



# MUDGEE SOLDIERS CLUB LTD

ABN: 99 001 044 677

# 2021

## ANNUAL REPORT

*'Your Club, Your Community'*

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# BOARD OF DIRECTORS DECEMBER 2021



*S. Fittler - President*



*P. Sinclair – Vice President*



*E. Best – Jnr. Vice President*



*M. Shepperd - Director*



*S. Byrnes - Director*



*B. Crossingham - Director*



*J. Mills - Director*

# MUDGEE SOLDIERS CLUB LIMITED

ABN: 99 001 044 677

## Notice of ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Mudgee Soldier's Club Ltd will be held in the Auditorium of the Club at 99 Mortimer Street, Mudgee NSW on

**Sunday 29<sup>th</sup> May 2022 commencing at 10am**

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### AGENDA.

1. Apologies
2. Declaration of the poll for election of Directors;
3. To confirm the minutes of the Annual General Meeting held on Sunday the 23<sup>rd</sup> May, 2021;
4. To receive and consider the reports and declarations of the Directors and Auditors for the year ended 31<sup>st</sup> December 2021;
5. To receive and consider the Concise Financial Statements for the year ended 31<sup>st</sup> December 2021;
6. To consider and vote upon the Ordinary Resolutions as set out on pages 4 to 6;
7. To consider and vote upon the Special Resolutions as set out on pages 7 to 15:
8. To deal with any other business of which due notice has been given;
9. To deal with any other general business that the meeting may approve of for which due notice has not been given;
10. To consider any nominations for Life Membership;
11. *Due Notice:* Members are requested to advise the Chief Executive Officer, in writing, 7 days prior to the date of the Annual General Meeting, of any questions relating to General Business or the financial statements on which further information may be required. Such information which relates to finance, if obtainable, will be extracted from the financial records and be available at the Annual General Meeting.

**Dated:** 15<sup>th</sup> March 2022, by direction of the Board.



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Mark Willis  
Acting Chief Executive Officer

**NOTICE** is hereby given that at the Annual General Meeting of **MUDGEES SOLDIERS' CLUB LIMITED** to be held on Sunday 29<sup>th</sup> May 2022 commencing at 10.00am at the premises of the Club, 99 Mortimer Street, Mudgee NSW, the members will be asked to consider and if though fit pass the Ordinary Resolutions set out below:

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### **ORDINARY RESOLUTIONS**

#### **Procedural Matters for each of the Ordinary Resolutions**

1. To be passed, an Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the Ordinary Resolution at the meeting.
  2. The Registered Clubs Act provides that:
    - (a) members who are employees of the Club are not entitled to vote; and
    - (b) proxy voting is prohibited.
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#### ***FIRST ORDINARY RESOLUTION***

That pursuant to the Registered Clubs Act:

- a) The members hereby approve and agree to the expenditure by the Club to a sum not exceeding \$40,000.00 for the professional development and education of directors until the next Annual General Meeting and being;
  - (i) The reasonable costs (including travel and accommodation expenses) of Directors attending meetings, conferences and trade shows conducted by Clubs NSW, the Club Managers Association the RSL & Services Club's Association and such other conferences and trade shows as determined by the board from time to time.
  - (ii) The reasonable cost of Directors attending other registered clubs for the purpose of attending CDI meetings, viewing and assessing club facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
  - (iii) The reasonable costs of Directors travelling overseas for the purpose of attending conferences, seminars and assessing and viewing overseas facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
- b) The members hereby approve and agree to the expenditure by the Club to a sum not exceeding \$15,000.00 for the following expenses of directors until the next Annual General Meeting, subject to the approval of the Board of Directors and being;
  - (i) Presentation to the members or other persons acknowledging services deemed by the Board of Directors as being of benefit of the Club.
  - (ii) Reasonable expenses incurred by Directors in travelling by their private or public transport, to and from Directors or other duly constituted committee meetings, either within the Club or elsewhere, as approved by the Board of Directors, on production of documentary evidence of such expenditure.

- (iii) The cost of a meal and beverage for each Director at a reasonable time before or after a Board or Committee Meeting on the day of the meeting.
  - (v) Reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such duties including entertainment of guests at the Club and promotional activities approved by the Board on production of documentary evidence of such expenditure.
  - (vi) Reasonable expenditure on food and refreshments for Directors in entertaining guests of the Club in the Club's catering departments on production of invoices, receipts or other proper documentary evidence of such expenditure and such expenditure is approved by the Board of Directors at the next Board Meeting as being properly incurred in the course of that Directors duties in relation to the Club and as being reasonable.
  - (vii) Reasonable expenditure of the provision of Mudgee Soldiers' Club Blazer associated uniform and apparel of each Director for the use of Club Directors when representing the Club.
  - (viii) The reasonable cost of attendance of Directors and their partners at Club shows or Club functions as required, when representing the Club.
  - (ix) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.
  - (x) The reasonable cost of an electronic device (for example a laptop computer, iPad, tablet or other similar device) and internet access being made available to directors in respect of their duties as directors of the Club.
- c) The members acknowledge that the benefits in paragraphs (a) and (b) above are not available to members generally but only for those who are Directors of the Club.

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### **Notes to Members on First Ordinary Resolution**

*The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.*

*Included in the First Ordinary Resolution is the reasonable cost of:*

- (a) *directors attending functions as representatives of the Club and, if required, the costs of their spouses/partners also attending those functions;*
- (b) *an electronic device (laptop, iPad or similar device) and internet access being made available to directors in respect of their duties as directors.*

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### **SECOND ORDINARY RESOLUTION**

The members hereby approve that the Board of Directors is empowered to pay such premiums as may be necessary to insure Directors and Officers against liability arising from duties performed from time to time.

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**Notes to Members on the Second Ordinary Resolution**

*The Second ordinary Resolution is to have members approve the Club taking out and paying the premium on appropriate Directors and Officers insurance.*

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**THIRD ORDINARY RESOLUTION**

That pursuant to the Registered Club's Act:

a) The members hereby approve the following honoraria

the President \$1,713

the Vice President \$1,308

the Junior Vice President \$1,308

the four (4) Ordinary Directors (\$824 for each director being a total of \$3,296)

or such higher amounts as the members may approve at the Annual General Meeting.

(b) The members acknowledge that the benefits in paragraphs (a) above are not available to members generally but only for those who are Directors of the Club.

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**Notes to Members on the Third Ordinary Resolution**

*The Third ordinary Resolution is to have members approve the Honoraria for the Board of Directors.*

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**FOURTH ORDINARY RESOLUTION**

The members hereby approve \$5,200.00 be provided in the Welfare Fund for 2021 for the purpose of providing relief to ex-service persons the widows and children of deceased members in accordance with Rule 3(t) of the Memorandum of Association of the Mudgee Soldiers' Club Limited.

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**Notes to Members on the Fourth Ordinary Resolution**

*The Fourth Ordinary resolution is to have members approve a payment of \$5,200 to the Club's Welfare Fund.*

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**Dated:** 15<sup>th</sup> March 2022, by direction of the Board



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Mark Willis  
Acting Chief Executive Officer

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## **SPECIAL RESOLUTIONS**

### **Procedural Matters for each of the Special Resolutions**

1. To be passed each Special Resolution must receive votes in favour from not less than three quarters (75%) of those members who being eligible to do so vote in person on the Special Resolution at the meeting.
2. Only Life members, financial Ordinary members and financial Associate members are eligible to vote on the Special Resolutions.
3. Under the Registered Clubs Act, members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
4. Amendments to any of the Special Resolutions (other than minor typographical corrections which do not change the substance or effect of the Special Resolution) will not be permitted from the floor of the meeting.
5. The Board of the Club recommends the Special Resolutions to members.

