



**2023**  
**annual**  
**report**

**CLUB  
MUDGE**

THE MUDGE SOLDIERS CLUB LIMITED

**welcome**

Mudgee Soldier's Club Ltd

# about us

Club Mudgee has been Mudgee's premier entertainment and hospitality venue for over 70 years.

Boasting a rich history in supporting the local community and sporting groups, Club Mudgee caters for everyone with 2 eateries, several bars, lounge areas, and facilities catering from small intimate meetings to large events and functions. Club Mudgee has a reputation for good food, live music and shows and memorable functions. We pride ourselves on providing an experience through our service & atmosphere for our members.



Mudgee Solder's Club

# strategy.

**01**

## MEMBERS

To maintain a dynamic and relevant presence in the community through the provision of hospitality, lifestyle and entertainment services to the community. Mudgee's Social & Community Hub.

**02**

## RESPONSIBILITY

To acknowledge and take action on the responsibilities the Club has to its members and guests under the Responsible Service of Alcohol, Responsible Conduct of Gaming and to review the operations from an Environmental, Sustainability and Governance perspective.

**03**

## FUTURE

Ensuring the ongoing profitability of the Club to secure its financial future. Investing funds generated by the Club's operations to develop Club assets, to enable the Club to continue to provide services to members and the local community.

Mudgee Soldier's Club Ltd

# board of directors



Scott Fittler  
President



Emma Best  
Vice President



Nathan Consadine  
Junior Vice President



Simon Byrnes  
Director



Joe Hurn  
Director



John Mills  
Director



Mark Dinsey  
Director



**Club Mudgee -  
Mudgee's Social &  
Community Hub**

**Your Club - Your  
Community**

Vision Statement

Mudgee Soldier's Club Limited  
Trading As: Club Mudgee  
ABN: 99 001 044 677  
99 Mortimer Street, Mudgee, NSW, 2850  
Ph: 02 6372 1922

# notice of annual general meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of MUDGEE SOLDIER'S CLUB LTD will be held at Club Mudgee, 99 Mortimer Street, Mudgee, NSW, 2850 on Sunday 19th May 2024 commencing at 10am

## AGENDA

1. Apologies;
2. Declaration of the poll for election of Directors;
3. To receive and consider the reports and declarations of the Directors and Auditors for the year ended 31st December 2023;
4. To receive and consider the concise financial statements as at 31st December 2023 for the year ended on that date;
5. To consider and vote upon the Special Resolutions as set out on pages 2 to 5 of the Notice of Special Resolution;
6. To consider and vote upon the Ordinary Resolutions as set out on pages 6 to 8 of the Notice of Ordinary Resolution;
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 for which due notice has not been given;
9. To consider any nominations for Life Membership;

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 the general business or the financial statements on which further information may be required. Such information which relates to the finance, if available, will be extracted from the financial records and be available at the Annual General Meeting.

Dated: 9th April 2024, by direction of the Board

Andrew Lancaster  
Chief Executive Officer | Secretary Manager

# presidents report

Dear Members,

I am delighted to present to you the Annual Report and Financial Statements for Club Mudgee, summarizing our achievements and endeavors for the year ending 31st December 2023. It has been a year marked by resilience, community spirit, and significant progress in various facets of our operations.

First and foremost, I extend my heartfelt gratitude to my fellow directors for their dedication, collaborative spirit, and insightful guidance throughout the year. Their commitment to the club's mission and vision has been instrumental in steering us through both challenges and opportunities.

Our club's core business, undoubtedly, revolves around providing experiences to our members and guests. In this regard, I am pleased to report that despite the ongoing challenges posed by external factors, we have maintained our commitment to service delivery. Through strategic planning and execution, we have upgraded our facilities through a renovation, ensuring that Club Mudgee is able to become the preferred destination for leisure, entertainment, and social gatherings in our community in line with the vision of "Mudgee's social and community hub".

Renovations have played a pivotal role in enhancing the overall appeal and functionality of our club. Over the past year, we have undertaken several key renovation stages aimed at modernizing our infrastructure, improving accessibility, and creating inviting spaces for our members. These efforts have not only rejuvenated our physical environment but have also laid the foundation for sustainable growth and continued relevance in a dynamic market landscape.

