



ABN: 99 001 044 677

# MUDGE SOLDIERS CLUB LTD

## 2022

# ANNUAL REPORT

*'Your Club, Your Community'*

Ph: 02 6372 1922

E: [info@clubmudgee.com.au](mailto:info@clubmudgee.com.au)

W: [www.clubmudgee.com.au](http://www.clubmudgee.com.au)



# **BOARD OF DIRECTORS**

## **DECEMBER 2022**



*S. Fittler - President*



*J. Mills - Director*



*E. Best – Jnr. Vice President*



*M. Shepperd - Director*



*S. Byrnes - Director*



*J. Hurn - Director*

*Paul Sinclair – Vice  
President/Director  
(Resigned November 2022)*

*Nathan Consadine – Director  
(Started November 2022)*

# Mudgee Soldiers Club Limited

Trading as: Club Mudgee

ABN: 99 001 044 677

99 Mortimer Street, Mudgee, NSW, 2850

Phone (02) 6372 1922

Email [reception@clubmudgee.com.au](mailto:reception@clubmudgee.com.au)

## NOTICE OF ANNUAL GENERAL MEETING.

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Club will be held in the Mudgee Soldier's Club Auditorium, 99 Mortimer Street Mudgee, on Sunday 28<sup>th</sup> May 2023 commencing at 10am.



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Andrew Lancaster

Chief Executive Officer | Secretary Manager

## 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 29<sup>th</sup> May 2022;
4. To receive and consider the reports and declarations of the Directors and Auditors for the year ended 31<sup>st</sup> December 2022; (refer to the 2022 Annual Report available on the Club's Website)
5. To receive and consider the Concise Financial Statements as at 31<sup>st</sup> December 2022 for the year ended on that date; (refer to the 2022 Annual Report available on the Club's Website)
6. To consider and vote upon the Ordinary Resolutions as set out on pages 2 & 3;
7. To deal with any other business of which due notice has been given;
8. To deal with any other general business that the meeting may approve of for which due notice has not been given;
9. To consider any nominations for Life Membership;
10. *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:** 13<sup>th</sup> April 2022, by direction of the Board



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Andrew Lancaster

Chief Executive Officer | Secretary Manager

*To view the 2022 Annual Report, go to the Club's Website:*

[www.clubmudgee.com.au](http://www.clubmudgee.com.au) click on the 'Your Club' tab, then click on the 'Annual Report' tab.

## **NOTICE OF ORDINARY RESOLUTIONS FOR THE ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that at the Annual General Meeting of **MUDGEES SOLDIERS' CLUB LIMITED** to be held on Sunday 28<sup>th</sup> May 2023 commencing at 10.00am at the premises of the Club, 99 Mortimer Street, Mudgee, New South Wales, the members will be asked to consider and if thought 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 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 Resolutions**

*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*  

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*respect of their duties as directors.*

#### **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 Resolutions**

*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 Resolutions**

*The Third ordinary Resolution is to have members approve honorariums for the directors.*

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#### **FOURTH ORDINARY RESOLUTION**

The members hereby approve \$5,200.00 be provided in the Welfare Fund for 2023 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 Resolutions**

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

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### **Postal Voting**

A By-Law was introduced in 2019 in relation to Board Election Postal Voting.

Members may request a postal vote by applying to the Returning Officer for a postal voting package. The package will include a reply-paid envelope for postal votes to be returned in.

If you would like to request a postal vote, please email your request to the Returning Officer, Brad Farr, at [bfarr@auselect.com](mailto:bfarr@auselect.com). All requests must be received by the Returning Officer by no later than 5pm on Friday 28<sup>th</sup> April 2023.

All completed postal votes must be received by the Returning Officer by no later than 5pm on Friday 19<sup>th</sup> May 2022.

### **Nominations for Directorship**

Information relating to Nominations for Directorship is now available to view on the Member's Notice Board.

## **DISCLOSURE.**

### **Annual Reporting Requirements.**

Amendments to the Corporations Act have changed the obligations of clubs regarding the provision of providing annual reports to members. These changes were basically put in place to simplify reporting requirements, ensuring members have easy access to reports, reducing the annual reporting costs and reducing the environmental impact by eliminating the need for paper-based reporting.