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### **FIRST SPECIAL RESOLUTION**

*[The First Special Resolution is to be read in conjunction with the notes to members set out below.]*

That the Constitution of The Mudgee Soldiers' Club Limited be amended by:

- (a) **inserting** the following new definitions into existing Rule 1(a) in alphabetical order;
  - “**Financial member**” means a member who has renewed their membership of the Club by the relevant due date, and/or who has paid all joining fees, subscriptions, levies and other payments to the Club by the relevant due dates (if any such payments are required).
  - “**Non Financial member**” means a member who has not renewed their membership of the Club by the relevant due date, and/or has not paid all joining fees, subscriptions, levies and other payments to the Club by the relevant due dates.
  - “**Quarter**” means a period of three (3) months ending on 31 March, 30 June, 30 September and 31 December.”
- (b) **deleting** existing Rule 2 and **inserting** the following new Rule 2:
  - “Deleted”.
- (c) **deleting** existing Rule 12(c)(ii) and **inserting** the following new Rule 12(c)(ii):
  - “(ii) pay a subscription as determined by the Board from time to time and shall entitle that member to membership of the Club for a period of two (2) months only.”
- (d) **deleting** existing Rule 16(a)(iii) and **inserting** the following new Rule 16(a)(iii):
  - “(iii) any person who produces evidence that he or she is a current or former member of the Australian Defence Force (as defined in the Registered Clubs Act).”
- (e) **inserting** the following sentence into the beginning of existing Rule 17 “Subject to any exemptions contained in the Registered Clubs Regulation or any exemptions approved by the relevant regulatory body.”.
- (f) **inserting** the following new Rule 17(f) and renumbering the remaining sub-rules of Rule 17 accordingly:
  - “(f) A person may be admitted to Temporary membership for a period of up to, but not exceeding seven (7) consecutive days (or such longer period as approved by the relevant regulatory body). A person admitted to Temporary membership under this Rule shall only be required to enter their relevant details in the register of Temporary members referred to in Rule 29(b) on the first day that they enter the Club’s premises during that period.”

- (g) **inserting** into the new Rule 17(i) after the words “then on duty may” the words “refuse a person admission to the Club as a Temporary member and/or”.
- (h) **inserting** into existing Rule 18 after the words “referred to in the nomination form” the words “(if any)”.
- (i) **deleting** from existing Rule 19 the words “within eight (8) weeks from the date of lodging the nomination form with the Secretary or should that person’s application for membership be refused (whichever is the sooner)”.
- (j) **deleting** the word “shall” and **inserting** instead the word “may” from the first line of existing Rule 20.
- (k) **inserting** the following new Rule 20(a):
- “(a) The Secretary or senior employee then on duty may refuse a Provisional member admission to the Club’s premises or terminate the membership of any Provisional member at any time without notice and without having to provide any reason. If the membership of a Provisional member is terminated in accordance with this Rule, the Club must return any joining fee and annual subscription (if any) paid by the Provisional member when applying for membership of the Club.”
- (l) **deleting** from existing Rule 23(a) the word “occupation”.
- (m) **inserting** into existing Rule 23(a) after the words “full name, address” the words “email address, mobile number”.
- (n) **deleting** existing Rule 23(b) and **inserting** the following new Rule 23(b):
- “(b) The application form together with the first annual subscription (if any) and joining fee (if any) shall be deposited at the office and the Secretary shall cause the full name and such other particulars as may be required by the Registered Clubs Act of the candidate to be exhibited on the Club Notice Board for a continuous period of not less than one week before the election of the candidate as a member of the Club and an interval of at least fourteen (14) days shall elapse between the deposit at the office of the application form of a person for election and the election of that person to membership of the Club.”
- (o) **deleting** existing Rule 25 and **inserting** the following new Rule 25:
- “For the purposes of section 30(2B) of the Registered Clubs Act, the Board shall determine the joining fees, subscriptions, levies and other payments (if any) payable by members of the Club.”
- (p) **inserting** into existing Rule 26(b) after the words “of February each year” the words “and/or has failed to renew their membership by the due date”.
- (q) **deleting** the first sentence of existing Rule 27 and **inserting** the following new first sentence of new Rule 27:
- “Notwithstanding any Rule contained in this Constitution, a Non Financial member shall not be entitled to:”
- (r) **deleting** existing Rule 28 and **inserting** the following new Rule 28:
- “28 Every member must advise the Secretary of any change to their personal details (including their address, email address and telephone number) within seven (7) days of the change to their personal details.”
- (s) **deleting** existing Rule 29(a) and **inserting** the following new Rule 29(a):
- “(a) A register of persons who are Full members of the Club. This register shall set forth the name in full and address of each Full member, the date of birth and the date of being first elected to membership of the Club and for the purposes of the Registered Clubs Act only, the date on which that member last paid the annual fee for membership of the Club (if the member belongs to a class of membership that is required to pay a subscription fee).”
- (t) **deleting** existing Rule 31 and **inserting** the following new sub-headings and Rules 31 to 37 inclusive:

“31. DISCIPLINARY PROCEEDINGS

- (a) If any member shall wilfully refuse or neglect to comply with any of the provisions of the Constitution of the Club or any By-Laws or be, in the opinion of the Board, guilty of any conduct prejudicial to the interests of the Club or be guilty of conduct which is unbecoming of a member or which shall render the member unfit for membership, the Board shall have power to reprimand, suspend for such period as it considers fit, expel or accept the resignation of such member and to have recorded in the register of members that the person has ceased to be a member of the Club provided that:
- (i) Such member shall be notified of:
- (1) any charge against the member pursuant to this Rule
  - (2) the particulars of the charge, including the alleged facts and circumstances which give rise to the charge against the member;
  - (3) the date time and place of the meeting of the Board at which the charge is to be heard.
  - (4) The member charged shall be notified of the matters in paragraph (i) of this Rule 31(a) by notice in writing at least seven (7) days before the meeting of the Board at which such charge is to be heard. The notice must set out the facts, matters and circumstances giving rise to the charge.
- (ii) The member charged shall be entitled to:
- (1) attend the hearing for the purpose of answering the charge and;
  - (2) submit to the meeting written representations for the purpose of answering the charge.
  - (3) call any witnesses provided that:
    - (A) If a proposed witness fails to attend the hearing or provide evidence at the hearing, the Board can still hear and determine the charge; and
    - (B) The Club cannot and will not force any person (including a member) proposed by the member charged as a witness to attend and provide evidence at the hearing. The member charged must act in an appropriate manner at the meeting (and in particular and without limitation, the member must not act in an offensive or disruptive manner).
- (iii) If the chairperson determines (in their absolute discretion) that the member charged is not acting in an appropriate manner, the chairperson may issue the member charged with a warning regarding the member's conduct and advise the member that if the member fails to comply with the warning, the member may be asked to leave the meeting and the Board will continue to consider and deal with the charge in the absence of the member.
- (iv) If the member charged does not comply with the warning given in accordance with paragraph (iii) of this Rule 31(a), the chairperson (in their absolute discretion) may exclude the member charged from the meeting and continue to consider and deal with the charge in his or her absence.
- (v) If the member fails to attend such meeting the charge or complaint may be heard and dealt with and the Board may decide on the evidence before it, the member's absence notwithstanding but having regard to any representations which may have been made to it in writing by the member charged.
- (vi) No motion by the Board to reprimand, suspend or expel a member shall be deemed to be passed unless a simple majority of the members of the Board present in person vote in favour of such motion.
- (vii) After the Board has considered all the evidence put before it, the Board may:
- (1) Immediately come to a decision as to the member's guilt in relation to the charge; or