However, beyond our operational endeavors, Club Mudgee remains deeply committed to serving the needs of our community. In times of adversity, the true strength of our club shines through as we rally together to support those in need. Whether through charitable initiatives, sponsorship programs, or community events, we have remained steadfast in our commitment to making a positive impact and fostering a sense of belonging among all members of our community. During the 2023 financial year we were able to provide grants, sponsorships and donations totaling \$101,876 to over 40 local community groups.



# presidents report cont.

Looking ahead, we are excited about the opportunities that lie on the horizon. As we navigate the evolving landscape of the hospitality industry, we remain firmly rooted in our values around membership and team. With the continued support of our members, the leadership and their dedicated staff, I am confident that Club Mudgee will continue to thrive and prosper in the years to come. During the 2023 financial year, we were able to provide \$3,916,749 into the local community through wages as well as \$721,633 in member benefits through discounts and promotions.

In closing, I extend my sincere thanks to all members for their ongoing support, loyalty, and enthusiasm. Together, we have achieved remarkable milestones, and together, we will continue to write the success story of Club Mudgee for generations to come.

Warm regards,

**Scott Fittler**  
**President**  
**The Mudgee Soldiers Club Ltd (Club Mudgee)**

# chief executive officer's report

Dear Members of Club Mudgee,

I am pleased to present my report for the year ending the 31st December 2023.

The Mudgee Soldiers Club Ltd (Club Mudgee) recorded an after-tax profit of \$229,850 & an EBITDA (Earnings before interest, taxes, depreciation and amortization) of \$1,141,684.

I would like to start by thanking the membership for their support over the 2023 trading year, whilst we are now trading in our recently renovated club, I thank the membership for their unwavering support and patience over the year and acknowledge the adversity that was navigated by both the team and members whilst we were undergoing renovations including but not limited to changing entries, obstruction to sections of the club premises and associated noise and disruption involved.

With renovations in the rear-view mirror, there were many milestones achieved in 2023, however a few certain highlights are some of the most memorable that I would like to share with the members as YOU were apart of all of these (including but not limited to);

- Achieving a new Membership Milestone of over 9500 members;
- Opening the Sports Hub (*July 2023*);
- Opening the Members Lounge including a new sunlight enclosed verandah on Mortimer St (*October 2023*);
- The cheer and elation in the voice of so many, including our youngest locals with the Matildas Live and Loud during the Womens Soccer World Cup;
- Both 2nd Grade and 7th Grade Bowling Teams representing Mudgee at the State Bowling Pennants;
- The team and community response to the Bushfire emergency with Club Mudgee being activated as the evacuation centre and providing catering to the response (*March 2023*);
- The ability to fund or be apart of such amazing community events such as Anzac Day with the Mudgee RSL Sub-Branch, opening of the Louisa Lawson statue with the Rotary Club of Mudgee and the Christmas Toy Drive with Barnardos.

To my dedicated team, I thank you for your continued efforts throughout the year, you make an exceptional contribution to the Club which at stages can go without the recognition you truly deserve. I am incredibly proud of the efforts, loyalty and contributions you have made to the Club over the 2023 year, one you should all be proud to have been apart of.

# chief executive officer's report cont.

To the Board of Directors, I thank you for your commitment to the Club, Membership and Community that you each bring to the table. The 2023 year has seen Club Mudgee enter the next phase of the strategic plan with the culmination of many strategic reviews on the core business and have created a solid foundation for the continued success of Club Mudgee into the future for members current and future. I pay tribute to Michael 'Mike' Sheppard whom passed during 2023, however had committed over 33 years to Club Mudgee in membership and 28 years to the community as a member of the Board.

Members, I sincerely thank you for your continued support and patience throughout the year, and look forward to welcoming you into the Club in 2024 and beyond.

