Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

Financial Statements

For the Year Ended 30 June 2026

Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

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For the Year Ended 30 June 2026

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Kendall Services & Citizens Club Limited

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Directors' Report

30 June 2026

The directors present their report on Kendall Services & Citizens Club Limited for the financial year ended 30 June 2026.

Information on directors

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

Neil Merrick	
Qualifications	Retired
Experience	Resigned March 2026
William Jones	
Qualifications	Retired
Special responsibilities	President
Margot McLennan	
Qualifications	Retired
Robert Palmer	
Qualifications	Retired
Ross Bate	
Qualifications	Retired
Joanne Jones	
Qualifications	School Teacher
Experience	Resigned October 2025
Jack Chapman	
Qualifications	Business Owner
Glen Basnet	
Qualifications	Carer
Experience	Appointed May 2026
Dennis Bale	
Qualifications	Groundkeeper
Experience	Appointed May 2026

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

Principal activities

The principal activity of Kendall Services & Citizens Club Limited during the financial year was to operate a registered Club.

Kendall Services & Citizens Club Limited

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Directors' Report

30 June 2026

Principal activities

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Maintain a viable community asset that offers licensed facilities with gaming, dining and entertainment options for our members, their families and their guests;
- Consolidate the Club's financial position by increasing income and strictly controlling expenditure; and
- Be sustainable and strive for continuous improvement so as to offer the best facility in the local area and one that is inviting to people of all ages and gender.

Long term objectives

The Company's long term objectives are to:

- Retire the Club's debt and focus on savings accumulation;
- Maintain the Club's property and when necessary make alterations to accomodate new trends and potential markets; and
- Increase membership in the local area and offer the products and services that will ensure a members relationship with the Club continues year after year.

Strategy for achieving the objectives

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

- Develop and nurture a culture within the community consistent with the Club's reason for existence and its objectives which are focused on our members. Building and maintaining membership through our product ranges, exceptional service and diverse entertainment options is a prerequisite for our future success.
- Developing income streams independent of gaming has become extremely important for clubs of all sizes. In uncertain times of legislation changes and economic downturns, the Board has committed to exploring the alternative forms of income away from normal daily trade as a strategy to lessen our reliance on income generated in this area.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- The principal activities of the Club include the operation of the bar and gaming area, a bistro, provision of entertainment and the sale of take home liquor. The operation, management and promotion of these activities assisted the Club in achieving its objectives.

Kendall Services & Citizens Club Limited

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Directors' Report

30 June 2026

Performance measures

The Club's board is currently developing a strategic plan culminating with a masterplan that will serve the Club for many years. This strategic plan will be reviewed on a regular basis to ensure relevance.

A number of key performance indicators (KPI's) are used by the Club to measure, monitor and improve the Club's performance and to achieve its objectives through sound financial management.

Business acitivities are monitored to ensure that the goals, objectives and business strategies are achieved.

Members' guarantee

Kendall Services & Citizens Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $ 1 for members subject to the provisions of the company's constitution.

At 30 June 2026 the collective liability of members was $ 1,601 (2025: $ 1,584).

Meetings of directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
William Jones	16	16
Margot McLennan	16	16
Robert Palmer	16	16
Ross Bate	16	14
Joanne Jones	4	3
Neil Merrick	10	10
Jack Chapman	16	12
Glen Basnet	3	3
Dennis Bale	3	3

Kendall Services & Citizens Club Limited

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Directors' Report

30 June 2026

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2026 has been received and can be found on page 5 of the financial report.

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

Director: ..... William Jones

Director: ..... Robert Palmer

Dated this 5th day of November 2026

pddadvisorygroup
chartered accountants & business advisors

Kendall Services & Citizens Club Limited

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Kendall Services & Citizens Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Matthew Edwards (CPA)
Partner
Registered Company Auditor (461719)
PDD Advisory Group

