

HUNTER VALLEY

SPORTS & SOCIAL

ANNUAL REPORT

year ended 30 June 2026



East Cessnock Bowling Club Ltd ABN 59 000 835 923

Trading as Hunter Valley Sports & Social
Annual financial report for the year ended 30 June 2026

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These financial statements are the financial statements of East Cessnock Bowling Club Ltd. The financial statements are presented in the Australian currency.

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

Chairman's report

Annual General Meeting | Financial Year 1 July 2025 – 30 June 2026

It is a pleasure to present my report as Chairman for the 2025–2026 financial year.

This has been an important year for our Club, with the completion of major renovations, improved trading activity and continued progress in strengthening the way we operate. While the financial results will be addressed in greater detail by our auditor and CEO, I would like to focus on the areas that underpin the long-term success of any club: strong governance, effective leadership, unity and a positive culture.

Working Together for the Club

I believe one of the greatest strengths of our Club is the commitment of the Board to work collectively in the best interests of our members and the organisation.

Good governance is not simply about making decisions. It is about listening, asking the right questions, considering different perspectives and making informed decisions with the Club's long-term interests in mind. Directors may not always agree on every issue, but respectful discussion and a shared commitment to our responsibilities allow us to move forward with a common purpose.

As Chairman, I am proud of the way the Board continues to work with our CEO to provide direction, support sound management and make decisions that position the Club for the future.

A Positive Club Culture

A club's success cannot be measured by financial performance alone. It is also reflected in the atmosphere we create the way people treat one another and whether members and guests feel welcome and connected.

I am encouraged by the positive changes in our Club's culture. We are seeing a stronger sense of community, improved interactions among patrons and a greater emphasis on respectful behaviour. The reduction in Board judicial hearings compared with previous years is also an encouraging sign.

Maintaining this progress requires the ongoing commitment of everyone involved. Directors, management, employees, members and guests all have a part to play in creating an environment where people feel welcome, standards are upheld and our Club remains a place people are proud to belong to.

Looking Ahead

The completion of our renovation has provided a modernised facility from which to build the Club's future. Increased patronage and improved trading activity are encouraging, but we must continue to manage our resources responsibly, maintain sound governance and ensure our decisions support the Club's long-term sustainability.

While our facilities and operations continue to evolve, our connection to bowls and our role in the local community remain important parts of who we are. Our challenge and opportunity is to build on our progress while preserving the values, traditions and sense of belonging that make our Club special.

Acknowledgements

I would like to thank my fellow Directors for their commitment, constructive contributions and willingness to work together. I also acknowledge our CEO for her leadership and ongoing work in managing the business and implementing the Club's strategic direction.

To our employees, thank you for your efforts and contribution throughout the year. Finally, to our members and guests, thank you for your continued support and for being part of our Club.

United in Purpose

I remain optimistic about our future. We have made meaningful progress, and I believe we are best placed to continue that progress when we approach challenges with respect, work through differences constructively and keep the interests of the Club and its members at the centre of our decisions.

A strong club is built not only on its facilities or financial performance, but on the people who support it, the culture they create and the shared purpose that brings them together.

Thank you for your continued support.

Steve Davies
ECBC Sports - Chairman

CEO's report

Investment, Transformation and Sustainable Growth

The 2025–2026 financial year has been a significant one for our Club — a year characterised by investment, transformation and continued growth.

Much of the work undertaken over recent years has been about preparing the Club for its future. During 2025–2026, we saw many of those plans become reality, with substantial investment in our facilities, our operating environment and the experience we provide to members and guests.

The year also delivered strong growth across key areas of the business. Revenue and income increased to $8.55 million, compared with $7.49 million in the previous year, while the Club generated EBITDA of $1.28 million — an underlying operating result that remained above the industry benchmark used by the Club.

Our focus throughout the year has remained firmly on the long term: investing in a Club that is financially sustainable, relevant to our changing community and capable of providing better facilities, services and experiences for our members.

