

Wallsend RSL and Community Club Limited

ACN 35 000 958 136

Annual Financial Report for the year ended 31 May 2026

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These financial statements are the financial statements of Wallsend RSL and Community Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 28 July 2026. The Directors have the power to amend and reissue the financial statements.

Directors' report

Your Directors' present their report on Wallsend RSL and Community Club Limited (the Club) for the year ended 31 May 2026.

Directors details

The following persons were Directors of Wallsend RSL and Community Club Limited during the financial year, and up to the date of this report:

Peter Moore
President
Director since 1987

B. Comm, Dip Ed & JP. Retired Senior Education Officer of 26 years

Terence Morgan
Vice President
Director since 2009

Dip Comm, Dip Law. Solicitor since 1982

Barry Twomey
Director
Director since 1983

Retired Industry Supervisor. Worked 12 years in the Steel Industry

Ian Healey
Director
Director since 1996

Retired Sales Executive with Breweries and Bank Officer

Allan Crumpton
Director
Director since 2013

Cert Mgt. Retired Senior Police Officer

Jason Dunn
Director
Director since 2019

B Comm, B Laws, Dip Legal Practice. Solicitor since 2003

Greg Boswell
Director
Director since 2020

Retired Cameraman, Commercial Director and Advertising Agency Partner

Company secretary

Mr Mark Stanborough was appointed as the Chief Executive Officer and Company Secretary of Wallsend RSL and Community Club Limited in October 2024. Mr Stanborough has been employed at the Club since 1998 and prior to becoming CEO held the Operations Manager position.

Directors' 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**
Peter Moore	12	12
Terence Morgan	12	8
Barry Twomey	12	11
Ian Healey	12	8
Allan Crumpton	12	12
Jason Dunn	12	11
Greg Boswell	12	12

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

Core and non-core property

Pursuant to Section 41E(5) of the *Registered Clubs Act 1976 (NSW)* for the financial year ended 31 May 2026, the following land and buildings are considered to be core property and non-core property:

Core Property

- 5-13 Tyrrell Street, Wallsend
- 1A Lowe Street Wallsend
- 5 Fogo Street, Wallsend

Non-Core Property

- 12-16 Charles Street, Wallsend
- 15-17 Tyrrell Street, Wallsend
- 4 Tyrrell Street, Wallsend
- 6 Kemp Street, Wallsend
- 8-10 Charles Street, Wallsend
- 17 Kokera Street, Wallsend

Directors' report (continued)

Principal activities

During the year, the principal activities of the Club were the running of the Club in accordance with its objectives for the benefit of its members.

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

Significant changes in state of affairs

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

Short and long-term objectives

The Club's short and long-term objectives are to:

- Provide the best facilities available to members and guests with a special interest in the welfare of the returned service men and women.

Strategy for achieving short and long-term objectives

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

- Increase existing revenue levels and control costs to improve profitability which will allow the Club's premises to be continually improved.

Performance measurement

These strategies are measured through both financial and non-financial key performance indicators that have been developed relevant to the club industry. The Club measures its performance against industry benchmarks, gross profit percentage and wages to sales percentages to measure the financial performance of trading areas such as bar and gaming. The Club also uses EBITDA to measure the financial performance of the Club overall.

Contribution in winding up

The Club is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of $5 each towards meeting any outstanding obligations of the Club. At 31 May 2026 the total amount that members of the Club are liable to contribute if the Club wound up is $98,290 (2025: $84,560).

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.



Peter Moore - Director



Allan Crumpton - Director

Dated: 28 July 2026
Wallsend, NSW

Level 5, 12 Stewart Avenue
Newcastle West NSW 2302

20 Church Street
Maitland NSW 2320

Box 29, Hunter Region MC NSW 2310

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Auditor's independence declaration

To the Directors of Wallsend RSL and Community Club 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 Wallsend RSL and Community Club Limited for the year ended 31 May 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.

