



ANNUAL REPORT & ACCOUNTS



**YEAR ENDING 31ST DECEMBER
2022**

**PRESENTED AT THE ANNUAL
GENERAL MEETING WEDNESDAY
25TH OCTOBER 2023**

Notice	2023 ANNUAL GENERAL MEETING AND RESOLUTIONS		
Notice Date	Displayed on Clubs Notice Board – Tuesday 26 September 2023		
Notice Particulars	NOTICE is hereby given of the Annual General Meeting of HARDEN COUNTRY CLUB LIMITED.		
AGM Date & Location	6pm Wednesday 25 October 2023		
	To be held at the premises of the Club, East Street, Harden, NSW.		
Quorum	30 members present by 6:15pm		
BUSINESS			
1.	Apologies.		
2.	To confirm the minutes of the previous Annual General Meeting.		
3.	To receive and consider the directors’ report, financial report and auditors’ report on the financial report for the last financial year and any other reports of the Board or of individual officers of the Club. Copies of these reports will be available on the Club’s website (www.hardencountryclub.com.au) or by collection from the Club from Wednesday 27 September 2023.		
Note: Members who may have questions in relation to the reports are requested to submit their questions in writing to the gm email (gm@hardencountryclub.com.au) by 5:00pm Wednesday 11 October 2023. This will allow sufficient time for information to be gathered or research undertaken. If questions are not submitted in this manner, the Club may not be able to provide a complete answer at the Annual General Meeting.			
4.	To consider and if thought fit pass the Ordinary Resolution set out in this Notice.		
5.	To consider and if thought fit pass any Special Resolution – nil to consider.		
6.	To conduct the Election of Directors and declare the results of the election of directors (see Election By-Law attached to the Election Notice)		
7.	To deal with any other business of which due notice has been given to members.		
8.	General business.		
PROCEDURAL MATTERS FOR RESOLUTIONS			
1.	To be passed, a Special Resolution must receive votes in favour from not less than three quarters (75%) of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.		
2.	To be passed, an Ordinary Resolution must receive votes in favour from not less than a majority (50% + 1) of those members who, being eligible to do so, vote in person on the Ordinary Resolution at the meeting.		
3.	Foundation members, Golfing members, Social members, Senior members and Honorary Life members who were Foundation, Golfing, Social or Senior members before being admitted to Honorary Life membership can vote on the Ordinary Resolution and Special Resolution.		
4.	Financial Country Playing members, can only vote on the Ordinary Resolution.		
5.	Under the Registered Clubs Act, members who are employees of the Club cannot vote at the meeting and proxy voting is prohibited.		
6.	The Board of the Club recommends the Resolutions to members.		
ORDINARY RESOLUTION			
That:			
(a) The members hereby approve expenditure by the Club until the next Annual General Meeting of the Club for the following:			
(i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.			
(ii) The reasonable costs (including travel and accommodation expenses) of directors and their spouses/partners attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.			

(iii) The reasonable cost of a meal and beverage for each director immediately before or immediately after, a Board or Committee Meeting on the day of that meeting, when that meeting corresponds with a normal mealtime, or when conducting raffles or promotions approved by the Board.	
(iv) Reasonable expenditure by the Club to give thanks to directors of the Club and their spouses/partners.	
(v) The reasonable cost for directors to attend ClubsNSW regional meetings and Club Managers Association zone meetings as required.	
(vi) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.	
(vii) 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.	
(b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors (and their spouses/partners in certain circumstances) of the Club.	
Notes to Members on the Ordinary Resolution	
1.	The Ordinary Resolution is to have the members in general meeting approve expenditure by the Club on directors (and their spouses/partners in certain circumstances) in respect of the matters set out in the Ordinary Resolution.
2.	Included in the Ordinary Resolution is the cost of directors attending 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.
By Order of the Board	Cameron Hooke Honorary Secretary
Date:	18 September 2023

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

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FOR THE YEAR ENDED 31 DECEMBER 2022

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HARDEN COUNTRY CLUB LIMITED

CLUB PROPERTY DECLARATION

31 DECEMBER 2022

Pursuant to Section 41(E) of the *Registered Clubs Act 1976* the Director's declare that, for the financial year ended 31 December 2022, the classification of the freehold land is as follows:

Property Address	Current Usage	Classification
East Street, HARDEN NSW 2587	Clubhouse and Facilities	Core

Notes to Members

Section 41(E) of the *Registered Clubs Act 1976* requires the annual report to specify the core property and noncore property of the Company as at the end of the financial year to which the report relates. Core property is any real property owned or occupied by the Company that comprises:

- a) the defined premises of the Company; or
- b) any facility provided by the Company for use of its members and their guests; or
- c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Company to be core property of the Company.

Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Company not to be core property.

The significance of the distinction between core property and non-core property is that the Company cannot dispose of any core property unless:

- a) the property has been valued by a registered valuer within the meaning of the *Valuers Act 2003*; and
- b) the disposal has been approved at a general meeting of the ordinary members of the Company at which the majority of the votes cast support the approval; and
- c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

These disposal provisions and what constitutes a disposal for the purposes of section 41(E) are to some extent modified by regulations made under the *Registered Clubs Act 1976* and by Section 41(E) itself. For example, the requirements above do not apply to core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer.