14 Short Street, Port Macquarie NSW 2444

Dated this 9th day of November 2025

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Kendall Services & Citizens Club Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue	4	**3,378,276**	3,811,849
Other income	4	**78,811**	84,785
Employee benefits expense		**(727,113)**	(702,557)
Depreciation and amortisation expense		**(40,186)**	(39,403)
Cost of sales		**(2,082,598)**	(2,388,275)
Advertising		**(26,497)**	(6,328)
Bingo expenses		**(2,796)**	(582)
Cleaning		**(79,027)**	(72,484)
Electricity & gas		**(84,002)**	(72,333)
Entertainment for members & guests		**(18,443)**	(16,512)
Insurance		**(107,225)**	(119,447)
Promotional drinks/giveaways		**(41,168)**	(44,061)
Raffle expenses		**(79,318)**	(74,744)
Repairs & maintenance		**(73,346)**	(49,720)
Sky channel		**(10,901)**	(10,901)
Other expenses		**(134,092)**	(111,142)
Interest paid		**(10,588)**	(14,259)
Profit before income tax		**(60,213)**	173,886
Income tax expense	6	**-**	-
Profit for the year		**(60,213)**	173,886
Other comprehensive income, net of income tax			
Total comprehensive income for the year		**(60,213)**	173,886

The accompanying notes form part of these financial statements.

Kendall Services & Citizens Club Limited

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Statement of Financial Position

As At 30 June 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**69,000**	67,503
Trade and other receivables	8	**22,143**	49,270
Inventories	9	**37,037**	30,287
Other assets	11	**97,664**	93,256
TOTAL CURRENT ASSETS		**225,844**	240,316
NON-CURRENT ASSETS			
Property, plant and equipment	10	**2,533,626**	2,573,812
TOTAL NON-CURRENT ASSETS		**2,533,626**	2,573,812
TOTAL ASSETS		**2,759,470**	2,814,128
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**155,000**	151,199
Borrowings	13	**27,314**	33,002
Employee benefits	15	**62,290**	47,740
Other financial liabilities	14	**5,896**	5,113
TOTAL CURRENT LIABILITIES		**250,500**	237,054
NON-CURRENT LIABILITIES			
Borrowings	13	**85,025**	102,118
Employee benefits	15	**16,240**	7,038
TOTAL NON-CURRENT LIABILITIES		**101,265**	109,156
TOTAL LIABILITIES		**351,765**	346,210
NET ASSETS		**2,407,705**	2,467,918
EQUITY			
Reserves		**1,058,471**	1,058,471
Retained earnings		**1,349,234**	1,409,447
TOTAL EQUITY		**2,407,705**	2,467,918

The accompanying notes form part of these financial statements.

Kendall Services & Citizens Club Limited

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Statement of Changes in Equity
For the Year Ended 30 June 2026

2026

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2025	**1,409,447**	**1,058,471**	**2,467,918**
Profit/(loss) attributable to members of the parent entity	**(60,213)**	**-**	**(60,213)**
Balance at 30 June 2026	**1,349,234**	**1,058,471**	**2,407,705**

2025

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2024	1,235,561	1,058,471	2,294,032
Profit attributable to members of the parent entity	173,886	-	173,886
Balance at 30 June 2025	1,409,447	1,058,471	2,467,918

The accompanying notes form part of these financial statements.

Kendall Services & Citizens Club Limited

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Statement of Cash Flows

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**3,654,648**	4,093,978
Payments to suppliers and employees		**(3,636,963)**	(3,933,880)
Finance costs		**(10,588)**	(14,259)
Other receipts		**17,180**	17,180
Net cash provided by/(used in) operating activities	24	**24,277**	163,019
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**-**	16,000
Purchase of property, plant and equipment		**-**	(84,000)
Net cash provided by/(used in) investing activities		**-**	(68,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**-**	37,490
Repayment of borrowings		**(22,780)**	(96,247)
Net cash provided by/(used in) financing activities		**(22,780)**	(58,757)
Net increase/(decrease) in cash and cash equivalents held		**1,497**	36,262
Cash and cash equivalents at beginning of year		**67,503**	31,241
Cash and cash equivalents at end of financial year	7	**69,000**	67,503

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2026

The financial report covers Kendall Services & Citizens Club Limited as an individual entity. Kendall Services & Citizens Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Kendall Services & Citizens Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 28 September 2026.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

(a) Going Concern

The financial statements have been prepared on a going concern basis. Whilst the Company has positive net assets at reporting date, it has recorded a working capital deficiency (current assets minus current liabilities) of $24,656. A negative working capital position casts significant doubt over the Company's ability to pay its liabilities as and when they fall due, and therefore continue as a going concern.