Kirsty Porteous - Partner

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 28 July 2026
Newcastle West, NSW

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney

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Statement of profit or loss and other comprehensive income

For the year ended 31 May 2026

	Notes	2026 $	2025 $
Revenue from continuing operations	2	**20,510,787**	18,016,496
Other income	3	**510,817**	476,739
Bar cost of goods sold		**(1,006,226)**	(897,320)
Bar direct expenses		**(695,453)**	(601,536)
Bistro cost of goods sold		**(1,523,410)**	(1,240,888)
Bistro direct expenses		**(2,414,234)**	(2,053,037)
Gaming direct expenses		**(6,781,312)**	(6,038,992)
Rental operations		**(56,392)**	(56,945)
Promotional expenses		**(528,818)**	(479,448)
Administration expenses		**(7,096,481)**	(7,286,785)
Finance costs		**(32,997)**	(76,236)
Bowls expenses		**(43,867)**	(34,742)
		(20,179,190)	(18,765,929)
Profit / (loss) before income tax		**842,414**	(272,694)
Income tax expense	4	**-**	-
Profit / (loss) for the year		**842,414**	(272,694)
Other comprehensive income	19	-	-
Total comprehensive income / (loss) for the year		**842,414**	(272,694)

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

Wallsend RSL and Community Club Limited

Statement of financial position

For the year ended 31 May 2026

	Notes	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**6,748,376**	3,683,754
Trade receivables	6	**48,221**	49,493
Inventories	7	**324,248**	302,578
Other assets	9	**201,435**	150,384
Total current assets		**7,322,280**	4,186,209
Non-current assets			
Financial assets at amortised cost	8	**203,385**	253,385
Property, plant and equipment	10	**21,253,206**	21,666,736
Investment properties	11	**3,975,000**	3,815,000
Investments - equity method	12	**4,553,333**	4,461,704
Intangible assets	13	**2,530,580**	2,780,580
Lease assets	14	**387,216**	272,070
Total non-current assets		**32,902,720**	33,249,475
Total assets		**40,225,000**	37,435,684
LIABILITIES			
Current liabilities			
Trade and other payables	15	**1,931,255**	1,940,602
Provisions	17	**1,070,186**	892,751
Other liabilities	18	**63,318**	56,702
Lease liabilities	14	**69,292**	35,747
Total current liabilities		**3,134,051**	2,925,802
Non-current liabilities			
Financial liabilities	16	**2,100,000**	449,688
Provisions	17	**123,657**	125,430
Other liabilities	18	**53,451**	53,281
Lease liabilities	14	**305,258**	215,314
Total non-current liabilities		**2,582,366**	843,713
Total liabilities		**5,716,417**	3,769,515
Net assets		**34,508,583**	33,666,169
MEMBERS FUNDS			
Reserves	19	**538,525**	538,525
Retained profits		**33,970,058**	33,127,644
Total members funds		**34,508,583**	33,666,169

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

Wallsend RSL and Community Club Limited

Statement of changes in equity

For the year ended 31 May 2026

	Revaluation Reserve $	General Reserve $	Retained Profits $	Total $
Balance at 1 June 2024	**20,768**	**517,757**	**33,400,338**	**33,938,863**
Profit / (Loss) for the year	-	-	(272,694)	(272,694)
Other comprehensive income		-	-	
Total comprehensive income for the year	**-**	**-**	**(272,694)**	**(272,694)**
Balance at 31 May 2025	**20,768**	**517,757**	**33,127,644**	**33,666,169**
Profit / (Loss) for the year	-	-	842,414	842,414
Other comprehensive income			-	
Total comprehensive income for the year	**-**	**-**	**842,414**	**842,414**
Balance at 31 May 2026	**20,768**	**517,757**	**33,970,058**	**34,508,583**

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

Wallsend RSL and Community Club Limited

Statement of cash flows

For the year ended 31 May 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts from members and customers		22,832,584	20,034,765
Payments to suppliers and employees		(20,054,596)	(17,947,229)
Interest received		55,316	15,107
Interest paid		(32,997)	(76,236)
Net cash inflow (outflow) from operating activities		**2,800,307**	**2,026,407**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,887,117)	(1,738,959)
Repayment of loans provided		50,000	-
Proceeds from sale of intangible assets		250,000	239,940
Proceeds from sale of property, plant and equipment		262,965	-
Net cash inflow (outflow) from investing activities		**(1,324,152)**	**(1,499,019)**
Cash flows from financing activities			
Repayment of lease liabilities		(61,845)	(71,746)
Proceeds from borrowings		2,100,000	-
Repayment of borrowings		(449,688)	(659,000)
Net cash inflow (outflow) from financing activities		**1,588,467**	**(730,746)**
Net increase in cash and cash equivalents		3,064,622	(203,358)
Cash and cash equivalents at the beginning of the financial year		3,683,754	3,887,112
Cash and cash equivalents at the end of the financial year	5	**6,748,376**	**3,683,754**

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

Notes to the financial statements

For the year ended 31 May 2026

1 Summary of material accounting policies

(a) Information about the entity

- Wallsend RSL and Community Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.
- Wallsend RSL and Community Club Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is Lowe, Kemp & Tyrrell Streets, Wallsend NSW 2287.
- The principal place of business of the Club is 5 - 7 Tyrrell St, Wallsend NSW 2287.