As a result of this legislation the Club will now post a copy of its Annual Report on the Club's website each year. You will be able to access the Club's Annual Report for 2022 on the Club's website at the following address: [www.clubmudgee.com.au](http://www.clubmudgee.com.au) - click on the 'Your Club' tab, then click on the 'Annual Report' tab.

### **Electronic Meeting Notices and Virtual Meetings**

Recently enacted legislation, the Corporations Amendment (Meetings and Documents) Act 2022, permanently enables clubs to send meeting notices electronically and hold virtual or hybrid general meetings. The new legislation enables clubs to send meeting notices (this notice) to members electronically as a default option. This means clubs may send members a meeting notice for an AGM or other members' meeting (i.e. EGM) even if a member has not elected or consented to receive the notice electronically. The Club has utilised the electronic meeting notices for the 2023 AGM, however, will not be holding a virtual meeting or hybrid meeting for the 2023 AGM.

**Election for Paper Annual Report.**

If you wish to continue to receive a paper copy of the Club's Annual Report, please complete and return this election form. Otherwise, you have elected to access reports electronically.

☐ (tick or cross) Please continue to send a paper copy of the Annual Report to my address.

**Name:** ..... **Membership No:** .....

**Postal Address:**

.....

.....

Yours faithfully



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Andrew Lancaster  
Chief Executive Officer | Secretary Manager



## President's Report

Dear Members,

On behalf of the Board of Directors, I am pleased to present the 2022 Annual Report for Club Mudgee.

It has been both an exciting and challenging year and I am proud of how the team and board have adjusted to change during some challenging periods but also how they have relished the exciting times.

With Covid lockdown now in the rear-view mirror, the Club has assimilated into Covid normal whilst looking towards a future of both community and financial success.

2022 was a year of change within the Management Team, the Board is pleased to welcome Andrew Lancaster, Chief Executive Officer (CEO) who arrived in October of 2022. I would like to acknowledge Mark Willis, Chief financial Officer (CFO) and John Waters, General Manager (GM) for their time at the helm while we went through the recruitment process to appoint a CEO.

I would also like to acknowledge the contribution of each member of our board for the strategic work they do to support the club. In conjunction with the Management Team, the Board have been active in bringing the Master Plan vision to fruition which includes focusing on both short-term goals of asset development and long-term goals to continue to diversify the business to ensure the future business viability for the membership into the future.

On the financial front, the Club was able to perform reasonably well considering the current financial climate coming out of Covid and the continual increase in both supply availability and supply cost pressures.

During the 2022 financial year Club Mudgee provided \$897,177 in Members Promotions and over \$3.5 million in employee wages and benefits.

The 2022 Club Grants sponsorship and donations commitment was \$125,527, making a positive lasting difference to over 47 local organizations, sporting clubs and community programs. In addition to the Club Grants financial support, Club Mudgee has also made numerous in-kind donations to assist community groups.

I would like to take the opportunity to thank all of our members for their continued support of Club Mudgee over the past year and look forward to sharing the successes of the strategic and operational plans for Club Mudgee as 'Your Club, Your Community'.

Lastly, we said farewell to Mark Willis, affectionately known as Chopper, Mark finished up with Club Mudgee after 8 years of dedication as CFO, on behalf of the Board of directors, we would like to thank Mark for his efforts over those years and wish him every success in his future endeavors in the local community.

Scott Fittler - President

*'Your Club, Your Community'*

## CEO's Report

Dear Members,

I wish to thank all the Board of Directors, Team and Members of Club Mudgee for welcoming me to the Club in October of 2022 and look forward to holding the custodianship of Club Mudgee for all members, current and future.

On behalf of the Board of Directors and entire team of Club Mudgee, I present to you the report for the year ended 31st December 2022.

The Clubs financial performance for 2022 is a profit of \$161,572 compared to a profit of \$219,156 for the 2021 financial year. With Covid lockdowns moving into the rear-view mirror, the government support compared to the 2021 financial year was greatly reduced, however the Club was in a financial position with cash flows to complete deferred tax repayments from the 2020 and 2021 financial years. Overall cash flow reduced from \$1,354,726 in 2021 to \$956,644 in 2022 to make these deferred payments which are now complete as well as purchases of plant & equipment.