The Company has an overdraft Facility with the Regional Australia Bank of $50,000 with the majority undrawn at the balance date. The Company is supported by a Loan held with Regional Australia Bank, which was originally for a 15 year term, with 9 years remaining on the terms of the loan at balance date.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers
Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

The depreciation rates used for each class of depreciable asset are shown below:

Class of Fixed Assets	Depreciation Rate
Buildings	2.5% - 30%
Plant & Equipment	5% - 40%
Gaming Machines	30% - 40%
Office Equipment	7.5% - 50%
Kitchen Equipment	7.5% - 20%
Motor vehicles	20%

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

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Cash and cash equivalents

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

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

(i) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 Summary of Significant Accounting Policies

(j) Employee benefits

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

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2026, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements
For the Year Ended 30 June 2026

4 Revenue and Other Income

Revenue from continuing operations

	2026	2025
	$	$
Sale of goods	**3,227,272**	3,645,594
Bingo takings	**10,756**	9,750
Keno commission	**27,085**	30,209
TAB commission	**9,144**	17,704
Other commssion	**1,682**	1,965
Raffle ticket sales	**86,679**	91,586
Membership fees	**15,658**	15,041
	3,378,276	3,811,849

(a) Other Income breakup

	2026	2025
	$	$
Other Income		
- Sundry income	**35,324**	39,273
- Rebates	**43,487**	29,512
- net gain on disposal of property, plant and equipment	**-**	16,000
	78,811	84,785

5 Result for the Year

The result for the year includes the following specific expenses:

	2026	2025
	$	$
Other expenses:		
Cost of sales	**2,082,598**	2,388,275
Finance costs	**10,588**	14,259
Depreciation	**40,186**	39,403
Movements in provisions		
- annual leave	**12,161**	(3,148)
- long service leave	**11,592**	6,354

Notes to the Financial Statements

For the Year Ended 30 June 2026

6 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2026	2025
	$	$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2025: 25%)	**(15,053)**	43,472
Add:		
Tax effect of:		
- non-deductible expenses	**325,384**	275,012
- tax loss carried forward (not brought to account)	**(17,164)**	(2,151)
	293,167	316,333
Less:		
Tax effect of:		
- non-assessable income	**293,167**	316,333
Income tax expense	**-**	-

7 Cash and Cash Equivalents

	2026	2025
	$	$
Cash at bank and in hand	**69,000**	67,503
	69,000	67,503

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2026	2025
	$	$
Cash and cash equivalents	**69,000**	67,503

8 Trade and other receivables

	2026	2025
	$	$
CURRENT		
Clearing accounts	**3,185**	15,188
PAYG-W Refundable	**-**	3,680
ATO receivable	**18,958**	30,402
Total current trade and other receivables	**22,143**	49,270

Notes to the Financial Statements

For the Year Ended 30 June 2026

9 Inventories

	2026 $	2025 $
CURRENT		
At cost:		
Stock on hand	**37,037**	30,287
	37,037	30,287

10 Property, plant and equipment

	2026 $	2025 $
LAND AND BUILDINGS		
Freehold land		
At valuation	**120,000**	120,000
Total freehold land	**120,000**	120,000
Car park		
At fair value	**3,070**	3,070
Total cark park	**3,070**	3,070
Total Land	**123,070**	123,070
Buildings		
At valuation	**2,243,000**	2,243,000
Total buildings	**2,243,000**	2,243,000
Total land and buildings	**2,366,070**	2,366,070