- (2) Advise the member that the Board requires additional time to consider the evidence put before it in order to determine whether or not the member is guilty of the charge.
- (viii) After the Board has come to a decision as to the member's guilt in relation to the charge it must:
  - (1) In the case of a decision under Rule (vii)(1) of this Rule 31(a), immediately inform the member of the Board's decision; or
  - (2) In the case of a decision under Rule (vii)(2) of this Rule 31(a), inform the member of the Board's decision in writing within seven (7) days of the date of the decision of the Board.
- (ix) If the member charged has been found guilty, the member must be given a further opportunity to address the Board in relation to an appropriate penalty for the charge of which the member has been found guilty. The Board shall, in its absolute discretion, determine whether or not the member will address the issue of penalty:
  - (1) At the meeting or afterwards; and
  - (2) by way of verbal or written submissions or a combination thereof
- (x) After the Board has made a decision on the issue of penalty, the Board must advise the member of its decision.
- (xi) Any decision of the Board on such hearing shall be final and the Board shall not be required to assign any reason for its decision.
- (xii) The Board shall have the power to adjourn, for such period as it considers fit, a meeting pursuant to this Rule 31.
- (xiii) The Board may authorise the Secretary and other persons to attend the meeting to assist the Board in considering and dealing with the charge, but those persons shall not be entitled to vote at the meeting.
- (b) The outcome of disciplinary proceedings shall not be invalidated or voided if the procedure set out in Rule 31(a) is not strictly complied with provided that there was no substantive injustice for the member charged.
- (c) In the event that a notice of charge is issued to a member pursuant to sub-paragraph (i) of paragraph (a) of this Rule 31, the Board or the Secretary Manager shall have power to suspend that member from all rights and privileges as a member of the Club until the charge is heard and determined. Such suspension shall be promptly notified in writing to the member concerned.

#### ADDITIONAL DISCIPLINARY POWERS OF SECRETARY

- 32. If, in the opinion of the Secretary (or his or her delegate), a member has engaged in conduct that is unbecoming of a member or prejudicial to the interests of the Club, then the Secretary (or his or her delegate) may suspend the member from some or all rights and privileges as a member of the Club for a period of up to twelve (12) months.
- 33. In respect of any suspension pursuant to Rule 32, the requirements of Rule 31 shall not apply.
- 34. If the Secretary (or his or her delegate) exercises the power pursuant to Rule 32, the Secretary (or his or her delegate) must notify the member (by notice in writing) that:
  - (a) the member has been suspended as a member of the Club; and
  - (b) the period of suspension;
  - (c) the privileges of membership which have been suspended; and
  - (d) if the member wishes to do so, the member may request by notice in writing sent to the Secretary) the matter be dealt with by the Board pursuant to Rule 31(a).
- 35. If a member submits a request under Rule 34(d):
  - (a) the member shall remain suspended until such time as the charge is heard and determined by the Board; and
  - (b) the Club must commence disciplinary proceedings against the member in accordance with the requirements of Rule 31(a).

36. The determination of the Board in respect of those disciplinary proceedings shall be in substitution for and to the exclusion of any suspension imposed by the Secretary (or his or her delegate).
37. Rules 32 to 36 apply to Full members only and it does not limit or restrict the Club from exercising the powers contained in Rule 37B of this Constitution and the powers contained in section 77 of the Liquor Act.”

- (u) **inserting** into new Rule 37B(a)(vi) after the words “the Secretary” the words “or an employee exercising this power”.
- (v) **inserting** into new Rule 42(d)(ii) after the words “an indictable offence” the words “(irrespective of whether or not a conviction was actually recorded) but it does not include a spent conviction (as defined in the Criminal Records Act 1991)”.
- (w) **inserting** into new Rule 42(d)(v) after the words “employee of the Club” the words “during the two years immediately preceding the proposed date of election or appointment to the Board;”
- (x) **inserting** into new Rule 42(d)(vii) after the words “financial member of the Club” the words “for at least two years immediately preceding the proposed date of election or appointment to the Board.”
- (y) **inserting** the following new Rules 42(d)(vii) to (xiii) inclusive:
- “(viii) is disqualified from being a director by reason of any order or declaration made under the Act, Liquor Act, Registered Clubs Act or any other applicable legislation.
  - (ix) Is of unsound mind or whose person or estate is liable to be dealt with any way under the law relating to mental health.
  - (x) is a current contractor of the Club or a director, secretary, employee or business owner of a contractor.
  - (xi) was a contractor of the Club or a director, secretary, employee or business owner of a contractor immediately preceding the proposed date of election or appointment to the Board.
  - (xii) has been found guilty of a disciplinary charge and suspended from membership of the Club for any period of time (but not including any provisional suspension pending a disciplinary hearing).
  - (xiii) is a director of another registered club.”
- (z) **inserting** the following new Rule 42(e) and renumbering the remaining sub-rules of new Rule 42 accordingly:
- “(e) A member shall not be entitled to be elected or appointed to the Board if he or she does not hold a Director Identification Number on the proposed date of election or appointment to the Board.”
- (aa) **deleting** from new Rule 43(a) the words “for the purposes of Rule 2(a)”.
- (bb) **inserting** the following new sub-rules of new Rule 43(c)(iv) and (v) and renumbering the remaining sub-rules of new Rule 43(c) accordingly:
- “(iv) Candidates are responsible for ensuring that they have correctly completed their nomination form and the Club is not required to notify candidates of an incorrectly completed nomination form.
  - (v) The receipt of a nomination form by the Club does not constitute an acknowledgement by the Club that the nomination form has been completed correctly.”
- (cc) **inserting** the following new Rule 44A:
- “44A. The election of the Board (including without limitation, the results of the election of the Board) shall not be invalidated or voided if the procedure in Rule 43 is not strictly complied with provided there is no substantive injustice for any candidates.”
- (dd) **inserting** the following new Rule 46(o):
- “(o) To issue requests and directions to members which may be reasonably required for the proper conduct and management of the Club.”
- (ee) **deleting** new Rule 47(a) and **inserting** the following new Rule 47(a):

- “(a) The Board may meet together in person and/or by electronic means for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that the Board shall meet whenever it deems it necessary but at least once in each Quarter for the transaction of business;
- (ff) **deleting** from new Rule 48 the word “personally”.
- (gg) **inserting** into new Rule 48 after the words “four (4) directors present” the words “in person and/or by electronic means”.
- (hh) **inserting** the following new Rule 54 and renumbering the remaining Rules of the Constitution accordingly:  
 “54. In addition to Rule 53, a resolution may be passed by the Board if the proposed resolution is emailed to all directors and all directors agree to the proposed resolution by sending a reply email to that effect. The resolution shall be passed when the last director sends their email agreeing to the resolution.”
- (ii) **deleting** new Rule 59(d) and **inserting** the following new Rule 59(d):  
 “(d) If he or she is absent from meetings of the Board for a continuous period of ninety (90) days (calculated from the last meeting of the Board attended) without the prior written consent of the Board unless the Board determines that their office is not vacant as a result of that absence”.
- (jj) **deleting** from new Rule 59(e) the words “given to the Secretary”.
- (kk) **inserting** the following new Rules 59(k) to (q) inclusive:  
 “(k) was not eligible to stand for or be elected or appointed to the Board.  
 (l) ceases to hold the necessary qualifications to be elected or appointed to the Board.  
 (m) is convicted of an indictable offence.  
 (n) is not a Financial member of the Club.  
 (o) is found guilty of a disciplinary charge and suspended from membership of the Club for a period exceeding three (3) months.  
 (p) Is removed from office as a director in accordance with the Act and this Constitution.  
 (q) does not hold a Director Identification Number (unless exempted from doing so).”
- (ll) **deleting** from new Rule 60 the words “shall have the power at any time and from time to time, to” and **inserting** the word “may”.
- (mm) **inserting** the following new Rule 77 and renumbering the remaining Rules of the Constitution accordingly:  
 “77. The chairperson:  
 (a) is responsible for the conduct of the general meeting; and  
 (b) shall determine the procedures to be adopted and followed at the meeting;  
 (c) may refuse a member admission to a general meeting or require a member to leave a general meeting if in his or her opinion, the member is not complying with reasonable directions and/or is acting in an offensive and disruptive manner at the meeting.”
- (nn) **deleting** from new Rule 87(c) the words “facsimile number or”.
- (oo) **inserting** the following new Rule 87(d):  
 “(d) by sending the member sufficient information (either electronically or in physical form) to access the notice electronically, including by way of a text message containing a hyperlink to access the notice or a postcard to the member’s address containing instructions on how to access the notice..”
- (pp) **deleting** new Rule 88 and **inserting** the following new Rule 88:  
 “88. (a) Where a notice is sent to a member in accordance with Rule 87(a), the notice is deemed to be received on the day it is given to the member.