That investment has been about much more than buildings. It has involved challenging how we operate, reconsidering what our Club needs to be for the next generation of members, and making decisions that position Hunter Valley Sports & Social for continued growth.

The transformation from East Cessnock Bowling Club to Hunter Valley Sports & Social represents an important part of that journey. While we remain proud of our history and our connection to bowls, our new identity better reflects the broader role the Club now plays within our community and the direction in which we are heading.

Ellie O'Meley
ECBC Sports - CEO

A GLIMPSE OF 2026



EBITDA
$1,282,561



Bowls Investment
$279,211



Total Assets
$21,454,506

FINANCIAL YEAR



$5.2m
in upgrades to Club Facilities



Entertainment Spend
$100,111



Donations & Sponsorship
$131,623

Directors' report

Your Directors' present their report on East Cessnock Bowling Club Ltd (the Club) for the year ended 30 June 2026.

Directors details
The following persons were Directors of East Cessnock Bowling Club Ltd during the financial year, and up to the date of this report:

Mr Steven Davies
Chairperson
Director since 2019

37 years in Government Service – Defence, NSW Police and Department of Justice.

Mr Michael Gates
Vice Chairperson
Director since 2019

25 continuous years' service in State and Federal railway systems, various committee and coaching roles in football & cricket clubs for over 30 years

Mr William Bright
Director
Director since 2021

40 years experience in Local Government. 15 years as Senior Manager and 25 years as Executive Manager (following portfolios - Insurance & Risk Management liaising with local Police, Accounts, Procurement & materials management).
Qualifications: Associate Fellow Institute of Procurement & Materials Management, Qualified in Senior Procurement & Materials Management with additional passes is psychology & sociology.

Mr Matthew Harrison
Director
Director since 2024

25 years in various management roles in the Hunter Valley at some of the regions most established wineries. Matthew has been part of and overseen the development and redevelopments of facility upgrades of restaurants, function centres and outdoor dining areas. He has also had oversight of property development in South Australian vineyards attached to Hunter Valley brands.

Ms Penelope Hyde
Director
Director since 2024

Varied industry experience from banking through to hospitality and electrical maintenance

Company secretary
Mr Steven Fairfull has been the Company Secretary of East Cessnock Bowling Club Ltd since August 2023 and has over 15 years experience in the Club Industry.

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**
Mr Steven Davies	6	6
Mr Michael Gates	6	5
Mr William Bright	6	6
Mr Matthew Harrison	6	5
Ms Penelope Hyde	6	6

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 30 June 2026, the following land and buildings are considered to be core and non-core property:

Core - 6 to 12 Victoria Street, Cessnock NSW 2321.

Non-Core - Properties at 20 and 22 Koree Street Cessnock, 1, 3 5 and 7 Shalimah Street Cessnock, 1 and 3 Victoria Street Cessnock, 253 and 255 Maitland Road Cessnock.

Directors' report (continued)

Principal activities
During the year, the principal activities of the Club were running of a licensed Club for the benefit of its members and to meet the Club's objectives under its constitution.

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

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

- provide the best facilities available to members and their guests, including the promotion of the game of bowls.

Strategy for achieving short and long-term objectives
To meet objectives, the Club aims to increase existing revenue levels and control costs to improve profitability which will allow the Club's premises and bowling greens to be continually improved.

Performance measurement
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.

	2026	2025
Revenue and income	8,550,688	7,488,427
Expenses	(9,571,939)	(7,568,742)
Profit / (loss) before income tax	(1,021,251)	(80,315)
Income tax	-	-
Net profit / (loss) after income tax	(1,021,251)	(80,315)
Depreciation and amortisation	1,594,224	1,155,360
Profit on disposal	(36,295)	(7,954)
Interest expense	402,158	128,291
Loss on disposal	358,020	157,578
Interest income	(14,295)	(11,334)
EBITDA	1,282,561	1,341,626

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 $8.40 each towards meeting any outstanding obligations of the Club. At the total amount that members of the Club are liable to contribute if the Club were wound up is $92,081 (2025: $72,047).