**Andrew Lancaster**  
**Chief Executive Officer**  
**Mudgee Soldiers Club Ltd (Club Mudgee)**

# year in review



Renovation Works  
25 Weeks of Trades onsite



Partnership with Lion Nathan  
with 132,000+ Schooners Sold



Partnership with Pablo & Rusty  
with 36,000+ Coffee Sold



Partnership with Oatley Wines  
with 20,000+ Wine Sold



Partnership with CCA  
with 30,000+ Soft Drinks Sold



92,850+ Meals served to our  
Members



\$97,402.35 in Club Grants over  
37 recipients



4240+ Lawn Bowls Games  
played



Office of Mudgee RSL Sub-  
Branch Members & Associates

# year in review



\$110,000+ Bingo Prizes  
awarded



\$143,000+ Raffle Prizes  
Awarded



\$32,000+ Major Promotions  
Awarded



\$35,000+ Value in Treasure  
Chest Awarded



\$277,000+ in Members  
Discounts Issued



9632 Members as at 31st  
December 2023



2601 New Members Joined in  
2023



71 Number of Employee's



46% Male Employees & 54%  
Female Employees

# club grants

ClubGRANTS is one of Australia's largest grant programs, with \$121 million delivered to charities, sporting groups and community associations in the 2022-2023 grant year.

ClubGRANTS at Club Mudgee is just one of the ways that Club Mudgee endeavors to achieve being the social and community hub of Mudgee.

Impressively last year over the ClubGRANTS grant year in NSW an impressive \$32 million was contributed to regional communities and across NSW over 9052 recipients awarded funding under the program.

None of the above would be possible without the fantastic members and guests that frequent their local clubs, like our members of Club Mudgee and the generous backing of clubs across NSW.

Club Mudgee had 37 recipients awarded a total of \$97,402.35 combined over the 2022-23 grant year.

Eligible Category 1 expenditure is allocated by clubs to projects and/or service that contribute to the welfare and broader social fabric of the local community, including;

- Community welfare & social services
- Community development
- Community health services
- Employment assistance activities

2022-23 Grant Year: \$43,154.35 | \$5,700 In-Kind

Category 2 expenditure is allocated by clubs to community development and support activities and projects not listed under category 1, and/or a club's core activities.

For example, sport, returned servicemen's league or veteran welfare, golf courses and bowling greens etc.

2022-23 Grant Year: \$54,248 | \$5,248 In-Kind

**2022-23 Grant Year Total: \$97,402.35 | \$10,948 In-Kind**

# section clubs & sponsorship

Club Mudgee is proud to be affiliated with the following clubs over the 2023 calendar year and looks forward to continuing relationships and forging new ones into the future.

Mudgee Bowling Club

Mudgee Women's Bowling Club

Mudgee Darts Association

Mudgee Social Darts

Mudgee Fishing Club

Mudgee Gulgong Wolves Football Club

Mudgee Dragons NRL

Mudgee Dragons JNRL

Mudgee Dragons WNRL

Mudgee Playgroup

Mudgee Race Course

# **The Mudgee Soldiers Club Limited**

**ABN: 99 001 044 677**

## **Financial Statements**

**For the Year Ended 31 December 2023**



# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

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# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Directors' Report 31 December 2023

The directors present their report on The Mudgee Soldiers Club Limited for the financial year ended 31 December 2023.

### 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
Emma Best	Vice President
Nathan Consadine	Junior Vice President
John Mills	Director
Michael Shepperd	Director (deceased June 2023)
Joe Hurn	Director
Simon Byrnes	Director
Mark Dinsey	Director (elected June 2023)

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)

Emma Best  
Qualifications Paralegal / Licensed Conveyancer  
Experience Board Member 2019 - 2020  
Vice president May 2023 - current  
Junior Vice President July 2020 - May 2023  
Community Engagement / Club Grants Committee Member

Nathan Consadine  
Qualifications Sales Manager/Building  
Experience Board Member Nov 2022 - June 2023  
Junior Vice President June 2023 - current  
Building Committee

John Mills  
Qualifications Sales Manager  
Experience Board Member 2020- current  
Vice President 2022 - May 2023  
Community Engagement / Club Grants Committee Member  
Building Committee

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Directors' Report

31 December 2023

### Information on directors (cont'd)

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 - 2023

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

Mark Dinsey

Qualifications

Service NSW - Service Centre Manager

Experience

Board Member June 2023 - current

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.