Notes to the Financial Statements

For the Year Ended 30 June 2026

10 Property, plant and equipment

	2026 $	2025 $
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	**359,240**	359,240
Accumulated depreciation	**(305,874)**	(292,577)
Total plant and equipment	**53,366**	66,663
Office equipment		
At cost	**43,956**	43,956
Accumulated depreciation	**(27,368)**	(26,002)
Total office equipment	**16,588**	17,954
Gaming machines		
At cost	**546,957**	546,957
Accumulated depreciation	**(465,626)**	(441,115)
Total gaming machines	**81,331**	105,842
Kitchen equipment		
At cost	**54,321**	54,321
Accumulated depreciation	**(38,050)**	(37,038)
Total Kitchen equipment	**16,271**	17,283
Total plant and equipment	**167,556**	207,742
Total property, plant and equipment	**2,533,626**	2,573,812

Notes to the Financial Statements

For the Year Ended 30 June 2026

10 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings	Plant and Equipment	Total
	$	$	$
Year ended 30 June 2026			
Balance at the beginning of year	**2,366,070**	**207,742**	**2,573,812**
Disposals			
Depreciation expense	**-**	**(40,186)**	**(40,186)**
Balance at the end of the year	**2,366,070**	**167,556**	**2,533,626**

	Land	Plant and Equipment	Total
	$	$	$
Year ended 30 June 2025			
Balance at the beginning of year	2,366,070	163,145	2,529,215
Additions	-	84,000	84,000
Disposals			
Depreciation expense	-	(39,403)	(39,403)
Balance at the end of the year	2,366,070	207,742	2,573,812

In August 2017, PM Valuations Pty Ltd valued the Club's land, buildings and site improvements for financial-reporting purposes at $2.36 million. At 30 June 2026, the directors assessed whether the carrying amount remained materially consistent with fair value, having regard to the continuing use and condition of the property, available property information, the absence of identified impairment indicators and the September 2024 insurance replacement-cost assessment. The insurance assessment was prepared for insurance purposes and does not represent a market or financial-reporting valuation. Based on their assessment, the directors concluded that no adjustment to the carrying amount was required at 30 June 2026.

Notes to the Financial Statements

For the Year Ended 30 June 2026

11 Other Assets

	2026	2025
	$	$
CURRENT		
Prepayments	**97,664**	93,256
	97,664	93,256

12 Trade and Other Payables

	2026	2025
	$	$
CURRENT		
Trade payables	**10,418**	5,824
GST payable	**25,841**	27,299
Employee benefits	**17,306**	16,313
Sundry payables and accrued expenses	**11,620**	11,620
Other payables	**89,815**	90,143
	155,000	151,199

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the Year Ended 30 June 2026

13 Borrowings

	2026	2025
	$	$
CURRENT		
Secured liabilities:		
Gaming machine finance lease	-	5,407
Bank loans	**27,314**	27,595
Total current borrowings	**27,314**	33,002
NON-CURRENT		
Secured liabilities:		
Bank loans	**85,025**	102,118
Total non-current borrowings	**85,025**	102,118

Summary of borrowings

In July 2020 the Company refinanced its borrowings to Regional Australia Bank. The new facility is for $245,000 principal and interest, repayable over 15 years and is secured by the Club's premises.

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

The bank debt is secured by a registered first mortgage over certain freehold properties owned by the Company.

The remaining loans and leases are secured by the assets to which the finance relates.

(a) Bank overdrafts

The bank overdrafts of the Company are secured by a registered first mortgage over certain freehold properties of controlled entities.

The Club has a $50,000 overdraft facility with Regional Australia Bank.

14 Other Financial Liabilities

	2026	2025
	$	$
CURRENT		
Amounts received in advance	**5,896**	5,113
Other financial liabilities		
Total	**5,896**	5,113

Notes to the Financial Statements

For the Year Ended 30 June 2026

15 Employee Benefits

	2026	2025
	$	$
Current liabilities		
Long service leave	**20,226**	17,835
Provision for employee benefits	**42,064**	29,905
	62,290	47,740
Non-current liabilities		
Long service leave	**16,240**	7,038
	16,240	7,038

16 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

17 Capital and Leasing Commitments

(a) Finance lease commitments

	2026	2025
	$	$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**-**	5,407
	-	5,407

Notes to the Financial Statements

For the Year Ended 30 June 2026

18 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate riskk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Lease liabilities
- Floating rate bank loans

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Kendall Services & Citizens Club Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Kendall Services & Citizens Club Limited's activities.