Rounding of amounts
In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*, the amounts in the Directors' report have been rounded to the nearest dollar (where indicated).

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.



Steven Davies - Chairperson



Penelope Hyde - Director

Dated: 28 October 2026
Cessnock, NSW

PITCHER PARTNERS

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 East Cessnock Bowling Club Ltd

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 East Cessnock Bowling Club Ltd for the year ended 30 June 2026, there have been:

(a) no contraventions of the auditor independence requirements as set out in 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

Kirsty Porteous - Partner

Pitcher Partners NH Partnership

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 28 October 2026
Newcastle West, NSW

Pitcher Partners Newcastle & Hunter Pty Ltd

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East Cessnock Bowling Club Ltd trading as
Hunter Valley Sports & Social

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Revenue from continuing operations	2	**8,468,959**	7,051,283
Other income	3	**81,729**	437,144
Bar cost of goods sold		**(818,207)**	(711,140)
Bar direct expenses		**(959,317)**	(693,632)
Gaming direct expenses		**(2,255,150)**	(1,816,182)
Clubhouse operations		**(1,672,227)**	(1,197,351)
Members amenities		**(1,089,667)**	(1,064,168)
Bowling expenses		**(279,211)**	(209,246)
Administration expenses		**(2,036,105)**	(1,688,884)
Rental property direct expenses		**(59,897)**	(59,848)
Finance costs		**(402,158)**	(128,291)
		(9,571,939)	(7,568,742)
Profit / (loss) before income tax		**(1,021,251)**	(80,315)
Income tax expense	1(e)	**-**	-
Profit / (loss) for the year		**(1,021,251)**	(80,315)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income / (loss) for the year		**(1,021,251)**	(80,315)

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

East Cessnock Bowling Club Ltd trading as
Hunter Valley Sports & Social

Statement of financial position

As at 30 June 2026

	Notes	2026 $	2025 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**1,346,318**	1,825,469
Trade receivables	5	**20,098**	5,145
Inventories	6	**54,322**	86,806
Financial assets at amortised cost	7	**89,908**	236,630
Other assets	8	**205,457**	262,785
Total current assets		**1,716,103**	2,416,835
Non-current assets			
Financial assets at amortised cost	7	**1,538,384**	1,585,158
Financial assets at fair value through profit or loss	9	**23,336**	17,454
Property, plant and equipment	10	**14,185,777**	13,090,369
Investment properties	11	**2,535,507**	2,561,080
Intangible assets	12	**425,000**	425,000
Lease assets	13	**1,030,399**	901,927
Total non-current assets		**19,738,403**	18,580,988
Total assets		**21,454,506**	20,997,823
LIABILITIES			
Current liabilities			
Trade and other payables	14	**745,360**	378,482
Financial liabilities	15	**158,921**	229,727
Lease liabilities	13	**95,385**	71,173
Provisions	16	**184,814**	179,963
Other liabilities	17	**29,927**	13,942
Total current liabilities		**1,214,407**	873,287
Non-current liabilities			
Lease liabilities	13	**950,644**	831,135
Financial liabilities	15	**5,113,574**	4,087,220
Provisions	16	**23,238**	36,447
Other liabilities	17	**16,079**	11,919
Total non-current liabilities		**6,103,535**	4,966,721
Total liabilities		**7,317,942**	5,840,008
Net assets		**14,136,564**	15,157,815
MEMBERS FUNDS			
Retained profits		**14,136,564**	15,157,815
Total members funds		**14,136,564**	15,157,815