# **The Mudgee Soldiers Club Limited**

ABN: 99 001 044 677

## **Directors' Report** **31 December 2023**

### **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.

### **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 (2022: \$5), subject to the provisions of the Club's constitution.

At 31 December 2023 the collective liability of members was \$ 47,055 (2022: \$ 43,960).

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Directors' Report 31 December 2023

### Meetings of directors

During the financial year, 20 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	9	5	2	-	-	-	-
John Mills	11	11	5	4	1	1	1	1
Emma Best	11	11	5	5	2	2	1	1
Michael Shepperd	4	4	2	2	-	-	-	-
Joe Hurn	11	11	5	5	1	1	1	1
Simon Byrnes	11	8	5	5	1	1	2	2
Nathan Consadine	11	11	5	2	1	1	-	-
Mark Dinsey	7	5	3	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 2023**

**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 2023 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 12 March 2024



PKF(NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302

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

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Board of Directors of The Mudgee Soldiers Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, 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.

A handwritten version of the PKF logo in black ink.

PKF

A handwritten signature in black ink, appearing to read 'Kym Reilly'.

KYM REILLY  
PARTNER

12 MARCH 2024  
SYDNEY, 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 2023

	Note	2023 \$	2022 \$
Revenue	4	10,873,556	10,514,433
Other income	4	-	48,736
Changes in inventories of finished goods and work in progress		285	5,358
Raw materials and consumables used		(1,872,895)	(1,855,364)
Employee benefits expense		(3,916,749)	(3,557,537)
Depreciation and amortisation expense		(820,732)	(796,425)
Insurance		(247,033)	(214,338)
Professional and consulting expense		(172,698)	(116,952)
Repairs and maintenance expense		(213,191)	(185,717)
Utilities expense		(301,872)	(286,395)
Advertising expense		(41,521)	(33,972)
Functions and entertainment expense		(84,472)	(43,895)
Poker machine taxes		(1,134,646)	(1,135,261)
Members promotion expense		(721,633)	(897,177)
Other operating expenses		(1,017,364)	(1,262,743)
Finance expenses		(91,102)	(18,726)
<b>Surplus before income tax</b>		<b>237,933</b>	<b>164,025</b>
Income tax expense	5	(8,083)	(2,453)
<b>Surplus for the year</b>		<b>229,850</b>	<b>161,572</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>229,850</b>	<b>161,572</b>

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 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,222,257	956,644
Trade and other receivables		47,600	47,146
Inventories		119,899	120,184
Other assets		98,925	100,745
<b>TOTAL CURRENT ASSETS</b>		<b>1,488,681</b>	<b>1,224,719</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	13,693,935	9,521,322
Investment properties	7	476,608	481,833
Deferred tax assets		19,623	19,623
Intangible assets	8	868,373	868,373
<b>TOTAL NON-CURRENT ASSETS</b>		<b>15,058,539</b>	<b>10,891,151</b>
<b>TOTAL ASSETS</b>		<b>16,547,220</b>	<b>12,115,870</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	963,614	616,518
Financial liabilities	11	378,607	166,622
Employee benefits	12	269,105	199,745
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,611,326</b>	<b>982,885</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	11	3,646,509	97,769
Deferred tax liabilities		30,159	22,076
Employee benefits		41,873	25,637
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,718,541</b>	<b>145,482</b>
<b>TOTAL LIABILITIES</b>		<b>5,329,867</b>	<b>1,128,367</b>
<b>NET ASSETS</b>		<b>11,217,353</b>	<b>10,987,503</b>
<b>EQUITY</b>			
Reserves		206,970	206,970
Retained earnings		11,010,383	10,780,533
<b>TOTAL EQUITY</b>		<b>11,217,353</b>	<b>10,987,503</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 2023