The day-to-day risk management is carried out by Kendall Services & Citizens Club Limited's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receive monthly reports which provide details of the effectiveness of the processes and policies in place.

Notes to the Financial Statements

For the Year Ended 30 June 2026

18 Financial Risk Management

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

Credit risk

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

Sensitivity analysis

The Company has not performed a sensitivty analysis relating to its exposure to interest rate risk at balance date as the Directors believe that the effect on profitability and equity is immaterial.

19 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 1 each towards meeting any outstandings and obligations of the Company. At 30 June 2026 the number of members was 1,601 (2025: 1,584).

Notes to the Financial Statements

For the Year Ended 30 June 2026

20 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Kendall Services & Citizens Club Limited during the year are as follows:

	2026	2025
	$	$
Short-term employee benefits	**114,694**	108,561
Long-term benefits	**2,444**	3,837
Post-employment benefits	**13,200**	13,276
	130,338	125,674

Key management personnel have been taken to comprise the Directors and the Secretary Manager during the financial year.

21 Auditors' Remuneration

	2026	2025
	$	$
Remuneration of the auditor PDD Advisory Group, for:		
- auditing or reviewing the financial statements	**11,800**	11,350
Total	**11,800**	11,350

22 Contingencies

Contingent Liabilities

Kendall Services & Citizens Club Limited had the following contingent liabilities at the end of the reporting period:

- The Company has a contingent liability for permanent employees' sick leave. As sick leave is not payable unless physically taken, no liability for this leave has been taken up in the financial statements.

Contingent Assets

- The Club holds entitlements for 15 poker machines. No cost was attached to these entitlements, but they would currently have value if sold.

Notes to the Financial Statements

For the Year Ended 30 June 2026

23 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 20.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

(a) During the 2026 financial year the Club paid JW Chapman Constructions a total of $4,330 including GST (2025: $nil) for general repairs. JW Chapman Constructions is a related party of Club Director, Jack Chapman.

24 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2026	2025
	$	$
Profit for the year	**(60,213)**	173,887
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**40,186**	39,403
- net gain on disposal of property, plant and equipment	**-**	(16,000)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**15,683**	6,484
- (increase)/decrease in other assets	**(4,408)**	3,733
- (increase)/decrease in inventories	**(6,750)**	(2,869)
- increase/(decrease) in trade and other payables	**15,243**	(44,900)
- (increase)/decrease in other liabilities	**783**	77
- increase/(decrease) in provisions	**23,753**	3,204
Cashflows from operations	**24,277**	163,019

Notes to the Financial Statements
For the Year Ended 30 June 2026

25 Events after the end of the Reporting Period

The financial report was authorised for issue on 28 September 2026 by the Board of Directors.

Future change in Accounting Policy

Subsequent to the end of the reporting period, the directors resolved to change the Company's accounting policy for land and buildings from the revaluation model to the cost model, effective from 1 July 2026. Under the cost model, land and buildings will be carried at cost less accumulated depreciation and accumulated impairment losses. The directors consider that the cost model will provide reliable and relevant information, while reducing the costs associated with maintaining the revaluation model.

The change does not affect the measurement of land and buildings in the financial statements for the year ended 30 June 2026. The financial effect of applying the change in the year ending 30 June 2027 has not yet been determined.

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

26 Statutory Information

The registered office of the company is:
609 Ocean Drive, North Haven NSW 2443

The principal place of business is:
4 Graham Street, Kendall NSW 2439

Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 29, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director ..... William Jones

Director ..... Robert Palmer

Dated this ..... day of 2026

pddadvisorygroup
chartered accountants & business advisors

Kendall Services & Citizens Club Limited

Independent Audit Report to the members of Kendall Services & Citizens Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kendall Services & Citizens Club Limited (the Company), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

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

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

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

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

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Kendall Services & Citizens Club Limited

Independent Audit Report to the members of Kendall Services & Citizens Club Limited

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Matthew Edwards (CPA)
Partner

Shop 1B, 14 Short Street, Port Macquarie NSW 2444

Dated this 6th day of November 2026

Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

For the Year Ended 30 June 2026

Disclaimer

The additional financial data presented on pages 33-37 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2026. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Kendall Services & Citizens Club Limited) in respect of such data, including any errors or omissions therein however caused.