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

East Cessnock Bowling Club Ltd trading as
Hunter Valley Sports & Social

Statement of changes in equity

For the year ended 30 June 2026

	Retained profits $	Total $
Balance at 1 July 2024	15,238,130	15,238,130
Profit / (loss) for the year	(80,315)	(80,315)
Other comprehensive income	-	-
Total comprehensive income for the year	**(80,315)**	**(80,315)**
Balance at 30 June 2025	**15,157,815**	**15,157,815**
Profit / (loss) for the year	(1,021,251)	(1,021,251)
Other comprehensive income	-	-
Total comprehensive income for the year	**(1,021,251)**	**(1,021,251)**
Balance at 30 June 2026	**14,136,564**	**14,136,564**

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

East Cessnock Bowling Club Ltd trading as
Hunter Valley Sports & Social

Statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts from members and customers		9,352,791	8,177,193
Payments to suppliers and employees		(7,819,759)	(7,019,762)
Interest received		14,295	11,334
Interest paid		(402,158)	(128,291)
Net cash inflow (outflow) from operating activities		**1,145,169**	**1,040,474**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,589,735)	(4,736,766)
Proceeds from sale of property, plant and equipment		61,000	7,954
Proceeds from loans receivable		46,774	70,000
Transfer to/from interest bearing deposit		-	10,048
Net cash inflow (outflow) from investing activities		**(2,481,961)**	**(4,648,764)**
Cash flows from financing activities			
Proceeds from borrowings		1,331,219	4,633,314
Repayment of borrowings		(375,671)	(749,402)
Repayment of lease liabilities		(97,907)	(81,357)
Net cash inflow (outflow) from financing activities		**857,641**	**3,802,555**
Net increase in cash and cash equivalents		(479,151)	194,265
Cash and cash equivalents at the beginning of the financial year		1,825,469	1,631,204
Cash and cash equivalents at the end of the financial year	4	**1,346,318**	**1,825,469**

The above *statement of profit or loss and other comprehensive income* 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

- East Cessnock Bowling Club Ltd is a Company limited by guarantee, incorporated and domiciled in Australia.
- East Cessnock Bowling Club Ltd is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is Neath Street, Cessnock NSW 2325.
- The principal place of business of the Club is Neath Street, Cessnock NSW 2325.

(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 financial assets at fair value through profit and loss, unless otherwise stated. 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 2026/183* , 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.

Notes to the financial statements

For the year ended 30 June 2026

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	Raffles and Housie revenue	Gaming revenue	Other revenue	Total
	$	$	$	$	$
Revenue from contracts with customers	**2,004,204**	**522,196**	**5,631,079**	**212,181**	**8,369,660**
Other revenue (not covered by AASB15)	**-**	**-**	**17,180**	**82,119**	**99,299**
	2,004,204	**522,196**	**5,648,259**	**294,300**	**8,468,959**
Timing of revenue recognition					
At a point in time	**2,004,204**	**522,196**	**5,631,079**	**264,040**	**8,421,519**
Over time	**-**	**-**	**17,180**	**30,260**	**47,440**
	2,004,204	**522,196**	**5,648,259**	**294,300**	**8,468,959**

2025	Beverage revenue	Raffles and Housie revenue	Rental revenue	Other revenue	Total
	$	$	$	$	$
Revenue from contracts with customers	1,581,268	628,046	4,561,521	182,854	6,953,689
Other revenue (not covered by AASB15)	-	-	17,180	80,414	97,594
	1,581,268	628,046	4,578,701	263,268	7,051,283
Timing of revenue recognition					
At a point in time	1,581,268	628,046	4,561,521	244,399	7,015,234
Over time	-	-	17,180	18,869	36,049
	1,581,268	628,046	4,578,701	263,268	7,051,283

(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

The Club sells a range of beverages. Revenue from the sale of goods is recognised with the Club sells a product to the customer.

(ii) Provision of services - raffle and housie revenue

Raffle and housie revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle or housie 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.