	Retained Earnings	Capital Profits Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2023</b>	<b>10,780,533</b>	<b>206,970</b>	<b>10,987,503</b>
Surplus for the year	229,850	-	229,850
<b>Balance at 31 December 2023</b>	<b>11,010,383</b>	<b>206,970</b>	<b>11,217,353</b>
<b>Balance at 1 January 2022</b>	10,618,961	206,970	10,825,931
Surplus for the year	161,572	-	161,572
<b>Balance at 31 December 2022</b>	<b>10,780,533</b>	<b>206,970</b>	<b>10,987,503</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 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	11,959,940	11,607,101
Payments to suppliers and employees	(10,367,803)	(11,433,659)
Interest received	5,171	5,310
Interest paid	(91,102)	(18,726)
Net cash provided by operating activities	<u>1,506,206</u>	<u>160,026</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of plant and equipment	(5,022,280)	(374,761)
Proceeds on disposal of assets	20,964	8,001
Net cash used in investing activities	<u>(5,001,316)</u>	<u>(366,760)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from borrowings	4,177,488	-
Payment of lease liabilities	(416,765)	(191,348)
Net cash provided by/(used in) financing activities	<u>3,760,723</u>	<u>(191,348)</u>
Net increase in cash and cash equivalents held	265,613	(398,082)
Cash and cash equivalents at beginning of year	956,644	1,354,726
Cash and cash equivalents at end of financial year	6 <u>1,222,257</u>	<u>956,644</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 2023

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 - 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.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 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.

##### 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.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 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% - 10%
Plant and Equipment	15%
Furniture, Fixtures and Fittings	6.67% - 20%
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 2023**

#### **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 that 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 2023

### 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.



## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 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.

#### (k) Going concern

At year end, the Clubs current liabilities exceeded it's current assets by \$333,344. Notwithstanding the net current liability position, the financial report has been prepared on the going concern basis. The Club's Directors are of the opinion that the Club has sufficient cash flows to meet its liabilities as they become due.

### 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 2023 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.

## **The Mudgee Soldiers Club Limited**

ABN: 99 001 044 677

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

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

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

As discussed in Note 2(j), 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.

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 4 Revenue and Other Income

	2023	2022
	\$	\$
Revenue recognised at a point in time:		
- Bar and takeaway sales	2,221,013	1,900,495
- Dining room and coffee lounge sales	2,006,403	1,957,518
- Fees and subscriptions	43,076	44,470
- Entertainment income	287,961	272,548
- Poker machine revenue	5,950,509	6,001,494
- Interest received	5,171	5,310
- Rental revenue	-	2,500
- Green fees	18,785	14,472
- Commissions received	218,500	220,471
- Other revenue	122,138	95,155
	<u>10,873,556</u>	<u>10,514,433</u>
Other Income		
- Government grants	-	48,736

#### 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% (2022: 25.0%)	59,483	41,006
Tax effect of:		
- net income and expenditure items relating to member activity	(159,592)	(114,527)
- losses not brought to account	108,192	100,126
- change in tax rate	-	(24,152)
Income tax expense	<u>8,083</u>	<u>2,453</u>

##### (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	738,587	630,397
Capital losses	67,505	67,505
	<u>806,092</u>	<u>697,902</u>

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	584,678	515,665
Bank balances	637,579	440,979
	<u>1,222,257</u>	<u>956,644</u>

#### 7 Investment Properties

At cost	518,010	518,010
Accumulated depreciation	(41,402)	(36,177)
	<u>476,608</u>	<u>481,833</u>

#### 8 Intangible Assets

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

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.

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 9 Property, plant and equipment

	2023	2022
	\$	\$
Freehold land		
At cost	<b>529,034</b>	529,034
Buildings		
At cost	<b>14,594,237</b>	11,865,594
Accumulated depreciation	<b>(5,212,516)</b>	(4,916,564)
Total buildings	<b>9,381,721</b>	6,949,030
Capital works in progress		
Plant and equipment		
At cost	<b>5,523,443</b>	4,961,705
Accumulated depreciation	<b>(3,873,269)</b>	(3,742,838)
Total plant and equipment	<b>1,650,174</b>	1,218,867
Furniture, fixtures and fittings		
At cost	<b>1,893,485</b>	1,079,739
Accumulated depreciation	<b>(872,728)</b>	(856,384)
Total furniture, fixtures and fittings	<b>1,020,757</b>	223,355
Motor vehicles		
At cost	<b>69,525</b>	69,525
Accumulated depreciation	<b>(43,804)</b>	(37,373)
Total motor vehicles	<b>25,721</b>	32,152
Poker Machines		
At cost	<b>3,811,872</b>	3,092,826
Accumulated depreciation	<b>(2,725,344)</b>	(2,523,942)
Total poker machines	<b>1,086,528</b>	568,884
	<b>13,693,935</b>	9,521,322