The 2022 financial year saw members benefits of \$897,177 by way of providing various promotions, bonus points and discounted pricing on food & beverage. This member's benefit was a substantial increase from the 2021 Covid affected year of \$655,626.

The 2022 financial year was a difficult year and I commend the Board of Directors, Management Team and Staff for their leadership and passion to work in an industry that has had to bare the brunt of effects of Covid and challenges facing the hospitality industry. The commitment and passion of the team towards Club Mudgee is fantastic to see and a huge opportunity to evolve this culture into the future of Club Mudgee.

Club Mudgee is well positioned within the community with the 2022 financial year providing \$3,557,537 in employee benefits expense, \$125,527 in community sponsorships and grants as well as partnering with the RSL Sub-Branch and internal sub-clubs of Ladies & Men's Bowls, Darts, Snooker and Fishing Clubs. I would like to thank the entire membership for their support of the Club in 2022 and the future opportunities that will arise.

In closing, I would like to acknowledge the Board of Directors, Mark Willis (Departing CFO), John Waters (Interim GM), the current team and especially the membership for making Club Mudgee what it is, the future allows us to look forward to some short-term club refurbishments and solidifying the clubs position as the social and community hub of Mudgee.

I wish all our members a happy and prosperous year to come and look forward to seeing you all around the club enjoying the facilities.

Andrew Lancaster - Chief Executive Officer

*'Your Club, Your Community'*

# **The Mudgee Soldiers Club Limited**

**ABN: 99 001 044 677**

## **Financial Statements**

**For the Year Ended 31 December 2022**

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## For the Year Ended 31 December 2022

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## **Directors' Report**

### **31 December 2022**

The directors present their report on The Mudjee Soldiers Club Limited for the financial year ended 31 December 2022.

#### **Directors**

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

<b><i>Names</i></b>	<b><i>Position</i></b>
Scott Fittler	President
Paul Sinclair	Vice President (resigned 22 November 2022)
John Mills	Vice President (appointed 22 November 2022)
Emma Best	Junior Vice President
Michael Shepperd	Director
Joe Hurn	Director (appointed 29 May 2022)
Simon Byrnes	Director
Nathan Consadine	Director (appointed November 2022)
William Crossingham	Director (resigned 29 May 2022)

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- 18 President 2018 - current Ex-officio member of sub committees (Audit, Club Grants & Building)

##### **John Mills**

Qualifications	Sales Manager
Experience	Board member 2020-2022 Vice President 2022 - current Community Engagement / Club Grants Committee Member Building Committee

## Information on directors (cont'd)

### 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 2017 - 2020 Board Member 2020 - current Audit Finance & Business Risk, Asset Renewal Committee Member

### Joe Hurn

Qualifications	Professional Accountant
Experience	Board Member May 2022 - Current Club Grants Committee Member Audit, Finance & Business Risk

### Simon Byrnes

Qualifications	Professional Accountant
Experience	Board Member November 2017 - current Audit, Finance & Business Risk, Asset Renewal Committee Member

### William Crossingham

Qualifications	Businessman
Experience	Board Member 2011 – May 2018 President May 2014 – February 2017 President May 2016 – May 2017 Board Member May 2019 – 2022 (not re-appointed) Audit, Finance & Business Risk, Asset Renewal Committee Member Building Committee Member

## **The Mudgee Soldiers Club Limited**

ABN: 99 001 044 677

# **Directors' Report**

**31 December 2022**

### **Information on directors (cont'd)**

#### **Nathan Consadine**

Qualifications	Sales Manager/Building
Experience	Board Member Nov 2022 - current Building Committee

#### **Paul Sinclair**

Qualifications	Builder
Experience	Board member May 2018 – May 2019 Vice President 2019 – 2022 (resigned 22/11/2022) Chairman Community Engagement / Club Grants Committee Building 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 its financial future

# **Directors' Report**

**31 December 2022**

## **Long term objectives**

The Company's long-term objectives are to:

- Always endeavor 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.



## Directors' Report

31 December 2022

### 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 Mudjee 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 2022 the collective liability of members was \$ 43,960 (2021: \$ 39,155).