(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, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

(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, except for investment properties which have been measured at fair value. The financial report is presented in Australian Dollars.

(e) 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.

(f) 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.

(g) 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 $	Raffle and Bingo Revenue $	Gaming Revenue $	Food Revenue $	Other Revenue $	Total $
Revenue from contracts with customers	**2,854,927**	**339,804**	**13,353,991**	**3,672,576**	**272,309**	**20,493,607**
Other revenue (not covered by AASB15)	**-**	**-**	**17,180**	**-**	**-**	**17,180**
	2,854,927	**339,804**	**13,371,171**	**3,672,576**	**272,309**	**20,510,787**
Timing of revenue recognition						
At a point in time	**2,854,927**	**339,804**	**13,353,991**	**3,672,576**	**220,209**	**20,441,507**
Over time	**-**	**-**	**17,180**	**-**	**52,100**	**69,280**
	2,854,927	**339,804**	**13,371,171**	**3,672,576**	**272,309**	**20,510,787**

2025	Beverage Revenue $	Raffle and Bingo Revenue $	Gaming Revenue $	Food Revenue $	Other Revenue $	Total $
Revenue from contracts with customers	2,568,032	308,851	11,658,408	3,166,071	297,954	17,999,316
Other revenue (not covered by AASB15)	-	-	17,180	-	-	17,180
	2,568,032	308,851	11,675,588	3,166,071	297,954	18,016,496
Timing of revenue recognition						
At a point in time	2,568,032	308,851	11,658,408	3,166,071	248,765	17,950,127
Over time	-	-	17,180	-	49,189	66,369
	2,568,032	308,851	11,675,588	3,166,071	297,954	18,016,496

(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. loyalty points 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) Sale of goods - beverage

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) Provision of services - raffle and bingo revenue

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

(iii) Provision of services - 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 revenue 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.

TAB and Keno commission revenue 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.

(iv) Sale of goods - food

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

3 Other income and expense items

	2026 $	2025 $
(a) Other income		
Rental income	117,137	150,255
Interest income	55,316	15,107
Share of profit / (loss) from joint ventures using equity method	91,629	83,775
Movement in fair value - investment property	160,000	145,000
Gain on disposal of fixed assets	86,735	82,602
	510,817	476,739

(i) Rental income (investment property)

Rental income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The Club recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

(ii) Movement in fair value - investment property

The Club recognises the change in fair value of investment property based on the assessment of an independent expert, representing the non-cash gain in relation to investment properties.

(b) Other expenses

Employee benefits expense	6,528,065	5,990,685
Depreciation and amortisation	2,176,645	2,197,817
Interest costs	32,997	76,236
Impairment of investment	-	301,295

4 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

The Income Tax Assessment Act 1997 provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been provided on a taxable income calculated as follows:

Operating profit/(loss) before income tax	842,414	(272,694)
Tax at the Australian tax rate at 25% (2025: 25%)	210,604	(68,174)
Add/(Less) tax effect of:		
Non assessable income		
Non deductible expenses	3,569	5,533
Apportionment adjustment members income and expenses	(592,007)	(347,014)
Temporary differences	53,627	(2,009)
Deferred tax asset for tax losses not brought to account	324,207	411,664
Income tax expense	-	-

(b) The Directors estimate that the potential deferred tax asset as at 31 May 2026 not brought to account is as follows:

Tax losses at 25%	1,525,013	1,166,737
	1,525,013	1,166,737

4 Income tax expense (continued)

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

5 Cash and cash equivalents

	2026 $	2025 $
Current		
Cash on hand and at bank	6,748,376	3,683,754
	6,748,376	3,683,754

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).

6 Trade receivables

Current		
Trade receivables	48,221	49,493
	48,221	49,493

7 Inventories

Current		
Stock on hand - bar	114,280	82,054
Stock on hand - bistro	209,968	220,524
	324,248	302,578

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

8 Financial assets at amortised cost

Non - Current		
Other receivables	203,385	253,385
	203,385	253,385

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.