(iv) Other revenue

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

Notes to the financial statements

For the year ended 30 June 2026

3 Other income and expense items

	2026	2025
	$	$
(a) Other income		
Interest income	14,295	11,334
Insurance recoveries	-	344,097
Wages subsidies	24,528	73,315
Profit on sale of plant and equipment	36,295	7,954
Other income	6,611	444
	81,729	437,144
(b) Other expenses		
Employee benefits expense	2,401,565	2,129,726
Loss on disposal of plant and equipment	358,020	157,578
Interest costs	402,158	128,291
Amortisation and depreciation	1,594,224	1,155,360

4 Cash and cash equivalents

Current		
Cash and cash equivalents	1,346,318	1,825,469
	1,346,318	1,825,469

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

Current		
Trade receivables	20,098	5,145
	20,098	5,145

6 Inventories

Current		
Stock on hand - bar	54,322	32,810
Stock on hand - bowls	-	53,996
	54,322	86,806

7 Financial assets at amortised cost

Current		
Loans - Secured (i)	41,774	41,774
GST receivable	-	152,705
Other receivables	48,134	42,151
	89,908	236,630
Non - Current		
Loans - Secured (i)	1,538,384	1,585,158
	1,538,384	1,585,158

(i) Secured Loans

The loan provided is secured via a first registered mortgage over Lot 1 on DP841518 also known as 300 & 302 Maitland Road, Cessnock, NSW, 2325.

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.

Notes to the financial statements

For the year ended 30 June 2026

8 Other assets

	2026 $	2025 $
Current		
Prepayments	205,457	262,785
	205,457	262,785

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

9 Financial assets at fair value through profit or loss

Current		
Shares	23,336	17,454
	23,336	17,454

Accounting policy

Equity instruments are measured at fair value with changes in fair value recognised through profit or loss. Dividends received on these investments are recognised in the statement of profit or loss and other comprehensive income unless the distribution clearly represents a recovery of part of the cost of the investment.

10 Property, plant and equipment

Non-current assets	Building improvements $	Plant and equipment $	Poker machines $	Capital WIP $	Total $
At 1 July 2025					
Cost	11,924,686	3,499,527	2,888,357	4,588,931	22,901,501
Accumulated depreciation	(5,985,124)	(1,823,266)	(2,002,742)	-	(9,811,132)
Net book amount	5,939,562	1,676,261	885,615	4,588,931	13,090,369
Year ended 30 June 2026					
Opening net book amount	5,939,562	1,676,261	885,615	4,588,931	13,090,369
Additions	154,658	345,065	890,364	1,543,541	2,933,628
Disposals	(243,205)	(39,790)	(99,730)	-	(382,725)
Transfers	5,734,434	146,068	-	(5,880,502)	-
Depreciation charge	(580,099)	(406,021)	(469,375)	-	(1,455,495)
Closing net book amount	11,005,350	1,721,583	1,206,874	251,970	14,185,777
At 30 June 2026					
Cost	17,506,740	3,882,436	3,270,055	251,970	24,911,201
Accumulated depreciation	(6,501,390)	(2,160,853)	(2,063,181)	-	(10,725,424)
Net book amount	11,005,350	1,721,583	1,206,874	251,970	14,185,777

Accounting policy

(a) Building Improvements

Building improvements are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines

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

(c) Depreciation

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

Buildings	40 years
Plant & Equipment	5 - 20 years
Poker Machines	4 - 10 years

10 Property, plant and equipment (continued)

(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.

The recoverable amount of plant and equipment 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.

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 cost		
Opening balance at 1 July	2,561,080	2,712,784
Transferred to Capital WIP	-	(42,500)
Disposals	-	(81,184)
Depreciation	(25,573)	(28,020)
Closing balance at 30 June	2,535,507	2,561,080

Accounting policy
Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are continued to be carried at cost.

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.