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2023

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

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

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Poker Machines	Total
	\$	\$	\$	\$	\$	\$	\$
Opening Balance	529,034	6,949,030	1,218,867	223,355	32,152	568,884	9,521,322
Additions	-	2,730,592	643,879	826,130	-	821,679	5,022,280
Disposals	-	-	(17,754)	-	-	(16,409)	(34,163)
Transfers	-	-	-	-	-	-	-
Depreciation	-	(297,901)	(194,818)	(28,728)	(6,431)	(287,626)	(815,504)
	<u>529,034</u>	<u>9,381,721</u>	<u>1,650,174</u>	<u>1,020,757</u>	<u>25,721</u>	<u>1,086,528</u>	<u>13,693,935</u>

#### 10 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	415,812	136,293
GST payable	98,679	58,714
Sundry payables and accrued expenses	433,684	412,638
Deferred subscription revenue	10,239	8,873
Other payables	5,200	-
	<u>963,614</u>	<u>616,518</u>

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Notes to the Financial Statements For the Year Ended 31 December 2023

### 11 Financial liabilities

	2023	2022
	\$	\$
CURRENT		
Lease liability - secured	179,482	166,622
Bank loans	199,125	-
	<u>378,607</u>	<u>166,622</u>
NON-CURRENT		
Lease liability - secured	195,765	97,769
Bank loans	3,450,744	-
	<u>3,646,509</u>	<u>97,769</u>
<b>Total borrowings</b>	<u><b>4,025,116</b></u>	<u><b>264,391</b></u>

#### (a) Lease liability

Leased liabilities are secured by the underlying leased assets.

#### (b) Bank Loans

Bank loans comprise of the following facilities:

- Commonwealth Bank Better Business Loan facility limit of \$4 million; and
- Commonwealth Bank Contingent Liability Bank guarantee facility of \$215,000; 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 Mudgee Solider's Club Limited.

### 12 Employee benefits

CURRENT		
Provision for long service leave	67,535	82,950
Provision for annual leave	201,570	116,795
	<u>269,105</u>	<u>199,745</u>

## The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 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:

	2023	2022
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	1,222,257	956,644
Trade and other receivables	47,600	47,146
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Trade and other payables	963,614	616,518
Bank loans	3,649,869	-
Leases	375,247	264,391
	<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 \$ 6 (2022: \$ 5) each towards meeting any outstanding obligations of the Company. At 31 December 2023 the number of members was 9,632 (2022: 8,792).

#### 16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 222,849 (2022: \$ 289,162).

#### 17 Auditors' Remuneration

Remuneration of the auditor PKF, for:

- auditing the financial statements	26,250	25,000
- tax compliance services	5,250	5,250
	<hr/>	<hr/>
	<b>31,500</b>	<b>30,250</b>
	<hr/>	<hr/>



## **The Mudgee Soldiers Club Limited**

ABN: 99 001 044 677

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

#### **18 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (31 December 2022: 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 Events after the end of the Reporting Period**

The financial report was authorised for issue on 12 March 2024 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  
MUDGEES NSW 2850

# The Mudgee Soldiers Club Limited

ABN: 99 001 044 677

## Directors' Declaration

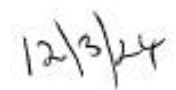
The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 7 to 24, 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 2023 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 

## 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 2023, 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 material accounting policies, and the directors' declaration.

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

- (a) Giving a true and fair view of the company's financial position as at 31 December 2023, 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

##### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023 but does not include the financial report and our auditor's report thereon.

PKF(NS) Audit & Assurance Limited Partnership is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

## 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 Company 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 scepticism throughout the audit. We also:

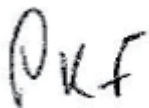
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Company'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 Company'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 Company 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, actions taken to eliminate threats or safeguards applied.



PKF



KYM REILLY  
PARTNER

12 MARCH 2024  
SYDNEY, NSW