### Meetings of directors

During the financial year, 22 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	12	10	6	6	2	1	-	-
John Mills	12	11	6	5	1	1	1	1
Emma Best	12	12	6	6	3	3	-	-
Michael Sheppard	12	12	6	6	-	-	-	-
Joe Hurn	12	11	3	3	3	2	1	1
Simon Byrnes	12	10	6	5	-	-	-	-
Nathan Consadine	2	2	-	-	-	-	-	-
William Crossingham	8	1	3	-	-	-	-	-
Paul Sinclair	12	9	6	4	-	-	-	-

### **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.

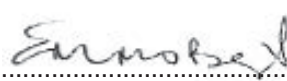
Directors' Report  
31 December 2022

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 2022 has been received and can be found on page 6 of the financial report.

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

Director:  .....

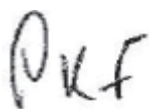
Director:  .....

Dated 30/3/2023

## 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 2022, 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

30 MARCH 2023  
SYDNEY, NSW

### PKF (NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

Liability limited by a scheme approved  
under Professional Standards Legislation

### Sydney

Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia

GPO Box 5446 Sydney NSW 2001

p +61 2 8346 6000

f +61 2 8346 6099

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755 Hunter Street

Newcastle West NSW 2302 Australia  
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f +61 2 4962 3245

PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit [www.pkf.com.au](http://www.pkf.com.au)

# 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 2022

	Note	2022 \$	2021 \$
Revenue	4	10,514,433	8,172,949
Other income	4	48,736	243,680
Changes in inventories of finished goods and work in progress		5,358	(22,873)
Raw materials and consumables used		(1,855,364)	(1,272,507)
Employee benefits expense		(3,557,537)	(2,832,816)
Depreciation and amortisation expense		(796,425)	(743,581)
Insurance Expense		(214,338)	(230,823)
Professional and consulting expense		(116,952)	(98,587)
Repairs and maintenance expense		(185,717)	(167,346)
Utilities expense		(286,395)	(266,399)
Advertising expense		(33,972)	(54,300)
Functions and entertainment expense		(43,895)	(41,313)
Poker machine taxes		(1,135,261)	(900,182)
Members promotion expense		(897,177)	(655,626)
Other operating expenses		(1,262,743)	(902,929)
Finance expenses		(18,726)	(8,191)
<b>Surplus before income tax</b>		<b>164,025</b>	<b>219,156</b>
Income tax expense	5	(2,453)	-
<b>Surplus for the year</b>		<b>161,572</b>	<b>219,156</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>161,572</b>	<b>219,156</b>

The accompanying notes form part of these financial statements.

# Statement of Financial Position

As At 31 December 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	956,644	1,354,726
Trade and other receivables		47,146	35,292
Inventories		120,184	125,542
Other assets		100,745	98,530
TOTAL CURRENT ASSETS		1,224,719	1,614,090
NON-CURRENT ASSETS			
Property, plant and equipment	9	9,521,322	9,955,835
Investment properties	7	481,833	487,058
Deferred tax assets		19,623	21,955
Intangible assets	8	868,373	868,373
TOTAL NON-CURRENT ASSETS		10,891,151	11,333,221
TOTAL ASSETS		12,115,870	12,947,311
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	616,518	1,292,052
Leases	11	166,622	188,838
Employee benefits	12	199,745	304,328
TOTAL CURRENT LIABILITIES		982,885	1,785,218
NON-CURRENT LIABILITIES			
Leases	11	97,769	266,901
Deferred tax liabilities		22,076	21,955
Employee benefits		25,637	47,306
TOTAL NON-CURRENT LIABILITIES		145,482	336,162
LIABILITIES TOTAL LIABILITIES		1,128,367	2,121,380
NET ASSETS		10,987,503	10,825,931
<b>EQUITY</b>			
Reserves		206,970	206,970
Retained earnings		10,780,533	10,618,961
TOTAL EQUITY		10,987,503	10,825,931

## Statement of Changes in Equity

### For the Year Ended 31 December 2022

	Retained Earnings	Capital Profits Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2022</b>	<b>10,618,961</b>	<b>206,970</b>	<b>10,825,931</b>
Surplus for the year	<b>161,572</b>	-	<b>161,572</b>
<b>Balance at 31 December 2022</b>	<b>10,780,533</b>	<b>206,970</b>	<b>10,987,503</b>
<b>Balance at 1 January 2021</b>	10,399,805	206,970	10,606,775
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>