- (b) Where a notice is sent to a member in accordance with Rules 87(b) and (c), the notice shall be deemed to have been received by the members on the day following that on which the notice was sent.
- (c) Where a notice is sent to a member in accordance with Rule 87(d), the notice shall be deemed to have been received by the member on the day following that on which the Club provided the member with the relevant information to access the notice.”

(qq) **inserting** the following new sub-heading and Rules 93 and 94:

“MEETINGS AND VOTING

- 93. In accordance with section 30C(3) of the Registered Clubs Act, the Club, the Board, or a committee of the Club may (but is not required to):
  - (a) distribute a notice of, or information about, a meeting or election of the Club, the Board, or a committee of the Club by electronic means, and/or
  - (b) hold a meeting at which all or some persons attend by electronic means but only if a person who speaks at the meeting can be heard by the other persons attending;
  - (c) allow a person entitled to vote at a meeting of the Club, the Board, or a committee of the Club to vote in person or by electronic means.
- 94. If there is any inconsistency between Rule 94 and any other provision of this Constitution, Rule 94 shall prevail to the extent of that inconsistency.”

(rr) **By** making such other consequential amendments necessary to give effect to this Special Resolution including ensuring that the accuracy of all Rule numbers and cross referencing of Rules and paragraphs in the Constitution.

**Notes to Members on First Special Resolution**

1. *The First Special Resolution proposes a series of amendments to the Club’s Constitution to bring it into line with best practice and the Corporations Act, Liquor Act and Registered Clubs Act.*
2. **Paragraphs (a) and (b)** insert new and amend existing definitions used in the Club’s Constitution.
3. **Paragraphs (c), (h), (i), (l), (m), (n), (o) and (p)** amend existing provisions relating to applications for membership and the payment of membership subscriptions to bring the Constitution into line with best practice and the requirements of the Registered Clubs Act.
4. **Paragraph (d)** clarifies that a member of the Australian Defence Force is entitled to Honorary membership of the Club in accordance with the requirements of the Registered Clubs Act.
5. **Paragraphs (e), (f) and (g)** clarify the rules relating to Temporary membership to align them with the requirements of the Registered Clubs Act. Paragraph (g) also provides that a Temporary member (i.e., a guest of the Club) can be refused admission to or turned out of the Club at any time by the Secretary, at their discretion.
6. **Paragraphs (j) and (k)** amend existing provisions relating to Provisional membership to bring the Constitution into line with the Registered Clubs Act and clarifies that Provisional membership can be cancelled at any time by the Secretary, at their discretion.
7. **Paragraph (q)** clarifies that Non Financial members are not entitled to enjoy the privileges of membership until any subscriptions or other amounts due to the Club have been paid.
8. **Paragraph (r)** clarifies that members must notify the Club of any changes to their contact details.
9. **Paragraph (s)** updates the Rules relating to the Club’s obligation to keep registers of members to align with the requirements of the Registered Clubs Act.
10. **Paragraph (t)** amends existing provisions relating to disciplinary matters to bring the Constitution into line with best practice. Paragraph (t) also provides that if the Club’s procedure for disciplinary

proceedings is not strictly complied with, the proceedings are not invalidated or voided simply due to any slight non-compliance.

11. **Paragraph (u)** clarifies that if the senior employee, then on duty suspects a patron of having in their possession a prohibited drug, the senior employee can remove that person from the premises of the Club.
12. **Paragraphs (v), (w), (x), (y) and (z)** update existing and provide additional Rules relating to the eligibility of members to nominate for or be appointed to the Board to align with best practice. For example, if a member has been disqualified from managing a company under the Corporations Act, that member will not be eligible to nominate for or be elected to the Board of the Club.
13. **Paragraph (aa)** removes a redundant cross reference.
14. **Paragraphs (bb) and (cc)** update the Rules that set out the Board election process. The Rules clarify that the candidates for election to the Board are responsible for correctly completing their nomination forms and also provides that the results of the election of the Board shall not be invalidated or voided if the election procedure is not strictly complied with provided there is no substantive injustice for any candidates.
15. **Paragraph (dd)** clarifies that the Board has the power to issue requests and directions to members of the Club that may be reasonably required for the proper conduct and management of the Club.
16. **Paragraphs (ee), (ff), (gg) and (hh)** amend existing provisions relating to Board meetings to bring the Constitution into line with the Corporations Act and Registered Clubs Act by allowing for electronic meetings to occur.
17. **Paragraphs (ii), (jj) and (kk)** insert new and amend existing Rules relating to the circumstances in which a director will vacate their office to bring the Constitution into line with best practice.
18. **Paragraph (ll)** clarifies that the Board has the power to fill casual vacancies that may arise in the positions on the Board from time to time.
19. **Paragraph (mm)** inserts a new Rule that clarifies that the chairperson is responsible for the general conduct of general meetings to bring the Constitution into line with best practice and the Corporations Act.
20. **Paragraphs (nn), (oo) and (pp)** amend existing provisions and insert new Rules relating to the sending of notices to members electronically to bring the Constitution into line with the Corporations Act and Registered Clubs Act.
21. **Paragraph (qq)** inserts new provisions relating to general meetings, voting and meetings to bring the Constitution into line with the Corporations Act and Registered Clubs Act.
22. **Paragraph (rr)** permits any necessary amendments to be made to address any anomaly in Rule numbering and cross referencing throughout the Constitution.
23. Members may notice that the order of Rule numbering in the proposed First Special Resolution may not correspond with Rules in the amended Constitution.
  - (a) This is due to the addition of new Rules (Rules that do not exist in the current Constitution).
  - (b) Where the proposed Special Resolution refers to an “existing Rule” that is a reference to an existing Rule number.
  - (c) Where the Special Resolution simply refers to the addition of a “new Rule” that is a reference to the new Rule number attributable to that Rule should the First Special Resolution be adopted.
  - (d) In order to address any anomaly in Rule numbering and cross referencing, the final part of the First Special Resolution permits amendment to address such issues.

24. *This Explanatory Notes to Members is not to be taken in any way as affecting the wording of the proposed amendments to the Constitution but is provided to inform members of what is proposed and to draw attention to the reasons behind the proposed amendments.*

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## **SECOND SPECIAL RESOLUTION**

*[The Second Special Resolution is to be read in conjunction with the notes to members set out below.]*

*That the Constitution of The Mudgee Soldiers' Club Limited be amended by:*

- (a) **inserting** into existing Rule 10 after the words "Life member," the words "Staff member,".
- (b) **inserting** the following new Rule 12(d):
- "(d) Staff members:
- (i) Staff members shall be persons who are over the age of eighteen (18) years and are employed by the Club.
  - (ii) Any person who is employed by the Club and who is also a member of the Club as at the date of the approval of the special resolution adopting this Rule 12(d) shall, as and from that date, be transferred to the category of Staff member. Any person who is employed by the Club from the date of the approval of the said special resolution shall only be eligible to become a Staff member of the Club.
  - (iii) A person shall cease to be a Staff member on the cessation of his or her employment with the Club.
  - (iv) Staff members shall only be entitled to the social advantages of the Club and to introduce guests to the Club but will have no other rights and in particular shall not be entitled to attend or vote at any meeting of the Club nor any meeting of the Board of the Club nor shall they be eligible to hold office as a Director of the Club."

