilities	5,000	5,000

16 Related parties

	2026 $	2025 $

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

(a) *Key management personnel compensation*

Total key management personnel benefits	172,026	109,281

(b) *Transactions with other related parties*

Entertainment services provided by Club Esky, related party associated with Troy Reeves and Michael Cockrem	2,500	3,750
Sponsorship received from Khaki and Green, related party associated with John Collins	1,220	-
Donation of garden shed received from Michael Cockrem	817	-

17 Remuneration of auditors

Auditor of the company

Audit of the financial statements	21,500	20,600
Other services - consulting services	17,800	18,050
	39,300	38,650

Directors' declaration

In the Directors' opinion:

(a) The financial statements and notes set out on pages 6 to 16 are in accordance with the *Co-operatives National Law (NSW)* , including:

  (i) comply with Australian Accounting Standards - Simplified Disclosures and the *Co-operatives National Regulations (NSW)* ; and

  (ii) giving a true and fair view of the Club's financial position as at 30 June 2026 and of its performance for the year ended on that date.

(b) There are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable; and

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

Troy Reeves - Chairman

Michael Cockrem - Treasurer

Dated: 31 August 2026
Redhead, NSW

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Independent auditor's report

to the members of Redhead Bowling Club Co-Operative Limited

Opinion

We have audited the financial report of Redhead Bowling Club Co-Operative Limited (the Club) which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Directors' declaration.

In our opinion, the accompanying financial report of Redhead Bowling Club Co-Operative Limited is in accordance with the *Co-operatives National Law (NSW)* including:

(i) giving a true and fair view of the Club's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(ii) comply with Australian Accounting Standards - Simplified Disclosures, and the *Co-operatives National Regulations (NSW)*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the 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 Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's Directors' report, but does not include the financial report and our auditor's report thereon.

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

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

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

Independent auditor's report (continued)

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 Disclosures and the *Co-operatives National Law (NSW)* , 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 Club'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 Club 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 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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Club'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 Club to cease to continue as a going concern.

Independent auditor's report (continued)

Auditor's responsibilities for the audit of the financial report (continued)

- 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.

Shaun Mahony - Partner

Pitcher Partners NH Partnership

Pitcher Partners NH Partnership
Chartered Accountants

31 August 2026
Newcastle West, NSW