12 Intangible assets

Non-current assets	Poker machine entitlements $	2026 $	2025 $
As at 30 June 2026			
Cost	425,000	425,000	425,000
Net book amount	425,000	425,000	425,000
Reconciliation			
Opening net book amount	425,000	425,000	425,000
Closing net book amount	425,000	425,000	425,000

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 as there is no indication that gaming machines will become obsolete. 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.

Notes to the financial statements

For the year ended 30 June 2026

13 Lease assets and lease liabilities

The Club leases land where the Clubhouse is situation from Crown Lands, clubhouse plant & equipment and poker machines.

	2026	2025
a) Lease assets	$	$
Non-current		
Carrying amount of lease assets, by class of underlying asset:		
Land lease	634,920	622,840
Plant & Equipment	395,479	265,784
Poker Machines	-	13,303
	1,030,399	901,927

Reconciliation of lease assets	**Land**	**Plant & Equipment**	**Poker Machines**	**Total**	**Total**
	$	$	$	$	$
Carrying amount at the beginning of the year	622,840	265,784	13,303	901,927	666,662
Additions	12,080	229,548	-	241,628	318,838
Amortisation	-	(99,853)	(13,303)	(113,156)	(83,573)
Carrying amount at the end of the year	634,920	395,479	-	1,030,399	901,927

b) Lease liabilities					
Current					
Lease liabilities	-	95,385	-	95,385	71,173
Non-current					
Lease liabilities	634,920	315,724	-	950,644	831,135
Total	634,920	411,109	-	1,046,029	902,308

Reconciliation of lease liabilities	**Land**	**Plant & Equipment**	**Poker Machines**	**Total**	**Total**
	$	$	$	$	$
Carrying amount at the beginning of the year	622,840	269,998	9,470	902,308	664,827
Additions	12,080	229,548	-	241,628	318,838
Interest expense	31,746	29,291	18	61,055	42,179
Lease payments	(31,746)	(117,728)	(9,488)	(158,962)	(123,536)
Carrying amount at the end of the year	634,920	411,109	-	1,046,029	902,308

Maturity analysis of future lease payments			**Total**	**Total**
			$	$
Not later than 1 year	118,656	-	118,656	86,507
Later than 1 year and not later than 5 years	361,224	-	361,224	236,089
Lease payments	479,880	-	479,880	322,596

The future lease commitment relating to the land lease in perpetuity has been recognised at the net present value of the current annual lease payment being $31,746 and discounted using the incremental borrowing rate noted below.

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 5.59%.

13 Lease assets and lease liabilities (continued)

Accounting policy (continued)

Lease assets 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 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.

Accounting for Lease in Perpetuity with Crown Lands NSW - The accounting treatment of the Club's lease in perpetuity with Crown Lands NSW involves judgement and estimates in determining whether the contract grants rights that result in transfer of control of the asset to the and therefore results in the in-substance purchase of the Land. The Directors have determined that control of the asset does not transfer to the Club and as such the contract has been treated as a lease in accordance with AASB16 Leases.

14 Trade and other payables

	2026	2025
	$	$
Current		
Trade payables	206,740	120,677
Other payables and accruals	425,513	257,805
GST payable	113,107	-
	745,360	378,482

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.

Notes to the financial statements

For the year ended 30 June 2026

15 Financial liabilities

	2026 $	2025 $
Current		
Secured		
Bank loans (i)	-	70,014
Total secured financial liabilities	-	70,014
Unsecured		
Other loans	158,921	159,713
Total unsecured financial liabilities	158,921	159,713
	158,921	229,727
Non-current		
Secured		
Bank loans (i)	5,113,574	4,087,220
Total secured financial liabilities	5,113,574	4,087,220

(i) Secured liabilities

The bank loans and undrawn facilities are secured over the following properties:

A First Registered Mortgage by East Cessnock Bowling Club over 1 Shalimah Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 3 Shalimah Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 5 Shalimah Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 7 Shalimah Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 20 Koree Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 22 Koree Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 1 Victoria Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 3 Victoria Street Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 253 Maitland Road Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 255 Maitland Road Cessnock NSW 2325
A First Registered Mortgage by East Cessnock Bowling Club over 6-12 Victoria Street Cessnock NSW 2325

The Club has the following financing facilities with Regional Australia Bank:-

	Total Facility	*Undrawn $*	*Monthly repayments*	*Interest Rate*	*Facility expiry*
Facility 1	440,000	6,841	Interest only	6.38%	Jan 2028
Facility 2	4,970,000	289,585	Interest only	7.25%	Jan 2028
Facility 3	200,000	200,000	Interest only	7.25%	Jan 2027

The Club facilities are interest only for the initial period of the facility, on expiry the facilities will convert to principal and interest repayments over a new negotiated period.

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 current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

For the year ended 30 June 2026

16 Provisions

	2026 $	2025 $
Current		
Employee entitlements (i) & (ii)	165,878	118,777
Jackpots	15,693	3,860
Other	3,243	57,326
	184,814	179,963
Non-current		
Employee entitlements (ii)	23,238	36,447
	23,238	36,447

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.

17 Other liabilities

Current		
Contract liabilities - membership income	18,134	13,747
Contract liabilities - commissions	10,695	-
Other liabilities	1,098	195
	29,927	13,942
Non-current		
Contract liabilities - membership income	16,079	11,919
	16,079	11,919

18 Contingent liabilities

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

19 Commitments

(i)	*Capital commitments*		
	Clubhouse renovation	-	1,420,678
		-	1,420,678

Notes to the financial statements

For the year ended 30 June 2026

20 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.

		2026 $	2025 $
(a)	*Key management personnel compensation*		
Total key management personnel benefits		286,697	246,451
(b)	*Transactions with other related parties*		
	During the year, relatives of the Club CEO Ellie O'Meley and also a relative of Director Steven Davies were employed by the Club under normal award terms and conditions.		
	Prior to the employment of Ellie O'Meley, the Club entered into a sale agreement in 2019 with O'Lange Pty Ltd (of which a member of the Key Management Personnel, Ellie O'Meley is a Director). Interest is charged between 1.1% and 5% p.a.		
	Amount receivable by the Club	1,580,158	1,626,933
	Interest received	8,226	8,226
	During the 2025 financial year, the Club entered into a 7 year solar panel rental agreement with Energy Lease Pty Ltd trading as Smart Ease, requiring monthly lease payments of $2,448. During the 2026 financial year, the Club entered into a second 7 year solar panel rental agreement with monthly lease payments of $3,354. The solar panels were supplied by MJJ's Electrics Pty Ltd. Director Matthew Harrison is employed as a Manager of MJJ's Electrics Pty Ltd.		

21 Remuneration of auditors

Auditor of the Club		
Audit of the financial statements	26,300	25,000
Other services - consulting services	27,770	28,430
	54,070	53,430

Consolidated entity disclosure statement

For the year ended 30 June 2026

East Cessnock Bowling Club Ltd 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 20 are in accordance with the the *Corporations Act 2001* , including:

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

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

(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.



Steven Davies - Chairperson



Penelope Hyde - Director

28 October 2026
Cessnock, NSW

PITCHER PARTNERS

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

Independent auditor's report

to the members of East Cessnock Bowling Club Ltd

Opinion

We have audited the financial report of East Cessnock Bowling Club Ltd (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, notes to the financial statements, including a summary of material accounting policies, 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 30 June 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 section 307C of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Directors' Report.

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

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

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

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Independent auditor's report (continued)

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 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.

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Independent auditor's report (continued)

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 October 2026
Newcastle West, NSW

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Notes


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HUNTER VALLEY

SPORTS & SOCIAL

6-12 Victoria Street, Cessnock NSW 2325

P: 02 4990 1444 | www.ecbc.com.au