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## **NOTES TO MEMBERS ON THE SECOND SPECIAL RESOLUTION**

*If passed, the Second Special Resolution will introduce the category of Staff membership into the Club's Constitution.*

*Currently, employees of the Club are able to join the Club as an Ordinary member. However, under the Registered Clubs Act, the Club's employees are restricted from being able to attend and vote at meetings of the Club and also from being able to be elected as a director of the Club.*

*The Board considers it is in the Club's best interests to create a separate class of membership for members who are also employees of the Club, noting the restrictions of the Registered Clubs Act for that category of membership. For the avoidance of doubt, the category of Staff membership will not be open to the general public and will only be available for current employees of the Club.*

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**Dated:** 15<sup>th</sup> March 2022, by direction of the Board



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Mark Willis  
Acting Chief Executive Officer

## **President's Report**

On behalf of the Board of Directors, I am pleased to present the 2021 Annual Report for Club Mudgee.

It has been another exciting and interesting year at Club Mudgee and I am very proud of what the club has achieved especially during the recent uncertain times. The Club emerged from the Pandemic in a favourable financial position and returned to providing our excellent facilities to our members and the community as soon as it was possible. I must commend how well our staff and management team coped with a constantly changing pandemic response situation.

I would also like to acknowledge the contribution of each member of our board for the strategic work they do to support the club.

The board and management have been active in progressing our Master Plan visions, this includes the development of our asset which will lead to new diverse and sustainable revenue streams. This decision is linked with our long-term goals to continue diversifying the business which will ensure its future viability.

On the financial front the Club again performed well when considering the current financial climate.

The Board would like to thank Maureen Hutchison (CEO), her management team particularly Mark Willis (CFO) and all staff for their continued efforts and performance throughout a year that demonstrated uncertainty, disruption, and some difficult trading circumstances.

Last year the Clubs commitment to Club Grants was \$100,585.00. There was a total of 40 local organisations who received donations and sponsorships. In addition to the monetary donations, there were numerous in-kind donations made. The primary purpose of the Club Grants Program is to make a positive difference by assisting local community organisations, primarily not-for-profit entities within the local area by providing funding for projects and events.

I take this opportunity to thank all our members for their understanding and continued support throughout the previous year, one of the great things to come out of the COVID pandemic, is that member support of the Club has been maintained.

In final, we said farewell to Maureen Hutchinson this year who retired after 10 years as CEO. Maureen's dedication and club first attitude along with her generosity of time and cheerful smile will be missed by all. We wish Maureen all the very best for the future.

**Scott Fittler**  
**President**

*'Your Club, Your Community'*

*The above report has been approved by the Board of Directors for publication.*

## **Acting CEO's Report**

Dear Members,

On behalf of the Board of Directors and our entire team at Club Mudgee, I present to you my report for the year ended 31<sup>st</sup> December 2021.

The Club's financial performance for 2021 is a profit of \$219,156 compared to a profit of \$642,561 in 2020. Government support during the 2021 lockdown compared to 2020 changed substantially and greatly impacted on our trading profit. Importantly during 2021, the Club's cash position improved substantially with a \$750,000 increase in cash held and with cash and cash equivalents of \$1.3M held on the 31<sup>st</sup> December 2021, the club is in a very strong financial position.

The 2021 year was another tough year as we again experienced a shutdown in August and ongoing trading restrictions. Again, our staff have been extraordinary in their efforts to remain engaged, allowing us to reopen at capacity and continuing to provide a safe environment for everyone. Even during difficult times, our contribution to the local economy through employment equates to 61 staff with wages & salaries amounting to a significant \$2.8M.

In 2021, the Club provided the members with benefits totalling \$574,586 by way of providing many and various promotions, bonus points and discounted pricing on food and beverage and is a substantial increase from 2020.

The credit for our ability to provide all our many offerings and facilities during a difficult year rests very much with our fantastic staff. Through periods of staff shortages so many have taken on new roles and responsibilities, working extra days and hours often at short notice. Through all the challenges they have faced, the 'Club Mudgee Team' has continued to provide a friendly and inviting club and is why we continue to be successful, and I sincerely thank everyone.

The commitment and effort of the management team has also been extraordinary as they have battled with so many changing rules in 2021. With a diminished management team everyone has stepped up when required to assist, ensured the club is open for business every day and lead the front of house team to provide great customer service and a continued high standard.

I sincerely thank the Board of Directors for their effort and support during another tumultuous year. To President Scott Fittler and his board for helping me in an acting role and assisting to lighten the load. It is exciting to be part of the strategic direction the current board are taking the club as will place us in a great position to be relevant for all our community and ensure Club Mudgee remains an integral part of our community for now and many years in the future.

Most importantly I need to thank Maureen for her leadership for so many years at the club and assisting me whenever she could during a difficult period. Maureen is a friend, colleague, and has been the face of Club Mudgee for so long. Always a professional and her level of experience and knowledge of our industry will be difficult to replace.

In closing I wish everyone a safe and prosperous 2022 and looking forward to seeing you enjoy your club

**Mark Willis**  
**Acting Chief Executive Officer**

*'Your Club, Your Community'*

*The above report has been approved by the Board of Directors for publication.*

# **The Mudgee Soldiers Club Limited**

ABN: 99 001 044 677

## **Financial Statements**

For the Year Ended 31 December 2021

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

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For the Year Ended 31 December 2021

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# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Directors' Report 31 December 2021

The directors present their report on The Mudgee Soldiers Club Limited for the financial year ended 31 December 2021.

### Directors

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

<b>Names</b>	<b>Position</b>
Scott Fittler	President
Paul Sinclair	Vice President
Emma Best	Junior Vice President
Michael Shepperd	Director
William Crossingham	Director
Simon Byrnes	Director
John Mills	Director

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

### Information on directors

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

Scott Fittler  
Qualifications Community Relations Manager, Yancoal  
Experience Board member 2017 - 2018  
President 2018 - current  
Ex-officio member of sub committees (Audit, Club Grants & Building)

Paul Sinclair  
Qualifications Builder  
Experience Board member 2018 - 2019  
Vice President 2019 - current  
Chairman Community Engagement / Club Grants Committee  
Building Committee Member

Emma Best  
Qualifications Paralegal / Licensed Conveyancer  
Experience Board Member 2019 - 2020  
Junior Vice President July 2020 - current  
Community Engagement / Club Grants Committee Member

Michael Shepperd  
Qualifications Retired  
Experience Board Member 1995 - 2011  
Vice President 1997 - 1999  
President 1999 - 2011  
Board Member 2013 - 2018  
Junior Vice President May 2017 - July 2020  
Board Member July 2020 - current  
Audit, Finance & Business Risk, Asset Renewal Committee Member

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Directors' Report 31 December 2021

### Information on directors (cont'd)

William Crossingham

Qualifications

Businessman

Experience

Board Member 2011 - May 2018  
President May 2014 - February 2016  
President May 2016 - May 2017  
Board Member May 2019 - current  
Audit, Finance & Business Risk, Asset Renewal Committee Member  
Building Committee Member

Simon Byrnes

Qualifications

Professional Accountant

Experience

Board Member November 2017 - current  
Audit, Finance & Business Risk, Asset Renewal Committee Member

John Mills

Qualifications

Sales Manager

Experience

Board Member July 2020 - current  
Community Engagement / Club Grants Committee Member

### Principal activities

The principal activity of The Mudgee Soldiers Club Limited during the financial year was the operation of a registered club in accordance with its objectives to benefit its members.