## Statement of Cash Flows

### For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		11,607,101	9,240,847
Payments to suppliers and employees		(11,433,659)	(7,868,527)
Interest received		5,310	2,792
Interest paid		(18,726)	(8,191)
Net cash provided by operating activities		<u>160,026</u>	<u>1,366,921</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of plant and equipment		(374,761)	(544,572)
Proceeds on disposal of assets		8,001	21,876
Net cash used in investing activities		<u>(366,760)</u>	<u>(522,696)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		-	(67,706)
Payment of lease liabilities		(191,348)	(27,572)
Net cash used in financing activities		<u>(191,348)</u>	<u>(95,278)</u>
Net increase in cash and cash equivalents held		(398,082)	748,947
Cash and cash equivalents at beginning of year		<u>1,354,726</u>	<u>605,779</u>
Cash and cash equivalents at end of financial year	6	<u><u>956,644</u></u>	<u><u>1,354,726</u></u>



## Notes to the Financial Statements

### For the Year Ended 31 December 2022

The financial statements are for 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 - Simplified Disclosure Standard 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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2022

#### 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.

##### (b) Income Tax

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

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.

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.

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.

## Notes to the Financial Statements

For the Year Ended 31 December 2022

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

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

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%
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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2022

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

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

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.



## Notes to the Financial Statements

### For the Year Ended 31 December 2022

#### 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) Leases**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

## Notes to the Financial Statements

### For the Year Ended 31 December 2022

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

##### (j) 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.

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.

#### 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 2022 has resulted in no impairment write-downs being recognised in relation to its intangible assets or property, plant and equipment.

**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.

## Notes to the Financial Statements

### For the Year Ended 31 December 2022

#### 4 Revenue and Other Income

	2022 \$	2021 \$
Revenue recognised at a point in time:		
- Bar and takeaway sales	1,900,495	1,321,006
- Dining room and coffee lounge sales	1,957,518	1,352,468
- Fees and subscriptions	44,470	25,704
- Entertainment income	272,548	199,374
- Poker machine revenue	6,001,494	4,963,294
- Interest received	5,310	2,792
- Rental revenue	2,500	1,250
- Green fees	14,472	7,941
- Commissions received	220,471	177,020
- Other revenue	95,155	122,100
	<b>10,514,433</b>	<b>8,172,949</b>
Other Income		
- Government grants	48,736	243,680

#### 5 Income Tax Expense

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

Prima facie tax payable on profit from ordinary activities before income tax at 25.0% (2021: 26.0%)	41,006	56,981
Tax effect of:		
- net income and expenditure items relating to member activity	(114,527)	(120,060)
- Revenue losses not brought to account	100,126	63,079
- change in tax rate	(24,152)	-
Income tax expense	<b>2,453</b>	<b>-</b>

##### (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.

Revenue losses	630,397	551,482
Capital losses	67,506	70,206
Temporary differences	-	6,253
	<b>697,903</b>	<b>627,941</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on hand	515,665	377,820
Bank balances	440,979	976,906
	<u>956,644</u>	<u>1,354,726</u>

### 7 Investment Properties

At cost	518,010	518,010
Accumulated depreciation	(36,177)	(30,952)
	<u>481,833</u>	<u>487,058</u>

### 8 Intangible Assets

Poker Machine licenses		
Cost	868,373	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.

## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 9 Property, plant and equipment

	2022	2021
	\$	\$
Freehold land		
At cost	<b>529,034</b>	529,034
Buildings		
At cost	<b>11,865,594</b>	11,061,195
Accumulated depreciation	<b>(4,916,564)</b>	(4,629,015)
Total buildings	<b>6,949,030</b>	6,432,180
Capital works in progress		
At cost	-	850,757
Plant and equipment		
At cost	<b>4,961,705</b>	4,585,272
Accumulated depreciation	<b>(3,742,838)</b>	(3,559,021)
Total plant and equipment	<b>1,218,867</b>	1,026,251
Furniture, fixtures and fittings		
At cost	<b>1,079,739</b>	1,069,220
Accumulated depreciation	<b>(856,384)</b>	(831,142)
Total furniture, fixtures and fittings	<b>223,355</b>	238,078
Motor vehicles		
At cost	<b>69,525</b>	69,525
Accumulated depreciation	<b>(37,373)</b>	(29,335)
Total motor vehicles	<b>32,152</b>	40,190
Poker Machines		
At cost	<b>3,092,826</b>	3,085,553
Accumulated depreciation	<b>(2,523,942)</b>	(2,246,208)
Total poker machines	<b>568,884</b>	839,345
	<b>9,521,322</b>	9,955,835