Matthew Edwards (CPA)
Partner
Registered Company Auditor (461719)
PDD Advisory Group
14 Short Street, Port Macquarie NSW 2444

Dated this 9th day of November 2026

Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

For the Year Ended 30 June 2026

Trading Profit & Loss Statement - Bar and Other Sales

	2026 $	2025 $
Sales		
Sales - Bar	**704,912**	731,132
Sales - Kitchen	**645,660**	667,026
Total sales	**1,350,572**	1,398,158
Less costs of goods sold		
Opening stock	**30,287**	27,418
Purchases	**(634,186)**	(635,412)
Cash unders/(overs)	**(1,833)**	8,974
Closing stock	**(37,037)**	(30,287)
Gross Profit	**707,803**	768,851

Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

For the Year Ended 30 June 2026

Trading Profit & Loss Statement - Poker Machines

	2026 $	2025 $
Sales		
Net poker machine takings	**1,876,700**	2,247,436
Total sales	**1,876,700**	2,247,436
Less costs of goods sold		
Repairs & maintenance	**(10,006)**	(8,836)
Analysis fee	**(16,321)**	(16,103)
Payouts	**(1,415,334)**	(1,730,793)
Gross Profit	**435,039**	491,704

Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

For the Year Ended 30 June 2026

Detailed Profit & Loss Statement

	2026 $	2025 $
Income		
Commissions	**1,682**	1,965
Net bingo income		
- takings	**10,756**	9,750
- Bingo expenses	**(2,796)**	(582)
	7,960	9,168
Net Keno income		
- commission	**27,085**	30,209
- expenses	**(2,186)**	(2,295)
	24,899	27,914
Net TAB income		
- commission	**9,144**	17,704
- expenses	**(1,491)**	(4,759)
	7,653	12,945
Net raffles income		
- ticket sales	**86,679**	91,586
- expenses	**(79,318)**	(74,744)
	7,361	16,842
Profit on sale of property, plant & equipment	**-**	16,000
Sundry income	**35,323**	39,273
Membership fees	**15,658**	15,041
Other revenue	**43,487**	29,512
Gross profit from trading	**1,142,842**	1,260,555
Total income	**1,286,865**	1,429,215

Kendall Services & Citizens Club Limited

ABN: 43 001 058 153

For the Year Ended 30 June 2026

Detailed Profit & Loss Statement

	2026	2025
	$	$
Less: Expenses		
Advertising	**26,497**	6,328
Accounting Fees	**4,682**	-
Auditor's remuneration		
- Auditing or reviewing the financial report	**11,350**	9,295
Bank charges	**(19)**	4
Cleaning	**79,027**	72,484
Depreciation	**40,186**	39,403
Donations: sub-clubs	**1,043**	1,000
Electricity & gas	**84,002**	72,333
Annual leave employee provision	**12,161**	(3,148)
Long service leave employee provision	**11,592**	6,354
Entertainment for members & guests	**18,443**	16,512
Insurance	**107,225**	119,447
Interest paid	**10,588**	14,259
Photocopier lease	**1,306**	1,306
Members draws	**37,808**	39,462
Members expenses	**534**	731
Postage	**2,274**	1,624
Printing & stationery	**1,671**	2,799
Promotional drinks/giveaways	**41,168**	44,061
Rates & taxes	**12,361**	11,914
Rent: carpark	**5,661**	5,618
Repairs & maintenance	**73,346**	45,150
Salaries & wages	**630,384**	631,799
Security costs	**1,962**	1,994
Sky channel	**10,901**	10,901
Sponsorship	**5,369**	2,150
Staff amenities & uniforms	**6,930**	662
Subscriptions & memberships	**28,062**	27,563
Sundry expenses	**1,583**	309
Superannuation contributions	**72,975**	67,551
Telephone	**6,006**	5,464
Total Expenses	1,347,078	1,255,329
	(60,213)	173,886
Other items:		
Profit before income tax	(60,213)	173,886