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 and / or modernise the Club's premises;
- Provide the best possible hospitality service to members and the local community; and
- Ensure ongoing profitability of the Club to secure it's financial future

### Long term objectives

The Company's long term objectives are to:

- Always endeavour to satisfy or exceed member's expectations for all services and facilities provided;
- To maintain a dynamic and relevant presence in the community through the provision of hospitality, lifestyle and entertainment services to the community; and
- Invest funds generated by the Club's operations to develop the Club's assets, to enable the Club to continue to provide services to members and the local community that are concurrent with the needs of the members and the local community.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Directors' Report 31 December 2021

### Strategy for achieving the objectives

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

- Ensure that Club's policies are appropriate;
- Ensure professional management;
- Ensure proficient and cost-effective operation of the Club; and
- Ensure continued trading profitability and invest surplus funds securely with good returns

### Members' guarantee

The Mudgee Soldiers Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Club, 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 \$ 5 (2020: \$5), subject to the provisions of the Club's constitution.

At 31 December 2021 the collective liability of members was \$ 39,155 (2020: \$ 35,985).

### Meetings of directors

During the financial year, 23 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Monthly Compliance Meetings		Special Meetings		Club Grants Meetings		Audit Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Scott Fittler	11	10	9	9	2	-	1	-
Paul Sinclair	11	8	9	6	2	2	-	-
Emma Best	11	11	9	9	2	2	-	-
Michael Shepherd	11	10	9	8	-	-	1	-
William Crossingham	11	9	9	9	-	-	1	1
Simon Byrnes	11	11	9	5	-	-	1	1
John Mills	11	10	9	8	2	2	-	-

### Core and non-core property

In accordance with Section 41J of the Registered Clubs Act, the Club's Property Assets are classified as follows:

Core Property: The Club's core property assets are defined as the Club's premises and associated car parks at the following address:

- 93-99 Mortimer Street Mudgee NSW.

Non-core Property: The Club's non-core property assets are defined as all other property assets held by the Club, including 91 Mortimer Street Mudgee NSW.

**The Mudgee Soldiers Club Limited**

ABN: 99 001 044 677

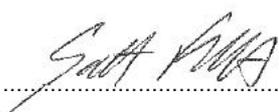
**Directors' Report**

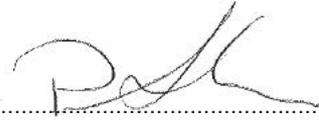
**31 December 2021**

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2021 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: .....

Director: .....

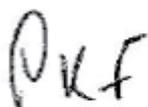
Dated 29/3/2022

The Mudgee Soldiers Club Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

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



PKF



KYM REILLY  
PARTNER

29 MARCH 2022  
NEWCASTLE, NSW

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	4	8,172,949	7,057,440
Other income	4	243,680	805,831
Changes in inventories of finished goods and work in progress		(22,873)	(2,455)
Raw materials and consumables used		(1,272,507)	(1,057,413)
Employee benefits expense		(2,832,816)	(2,894,922)
Depreciation and amortisation expense		(743,581)	(732,703)
Insurance Expense		(230,823)	(208,607)
Professional and consulting expense		(98,587)	(107,531)
Repairs and maintenance expense		(167,346)	(161,452)
Utilities expense		(266,399)	(252,753)
Advertising expense		(54,300)	(42,067)
Functions and entertainment expense		(41,313)	(30,491)
Poker machine taxes		(900,182)	(746,023)
Members promotion expense		(655,626)	(390,736)
Other operating expenses		(902,929)	(567,502)
Finance expenses		(8,191)	(26,055)
<b>Surplus before income tax</b>		<b>219,156</b>	642,561
Income tax expense	5	-	-
<b>Surplus for the year</b>		<b>219,156</b>	642,561
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>219,156</b>	642,561

The accompanying notes form part of these financial statements.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,354,726	605,779
Trade and other receivables		35,292	42,494
Inventories		125,542	102,669
Other assets		98,530	67,382
<b>TOTAL CURRENT ASSETS</b>		<b>1,614,090</b>	<b>818,324</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	9,955,835	10,000,711
Investment properties	8	487,058	492,283
Intangible assets	9	868,373	868,373
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,311,266</b>	<b>11,361,367</b>
<b>TOTAL ASSETS</b>		<b>12,925,356</b>	<b>12,179,691</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,292,052	879,679
Borrowings	11	188,838	213,635
Employee benefits	12	304,328	239,576
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,785,218</b>	<b>1,332,890</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	266,901	166,598
Employee benefits		47,306	73,428
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>314,207</b>	<b>240,026</b>
<b>TOTAL LIABILITIES</b>		<b>2,099,425</b>	<b>1,572,916</b>
<b>NET ASSETS</b>		<b>10,825,931</b>	<b>10,606,775</b>
<b>EQUITY</b>			
Reserves		206,970	206,970
Retained earnings		10,618,961	10,399,805
<b>TOTAL EQUITY</b>		<b>10,825,931</b>	<b>10,606,775</b>

The accompanying notes form part of these financial statements.

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Statement of Changes in Equity For the Year Ended 31 December 2021

	Retained Earnings	Capital Profits Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2021</b>	<b>10,399,805</b>	<b>206,970</b>	<b>10,606,775</b>
Surplus for the year	219,156	-	219,156
<b>Balance at 31 December 2021</b>	<b>10,618,961</b>	<b>206,970</b>	<b>10,825,931</b>
<b>Balance at 1 January 2020</b>	9,757,244	206,970	9,964,214
Surplus for the year	642,561	-	642,561
<b>Balance at 31 December 2020</b>	<b>10,399,805</b>	<b>206,970</b>	<b>10,606,775</b>

The accompanying notes form part of these financial statements.

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Statement of Cash Flows For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	9,240,847	8,593,721
Payments to suppliers and employees	(7,868,527)	(7,033,284)
Interest received	2,792	2,811
Interest paid	(8,191)	(26,055)
Net cash provided by operating activities	<u>1,366,921</u>	<u>1,537,193</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of plant and equipment	(544,572)	(841,703)
Proceeds on disposal of assets	21,876	-
Net cash used in investing activities	<u>(522,696)</u>	<u>(841,703)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	1,653,005
Repayment of borrowings	(67,706)	(2,237,877)
Payment of lease liabilities	(27,572)	(37,621)
Net cash used in financing activities	<u>(95,278)</u>	<u>(622,493)</u>
Net increase in cash and cash equivalents held	748,947	72,997
Cash and cash equivalents at beginning of year	<u>605,779</u>	<u>532,782</u>
Cash and cash equivalents at end of financial year	6 <u><u>1,354,726</u></u>	<u>605,779</u>

The accompanying notes form part of these financial statements.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

The financial statements are for the The Mudgee Soldiers Club Limited as a not-for-profit entity.

### 1 Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### 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.

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.

The revenue recognition policies for the principal revenue streams of the Company are:

##### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time where the performance obligations have been met and transfer of control have been completed. Revenue is recognised net of any discounts given to members/patrons.

##### Provision of services

Revenue from rendering of services comprises revenue from memberships together with other services to members and other patrons of the club and is recognised when the services are provided.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Gaming machine revenue is recognised on an accrual basis calculated as net of gaming machine collections and payout's, less any costs associated with future jackpot contributions.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (a) Revenue and other income (cont'd)

##### Revenue from contracts with customers (cont'd)

##### Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by COVID-19.

##### Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

##### Gain or loss on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

#### (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.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (b) Income Tax (cont'd)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### (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.