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements

For the Year Ended 31 December 2022

#### 9 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 2022</b>								
Opening balance	850,757	529,034	6,432,180	1,026,251	238,078	40,190	839,345	9,955,835
Additions	38,823	-	-	310,473	10,580	-	14,884	374,760
Disposals	-	-	-	(10,073)	-	-	(8,000)	(18,073)
Transfers	(889,580)	-	804,399	85,181	-	-	-	-
Depreciation	-	-	(287,549)	(192,965)	(25,303)	(8,038)	(277,345)	(791,200)
<b>Balance at the end of the year</b>	<b>-</b>	<b>529,034</b>	<b>6,949,030</b>	<b>1,218,867</b>	<b>223,355</b>	<b>32,152</b>	<b>568,884</b>	<b>9,521,322</b>



## Notes to the Financial Statements

### For the Year Ended 31 December 2022

#### 10 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	136,293	314,044
GST payable	58,714	179,483
Sundry payables and accrued expenses	412,638	787,247
Deferred subscription revenue	8,873	11,278
	<b>616,518</b>	<b>1,292,052</b>

#### 11 Leases

CURRENT		
Lease liability - secured	166,622	188,838
NON-CURRENT		
Lease liability - secured	97,769	266,901
<b>Total borrowings</b>	<b>264,391</b>	<b>455,739</b>

##### (a) Lease liability

Leased liabilities are secured by the underlying leased assets.

##### (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 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 Mudjee Solider's Club Limited.

#### 12 Employee benefits

CURRENT		
Provision for long service leave	82,950	87,133
Provision for annual leave	116,795	217,195
	<b>199,745</b>	<b>304,328</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2022

## 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:

	2022	2021
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	956,644	1,354,726
Trade and other receivables	47,146	35,292
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Trade and other payables	616,518	1,292,052
Leases	264,391	455,739

## 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 (2021: \$ 5) each towards meeting any outstanding obligations of the Company. At 31 December 2022 the number of members was 8,792 (2021: 7,831).

## 16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 289,162 (2021: \$ 244,012).

## 17 Auditors' Remuneration

Remuneration of the auditor PKF, for:

- auditing the financial statements	25,000	23,500
- tax compliance services	5,250	5,250
	30,250	28,750

## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 18 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 2022 (31 December 2021: None).

### 19 Related Parties

From time to time, directors may purchase goods from the club. These purchases are on the same terms and conditions as those entered into by other employees or customers and are trivial or domestic in nature. No director has entered into a material contract with the club since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

### 20 Cash Flow Information

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

	2022	2021
	\$	\$
Acquisition of assets by means of leases	-	170,784

### 21 Events after the end of the Reporting Period

The financial report was authorised for issue on 14 March 2023 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.

### 22 Statutory Information

The registered office and principal place of business of the company is: The Mudgee Soldiers Club Limited

99 Mortimer Street

MUDGEES NSW 2850

## Directors' Declaration

The directors of the Club declare that:

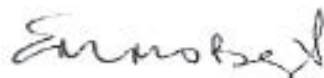
1. The financial statements and notes, as set out on pages 7 to 23, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance 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

30/3/2023

## 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 Mudgee Soldiers Club Limited (the Club), which comprises the statement of financial position as at 31 December 2022, 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 directors' declaration.

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

- (a) Giving a true and fair view of the Club's financial position as at 31 December 2022, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards - Simplified Disclosure Requirements and 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 Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

#### PKF (NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

Liability limited by a scheme approved  
under Professional Standards Legislation

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## Other Information (cont'd)

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

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

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

## Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

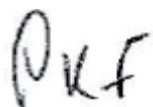
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

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

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

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

We also provide the directors 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, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY  
PARTNER

30 MARCH 2023  
SYDNEY, NSW