9 Other assets

Current		
Prepayments	201,435	150,384
	201,435	150,384

10 Property, plant and equipment

Non-current assets	Land and buildings $	Plant and equipment $	Capital work in progress $	Total $
At 1 June 2025				
Cost	30,037,321	14,955,854	93,781	45,086,956
Accumulated depreciation	(12,349,030)	(11,071,190)	-	(23,420,220)
Net book amount	17,688,291	3,884,664	93,781	21,666,736
Year ended 31 May 2026				
Opening net book amount	17,688,291	3,884,664	93,781	21,666,736
Additions	32,548	1,041,954	789,358	1,863,860
Transfers	353,669	47,125	(400,794)	-
Disposals	-	(176,230)	-	(176,230)
Depreciation charge	(792,827)	(1,308,333)	-	(2,101,160)
Closing net book amount	17,281,681	3,489,180	482,345	21,253,206
Year ended 31 May 2026				
Cost	30,423,539	15,349,855	482,345	46,255,739
Accumulated depreciation	(13,141,858)	(11,860,675)	-	(25,002,533)
Net book amount	17,281,681	3,489,180	482,345	21,253,206

Accounting policy

(a) Land and buildings

Land and buildings are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment

Each class of plant and equipment is 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:

Land and buildings	21 - 50 years
Plant & Equipment	3 - 11 years

(d) Impairment

Property, plant and equipment are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

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.

11 Investment properties

	2026 $	2025 $
Non-current assets - at fair value		
Opening balance at 1 June	3,815,000	3,670,000
Net gain / (loss) from fair value adjustment	160,000	145,000
Closing balance at 31 May	3,975,000	3,815,000

Accounting policy

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. To obtain the fair value, a market appraisal is obtained by the Club from its real estate agent annually. A market valuation was performed by Lisa Brzozowski of Raine and Horne real estate as at 31 May 2026. The real estate agent frequently assesses the market values for properties similar to those held by the Club in the same areas, having regard to past sales prices of other properties and current market conditions. Gains or losses arising from changes in the fair values of the investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

11 Investment properties (continued)

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognising of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

Significant accounting estimates and judgements

The fair value of investment properties is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

12 Investments - equity method

	2026	2025
	$	$
Non-current assets - at cost		
Investment in joint venture (Springs Wallsend Pty Ltd)		
Opening balance at 1 June	4,461,704	4,679,224
Additions	-	-
Impairment	-	(301,295)
Share of profit / (loss)	91,629	83,775
Closing balance at 31 May	4,553,333	4,461,704

Accounting policy

The investment in Springs Wallsend Pty Ltd is a joint venture accounted for using the equity method. The Club has joint control and 25% ownership interest. Springs Wallsend Pty Ltd operates a 50 room motel.

A joint venture is an arrangement that the Club controls jointly with one or more other investors, and over which the Club has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

Interests in joint ventures are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Club's share of the profit or loss and other comprehensive income of the joint venture, until the date on which significant influence or joint control ceases.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of investments is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependent on the asset's ability to generate net cash inflows and if deprived of the asset the Club would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of comprehensive income as a separate line item.

The following table summarises the financial information of Springs Wallsend Pty Ltd as included in its own financial statements.

Current assets		
Cash and cash equivalents	144,589	124,782
Financial assets	3,649	27,057
Other assets	11,599	2,915
Total current assets	159,837	154,754
Non current assets		
Property, plant and equipment	10,067,715	10,355,984
Total non current assets	10,067,715	10,355,984
Total assets	10,227,552	10,510,738
Liabilities		
Trade and other payables	(29,869)	(23,940)
Financial liabilities	2,226,876	2,870,650
Total liabilities	2,197,007	2,846,710
Net assets	8,030,545	7,664,028

12 Investments - equity method (continued)

	2026 $	2025 $
Income		
Accommodation	1,510,856	1,499,746
Other Income	40,069	42,755
Total Income	1,550,925	1,542,501
Expenses		
Commissions	71,203	69,511
Depreciation	278,010	278,200
Property management	430,237	422,641
Interest	89,915	127,195
Other	315,043	309,857
Total Expenses	1,184,408	1,207,404
Operating profit / (loss)	366,517	335,097
Attributed to Club at 25%	91,629	83,775

13 Intangible assets

Non-current assets	Poker machine entitlements $	2026 $	2025 $
As at 31 May 2026			
Cost	2,530,580	2,530,580	2,780,580
Net book amount	2,530,580	2,530,580	2,780,580
Reconciliation			
Opening net book amount	2,780,580	2,780,580	2,780,580
Disposals	(250,000)	(250,000)	
Closing net book amount	2,530,580	2,530,580	2,780,580

Accounting policy

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired. The value shown for the poker machine entitlements, being their cost plus transaction costs, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite as there is no indication that gaming machines will become obsolete.