#### (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.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis or reducing balance basis over the asset's useful life to the Club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Building	2.5%
Plant and Equipment	15%

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (e) Property, plant and equipment (cont'd)

Furniture, Fixtures and Fittings	10%
Motor Vehicles	20%
Computer Equipment	20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

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).

##### 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.

##### *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.

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 2 Summary of Significant Accounting Policies (cont'd)

##### (f) Financial instruments (cont'd)

###### Financial assets (cont'd)

###### *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.

###### 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) Intangibles

###### Poker Machine Entitlements

Poker machine entitlements have been determined to be intangible assets with an indefinite life and are carried at purchase price including related costs of acquisition less any impairment.

##### (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, and bank overdrafts.

##### (i) Employee benefits

Provision is made for the Company's liability for employee benefits, those 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.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (i) Employee benefits (cont'd)

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality government bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

#### (j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (k) Borrowings

Secured and unsecured loans have been obtained. Carrying amounts therefore represent amount expected to be repaid at settlement. Unsecured loans are considered to be repayable at call and therefore presented as current liabilities.

### 3 Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

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

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.

Impairment testing for 2021 has resulted in no impairment write-downs being recognised in relation to its intangible assets or property, plant and equipment.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 3 Critical Accounting Estimates and Judgments (cont'd)

#### Key estimates - Estimation of useful lives

The Club determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### Key estimates - Provision for long service leave

As discussed in Note 2(i), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### 4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue recognised on receipt:		
- Bar and takeaway sales	1,321,006	1,107,895
- Dining room and coffee lounge sales	1,352,468	1,126,847
- Fees and subscriptions	25,704	28,948
- Entertainment income	199,374	161,791
- Poker machine revenue	4,963,294	4,280,190
- Interest received	2,792	2,811
- Rental revenue	1,250	10,504
- Green fees	7,941	6,796
- Commissions received	177,020	163,267
- Other revenue	122,100	168,391
	<u>8,172,949</u>	<u>7,057,440</u>
Other Income		
- Loss on disposal of non-current assets	-	(2,669)
- Government grants	243,680	808,500
	<u>243,680</u>	<u>805,831</u>

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 5 Income Tax Expense

#### (a) Reconciliation of income tax to accounting profit

	2021	2020
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 26.0% (2020: 27.5%)	56,981	176,704
Tax effect of:		
- net income and expenditure items relating to member activity	(120,060)	(209,272)
- Deferred tax assets not brought to account	63,079	32,568
Income tax expense	-	-

#### (b) Unrecognised deferred tax assets and liabilities

Deferred tax assets and liabilities in relation to the carried forward tax losses and timing differences not recognised as amounts are not expected to be realised. This is due to the Club adopting the Accumulated Credits Payout Formula Method to calculate its taxable income from Net Poker Machine contribution after allowance for overheads.

Tax losses	551,482	516,787
Capital losses	70,206	74,256
Temporary differences	3,320	3,305
	<u>625,008</u>	<u>594,348</u>

### 6 Cash and Cash Equivalents

Cash on hand	377,820	389,220
Bank balances	976,906	216,559
	<u>1,354,726</u>	<u>605,779</u>

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 7 Property, plant and equipment

	2021	2020
	\$	\$
Freehold land		
At cost	<b>529,034</b>	529,034
Buildings		
At cost	<b>11,061,195</b>	10,991,645
Accumulated depreciation	<b>(4,629,015)</b>	(4,355,593)
Total buildings	<b>6,432,180</b>	6,636,052
Capital works in progress		
At cost	<b>850,757</b>	793,746
Plant and equipment		
At cost	<b>4,585,272</b>	4,395,185
Accumulated depreciation	<b>(3,559,021)</b>	(3,399,481)
Total plant and equipment	<b>1,026,251</b>	995,704
Furniture, fixtures and fittings		
At cost	<b>1,069,220</b>	1,041,050
Accumulated depreciation	<b>(831,142)</b>	(807,637)
Total furniture, fixtures and fittings	<b>238,078</b>	233,413
Motor vehicles		
At cost	<b>69,525</b>	24,070
Accumulated depreciation	<b>(29,335)</b>	(23,989)
Total motor vehicles	<b>40,190</b>	81
Poker Machines		
At cost	<b>3,085,553</b>	2,971,144
Accumulated depreciation	<b>(2,246,208)</b>	(2,158,463)
Total poker machines	<b>839,345</b>	812,681
	<b>9,955,835</b>	10,000,711

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements

For the Year Ended 31 December 2021

#### 7 Property, plant and equipment (cont'd)

##### (a) Movements in Carrying Amounts

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2021</b>								
Opening Balance	793,746	529,034	6,636,052	995,704	233,413	81	812,681	10,000,711
Additions	137,009	-	9,433	192,605	28,170	45,455	302,684	715,356
Disposals	-	-	-	(21,876)	-	-	-	(21,876)
Transfers	(79,998)	-	60,117	19,881	-	-	-	-
Depreciation	-	-	(273,422)	(160,063)	(23,505)	(5,346)	(276,020)	(738,356)
<b>Balance at the end of the year</b>	<b>850,757</b>	<b>529,034</b>	<b>6,432,180</b>	<b>1,026,251</b>	<b>238,078</b>	<b>40,190</b>	<b>839,345</b>	<b>9,955,835</b>

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 8 Investment Properties

	2021	2020
	\$	\$
At Cost	518,010	518,010
Depreciation	(30,952)	(25,727)
	<u>487,058</u>	<u>492,283</u>

#### 9 Intangible Assets

Poker Machine licenses		
Cost	<u>868,373</u>	868,373

Under the Gaming Machines Act 2002, a tradable asset titled a gaming machine entitlement was created. Gaming machine entitlements are able to be sold to other clubs within the state of New South Wales provided certain statutory requirements are met.

The Act came into effect on 2 April 2002. The Club records any gaming machine entitlement it purchases as an intangible asset, at cost. The Club has 110 gaming machine entitlements including 37 purchased entitlements.

#### 10 Trade and Other Payables

CURRENT		
Trade payables	314,044	282,819
GST payable	179,483	86,499
Sundry payables and accrued expenses	787,247	510,361
Deferred subscription revenue	11,278	-
	<u>1,292,052</u>	<u>879,679</u>

#### 11 Borrowings

CURRENT		
Lease liability - secured	188,838	145,929
Bank loans	-	67,706
<b>Total current borrowings</b>	<u>188,838</u>	<u>213,635</u>
NON-CURRENT		
Lease liability secured	266,901	166,598
<b>Total borrowings</b>	<u>455,739</u>	<u>380,233</u>

##### (a) Lease liability

Leased liabilities are secured by the underlying leased assets.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 11 Borrowings (cont'd)

#### (b) Bank Loans

Bank loans comprise of the following facilities:

- Agribusiness Line of Credit with a facility limit of \$150,000, no drawdowns as at balance date; and
- Market Rate Loan with a facility limit of \$1,500,000 which expires in September 2022, no drawdowns as at balance date.

The Commonwealth Bank of Australia holds the following securities over the Bank Bill facility:

- Registered first mortgage over the commercial property at 91 Mortimer Street;
- Registered first mortgage over the commercial property at 99 Mortimer Street; and
- Registered mortgage (Ranked 1) over the assets and undertakings including uncalled capital of The Mudgee Solider's Club Limited.

### 12 Employee benefits

	2021	2020
	\$	\$
CURRENT		
Provision for long service leave	87,133	37,488
Provision for annual leave	217,195	202,088
	<u>304,328</u>	<u>239,576</u>
NON-CURRENT		
Provision for long service leave	<u>47,306</u>	<u>73,428</u>

### 13 Reserves

#### Capital profits reserve

The asset revaluation reserve is used to record profits from the sale of pre capital gains tax (CGT) assets.

### 14 Financial Risk Management

The main risks the Club are exposed to is through its financial instruments are credit risk, liquidity risk and interest rate risk.

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans, bank overdrafts and lease liabilities.

The totals for each of the categories of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 14 Financial Risk Management (cont'd)

	2021	2020
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	1,354,726	605,779
Trade and other receivables	35,292	42,494
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Trade and other payables	1,292,052	879,679
Bank loans	-	67,706
Finance lease obligations	455,739	312,527
	<hr/>	<hr/>

#### 15 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 \$ 5 (2020: \$ 5) each towards meeting any outstanding obligations of the Company. At 31 December 2021 the number of members was 7,831 (2020: 7,197).

#### 16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of The Mudgee Soldiers Club Limited during the year are as follows:

The total remuneration paid to key management personnel of the Club is \$244,012 (2020: \$ 154,744)

#### 17 Contingencies

As at balance date, the Club is holding \$35,379 in retention payments with respect to the Club refurbishment (2020: \$35,738)

In the opinion of the Directors, the Company did not have any other contingencies at 31 December 2021 (31 December 2020: None).

#### 18 Related Parties

##### Transactions with related parties

There were no related party transactions during the financial year.

#### 19 Cash Flow Information

##### (a) Non-cash financing and investing activities

Acquisition of assets by means of leases	170,784	125,962
	<hr/>	<hr/>

## **The Mudgee Soldiers Club Limited**

ABN: 99 001 044 677

### **Notes to the Financial Statements For the Year Ended 31 December 2021**

#### **20 Events after the end of the Reporting Period**

The financial report was authorised for issue on 15 March 2022 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

#### **21 Statutory Information**

The registered office and principal place of business of the company is:

The Mudgee Soldiers Club Limited  
99 Mortimer Street  
MUDGEE NSW 2850

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

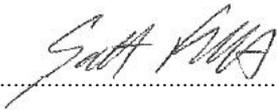
## Directors' Declaration

The directors of the Club declare that:

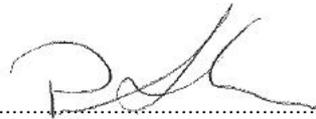
1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....



Director .....



Dated

29/3/2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUDGEES SOLDIERS CLUB LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Mudgees Soldiers Club Limited ('the Club'), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

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

- (i) giving a true and fair view of the Club's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

#### Independence

We are independent of the Entity in accordance with 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.

#### Other Information

The Directors of the Club are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

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

## Responsibilities of Management and the Directors for the Financial Report

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

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements<sup>2</sup>, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Entity's financial reporting process.

## 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.

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:

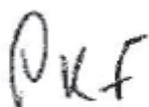
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

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

- Conclude on the appropriateness of management's 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF



KYM REILLY  
PARTNER

29 MARCH 2022  
NEWCASTLE, NSW

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Divisional Profit and Loss Statement (unaudited) For the Year Ended 31 December 2021

	2021 \$	2020 \$
<b>Bar Trading</b>		
<b>Trading Income</b>		
Operating Income	1,352,219	1,139,270
<b>Cost of Goods Sold</b>		
Bar consumables	(8,925)	(9,092)
Freight	(143)	(136)
Purchases	(474,140)	(395,228)
Transfers	(24,995)	(25,288)
<b>Gross Surplus</b>	<b>844,016</b>	<b>709,526</b>
<b>Less: Expenses</b>		
Wages	(395,116)	(575,173)
Repairs and maintenance	(9,816)	(9,415)
Promotion expenses	(31,861)	(11,553)
<b>Net operating surplus</b>	<b>407,223</b>	<b>113,385</b>

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Divisional Profit and Loss Statement (unaudited) For the Year Ended 31 December 2021

	2021 \$	2020 \$
<b>Catering Trading</b>		
<b>Trading Income</b>		
Soldiers Café	255,359	225,121
Bistro income	1,078,975	896,012
Functions income	42,788	13,240
	<b>1,377,122</b>	<b>1,134,373</b>
<b>Cost of Goods Sold</b>		
Purchases	(572,272)	(457,063)
	<b>804,850</b>	<b>677,310</b>
<b>Less: Expenses</b>		
Accommodation & Travel	(15,929)	(11,260)
Cleaning	(26,022)	(24,275)
Consumables	(6,977)	(407)
Contractors	(232,382)	(46,705)
Laundry	(2,253)	(967)
Printing and Stationery	(516)	(1,128)
Promotion expenses	(284)	(2,350)
Repairs and maintenance	(20,394)	(11,759)
Sundry expenses	(23,608)	(17,827)
Utilities	(20,528)	(16,210)
Wages	(642,388)	(684,716)
<b>Net operating deficit</b>	<b>(186,431)</b>	<b>(140,294)</b>

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Divisional Profit and Loss Statement (unaudited) For the Year Ended 31 December 2021

	2021 \$	2020 \$
<b>Gaming</b>		
<b>Sale of goods</b>		
Poker machine gross clearances	32,831,133	25,969,509
Poker machine payouts	(27,868,850)	(21,689,669)
	<b>4,962,283</b>	<b>4,279,840</b>
<b>Less: Expenses</b>		
Amenity expenses	(4,083)	(3,150)
CDSE	(91,497)	(71,320)
CMS Fees	(42,758)	(37,509)
Depreciation	(276,020)	(263,767)
Poker machine duty	(900,182)	(746,023)
Promotion expenses	(292,198)	(106,243)
Repairs and maintenance	(50,184)	(62,286)
Sundry expenses	(452)	(1,634)
Support fees	(32,949)	(24,773)
Wages	(304,217)	(258,797)
<b>Net operating surplus</b>	<b>2,967,743</b>	<b>2,704,338</b>

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Divisional Profit and Loss Statement (unaudited) For the Year Ended 31 December 2021

	2021 \$	2020 \$
Net operating surplus: Bar Trading	407,223	113,385
Net operating surplus: Gaming	2,967,743	2,704,338
Net operating deficit: Catering	(186,431)	(140,294)
	<b>3,188,535</b>	<b>2,677,429</b>
<b>Other trading income</b>		
Bingo income	84,883	74,057
Bowling club fees	7,941	6,796
Commission income	177,020	163,267
Interest income received	2,792	2,811
Jobkeeper income	243,680	808,500
Other income	71,627	123,144
Poker club fees	-	3,170
Raffle income	80,172	73,459
Rental income	1,250	10,504
Subscription income	25,704	28,948
<b>Less: Expenses</b>		
Amenity Club expenses	(28,285)	(16,426)
Bad debts expenses	(620)	-
Bank charges	(28,650)	(22,936)
Bingo expenses	(127,447)	(101,727)
Cleaning	(43,534)	(51,612)
Depreciation	(467,561)	(468,936)
Director expenses	(13,973)	(8,694)
Employee benefits expense	(1,471,109)	(1,362,008)
Entertainment expenses	(89,338)	(68,230)
Finance cost	(8,191)	(26,055)
Freight	(443)	(353)
Insurance expense	(230,823)	(208,607)
IT expenses	(55,891)	(47,564)
Keno expense	(2,806)	(2,583)
Loss on sale of asset	-	(2,669)
Member expenses	(386,856)	(304,532)
Payroll tax expense	(64,176)	(57,915)
Professional and consulting expenses	(72,684)	(46,309)
Raffle expenses	(89,752)	(81,286)
Rates	(53,800)	(57,564)
Repairs and maintenance	(95,135)	(85,856)
Security expenses	(27,108)	(31,417)
Subscriptions	(4,696)	(6,769)
Sundry expenses	(36,867)	(29,943)
Tab expense	(17,307)	(18,150)
Training expenses	(8,648)	(6,206)
Utilities	(238,748)	(215,177)
<b>Net operating surplus</b>	<b>219,156</b>	<b>642,561</b>