Significant accounting estimates and judgements

The useful life of intangible assets 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. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. There is uncertainty in relation to this assumption as it is based on current legislation and conditions attached to the entitlements. 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.

14 Leases

	2026 $	2025 $

The Club leases various equipment and the air space between Club buildings and the Club carpark.

a) Lease asset

Non-current		
Lease assets	387,216	272,070

Reconciliation of lease assets	**Photocopier**	**Equipment**	**Club Airspace**	**Total**	**Total**
	$	**$**	**$**	**$**	**$**
Carrying amount at the beginning of the year	83,685	7,020	181,365	272,070	332,178
Additions	-	185,853	11,793	197,646	11,988
Disposals	-	(7,015)	-	(7,015)	-
Transfers			-	-	-
Amortisation	(29,925)	(34,078)	(11,482)	(75,485)	(72,096)
Carrying amount at the end of the year	53,760	151,780	181,676	387,216	272,070

b) Lease liabilities

Current					
Lease liabilities	30,259	35,540	3,493	69,292	35,747
Non-current					
Lease liabilities	23,501	118,958	162,799	305,258	215,314
Total	53,760	154,498	166,292	374,550	251,061

Reconciliation of lease liabilities	**Photocopier**	**Equipment**	**Club Airspace**	**Total**	**Total**
	$	**$**	**$**	**$**	**$**
Carrying amount at the beginning of the year	82,835	3,411	164,815	251,061	310,819
Additions	-	185,853	2,892	188,745	11,988
Disposal	-	(3,411)	-	(3,411)	-
Interest expense	2,678	6,170	2,772	11,620	11,067
Lease payments	(31,753)	(37,525)	(4,187)	(73,465)	(82,813)
Carrying amount at the end of the year	53,760	154,498	166,292	374,550	251,061

Maturity analysis of future lease payments				**Total**	**Total**
				$	**$**
Not later than 1 year	31,753	40,937	10,048	82,738	44,926
Later than 1 year and not later than 5 years	23,815	126,222	40,192	190,228	94,615
Later than 5 years	-	-	221,055	221,055	231,026
Lease payments	55,568	167,159	271,295	494,021	370,567

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 4%.

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.

14 Leases (continued)

Lessor

Leases for which the Club is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As lessor for operating leases, the Club recognises lease payments as income. The underlying asset is depreciated on a straight line basis over its expected useful life.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

15 Trade and other payables

	2026	2025
	$	$
Current		
Trade payables	585,460	484,794
Other payables and accruals	1,135,423	1,275,859
GST payable	210,372	179,949
	1,931,255	1,940,602

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.

16 Financial liabilities

Non-current		
Secured		
Better Business loan (i)	2,100,000	449,688
Total secured financial liabilities	2,100,000	449,688

(i) Secured liabilities

The Club has a Better Business Loan facility with a limit of $2,100,000. The interest-only facility has a term of 3 years commencing in May 2026 with an interest rate of 6.58% from the date of funding and is subject to annual review. At 31 May 2026, the outstanding balance of the facility was $2,100,000. The following has been provided as security:

- First registered mortgage over non-residential properties located at:
  4 Tyrrell St Wallsend NSW 2287
  5 Fogo Street Wallsend NSW 2287
  6 Kemp St Wallsend NSW 2287
  8 Charles Street Wallsend NSW 2287

- First registered equitable mortgage over the whole of the Club's assets and undertakings including uncalled capital.

The loan is repayable in full on expiry of the facility. The loan has no covenants and the Club has complied with all terms and conditions and undertakings of the loan.

(ii) Unused financing facilities

The Club has a Commonwealth Bank Corporate Charge Card facility of $50,000.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as non-current liabilities if the Club has a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

17 Provisions

	2026	2025
	$	$
Current		
Employee entitlements (i) & (ii)	1,020,999	872,244
Jackpots	49,187	20,507
	1,070,186	892,751
Non-current		
Employee entitlements (ii)	73,657	75,430
Make good	50,000	50,000
	123,657	125,430

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.

18 Other liabilities

Current		
Contract liabilities - membership revenue	34,883	35,146
Contract liabilities - function revenue	28,435	21,556
	63,318	56,702
Non-current		
Contract liabilities - membership revenue	53,451	53,281
	53,451	53,281

19 Reserves

	Asset Revaluation	General	Total
		$	$
Balance at 1 June 2025	20,768	517,757	538,525
Additions	-	-	-
Balance at 31 May 2026	20,768	517,757	538,525

(i) *Nature and purpose of reserves*

General reserve
Accumulated funds taken over on incorporation.

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

20 Commitments

Prior to balance date, the Club exercised an option to acquire an additional 25% shareholding in Springs Wallsend Pty Ltd. Refer to Note 24 for further details on this acquisition. (2025: nil)

21 Contingent liabilities

	2026 $	2025 $
Bank guarantee substituting for a security deposit for TAB facilities	10,000	10,000

On 25th March 2023, Wallsend Diggers Sports Club was forced to close due to unforeseen events. The site of the Sports Club, 5 Fogo Street Wallsend, has suffered significant subsidence issues to the property. The subsidence has caused significant damage to the three (3) bowling greens and other areas of the site. The immediate future of the site is unknown as at the date of this report. Any costs that the Club may incur in relation to repairs or re-building of the clubhouse and/or greens is unknown and could not be measured at the date of this report. Similarly any compensation that may be received by the Club is also unknown at the date of this report. The carrying value of the property, plant and equipment of 5 Fogo Street at balance date is $3,658,852. No impairment loss has been recognised as the Directors are of the opinion that the Club may recover this value through future cashflows, being compensation, future use, disposal or a combination of these outcomes.

At the date of this report any potential costs to settle the matter cannot be reliably quantified.

22 Related parties

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 remuneration*

Total key management personnel benefits	474,465	588,384

(b) *Transactions with other related parties*

A Director, Mr B. Twomey and a relative of Director Mr P. Moore, lease investment properties from the Club at rates agreed to at the Club's annual general meeting.

The firm in which a Director, Mr J. Dunn is associated with provides legal services to the Club as required on normal terms and conditions with the total paid/payable by the Club being $3,326 (2025: $22,318).

23 Remuneration of auditors

Auditor of the Club

Audit of the financial statements	38,170	36,860
Other services - taxation compliance services	7,300	6,590
Other services - consulting services	33,689	34,401
	79,159	77,851

24 Subsequent events

Subsequent to 31 May 2026, the Club acquired an additional 25% ownership interest in Springs Wallsend Pty Ltd. Following the share acquisition, the Club's ownership interest increased from 25% to 50%.

The transaction was completed on 9 June 2026 for consideration of $2,100,000. As the acquisition occurred after the reporting date, the financial effect of the transaction has not been recognised in these financial statements.

Consolidated entity disclosure statement

For the year ended 31 May 2026

Wallsend RSL and Community Club Limited is not required by Australian Accounting Standards to prepare consolidated financial statements.

Accordingly, in accordance with subsection 295 (3A) of the *Corporations Act 2001* , no further information is required to be disclosed in this consolidated entity disclosure statement.

Directors' declaration

In the Directors' opinion:

(a) The financial statements, notes and consolidated entity disclosure statement set out on pages 6 to 21 are in accordance with the *Corporations Act 2001* , including:

(i) complying with Accounting Standards - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Club's financial position as at 31 May 2026 and of its performance for the financial 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

(c) The consolidated entity disclosure statement required by subsection 295 (3A) of the *Corporations Act 2001* is true and correct.

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



Peter Moore - Director



Allan Crumpton - Director

28 July 2026
Wallsend, NSW

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Independent auditor's report

to the members of Wallsend RSL and Community Club Limited

Opinion

We have audited the financial report of Wallsend RSL and Community Club Limited ("the Club") which comprises the statement of financial position as at 31 May 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, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' declaration.

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

(i) giving a true and fair view of the Club's financial position as at 31 May 2026 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the 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.

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 for the year ended 31 May 2026, 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.

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Independent auditor's report (cont.)

Responsibilities of the Directors for the financial report

The Directors of the Club are responsible for the preparation of:

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

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001* ; and

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

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

(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the 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.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 31 May 2026 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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.

Pitcher Partners Newcastle & Hunter Pty Ltd

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Independent auditor's report (cont.)

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

- 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.
- 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.

Kirsty Porteous - Partner

Pitcher Partners NH Partnership
Chartered Accountants

28 July 2026
Newcastle West, NSW

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