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report on Harden Country Club Limited (the Company) 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:

Names	Position	Appointed/Resigned
Cameron Fairfield-Smith	President	Appointed: 13 June 2018
Matthew Ryan	Deputy President	Appointed: 13 June 2018
Kelvin Brown	Treasurer	Appointed: 20 May 2020
Donald McFadyen	Director	Appointed: 13 June 2018
Cameron Hooke	Director	Appointed: 6 October 2021
Kyle Murray	Director	Appointed: 5 October 2022 Resigned: 4 April 2023
Walter Leonow	Director	Appointed: 5 October 2022 Resigned: 30 January 2023
Jayson Smith	Director	Appointed: 5 October 2022 Resigned: 10 January 2023
Ronald Page	Director	Appointed: 3 June 2016 Retired: 5 October 2022
Scott Chesworth	Director	Appointed: 22 March 2022 Resigned: 5 October 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:

Cameron Fairfield-Smith	President
Qualifications	No formal qualifications
Experience	Farm manager for 18 years, retail 1 year
Special Responsibilities	Build Committee Member, Chair Finance Committee
Matthew Ryan	Vice President
Qualifications	Bachelor of Applied Science
Experience	Agronomist for 4 years, Business Owner
Special Responsibilities	Build Committee Member
Kelvin Brown	Treasurer
Qualifications	Bachelor of Engineering
Experience	Consultant to Mining Industry, Business Owner
Special Responsibilities	Build Committee Member, Chair Finance Committee

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Information on Directors

Donald McFadyen	Director
Qualifications	Non formal qualifications
Experience	Business Owner, Rotary Member, Director of Childcare Centre
Special Responsibilities	Nil
Cameron Hooke	Director
Qualifications	Bachelor of Science, Master of Science, Master of National Security
Experience	Army 30 years, Public Service 18 years, Parliament Ministerial Staffer 3 years
Special Responsibilities	Honorary Secretary
Kyle Murray	Director: Resigned 4 April 2023
Qualifications	Nil
Experience	Polo Field Manager
Special Responsibilities	Nil
Walter Leonow	Director: Resigned 30 January 2023
Qualifications	Nil
Experience	Business Owner, Farm Manager
Special Responsibilities	Nil
Jayson Smith	Director: Resigned 10 January 2023
Qualifications	GAICD, AGRCI
Experience	Chief Experience Officer South West Slopes Credit Union
Special Responsibilities	Chair Finance Committee
Ronald Page	Director: Resigned 5 October 2022
Qualifications	No formal qualifications
Experience	Assistant Manager/Team Leader in various roles over 20 years Golf Match Committee for 20 years
Special Responsibilities	Nil
Scott Chesworth	Director: Resigned 5 October 2022
Qualifications	Trade Qualifications
Experience	Business Owner, Builder
Special Responsibilities	Nil

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

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities

The principal activities of the Company during the financial year were the operation of the social club and sporting facilities.

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 further develop and support a range of sporting activities throughout the Harden community and to develop the Company's facilities and services.

The Club is currently undertaking a major building development which includes a new Clubhouse and a 12 room Motel. This development will allow members to have access to a state of the art facility as well as having on-site accommodation for functions.

Long term objectives

The Company's long-term objectives are to be recognised as a leading golfing facility in the South West District.

A key objective of the new development is to set the club up with future long-term financial sustainability. This will be achieved by additional revenue generated from the motel and increased patronage from members with the new Clubhouse layout. The Clubhouse design has also incorporated energy efficiency features with lighting, heating and cooling to significantly reduce energy consumption.

Strategy for achieving the objectives

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

- To deliver strong financial and management base, which in turn will provide the best golfing facilities to members and sought after employment opportunities for persons within the Company, sports and green keeping industries;
- To foster a strong community base foundation where everyone is welcomed;
- To ensure that all Directors have the opportunity to further their skills and knowledge of all conveniences and requirements of the Company;
- To foster and further develop a strong working relationship with key stakeholders, including the Hilltops Council; and
- To redevelop the Club and course facilities by way of demolishing the existing club premises, squash courts, workshop, and golf cart garages and erecting a new club premises (including beer garden), golf cart garages, workshop, tennis courts, pavilion, and landscaping.
- Implement financial management control and monitoring to alleviate the challenging economic conditions to be experienced in 2023.

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 \$2. At year end, the total amount that members are liable to contribute if the Company is wound up is \$2,536 (2021: \$1,830).

The Company had a total of 915 members as at 31 December 2022, consisting of the following membership classes:

- Golf 145
- Social 1,123

Operating results

The loss of the Company after providing for income tax amounted to \$99,566 (2021: profit of \$ 1,645,452). The loss for the current year can be attributed to increased depreciation related to the newly constructed tennis court and pavilion. Payroll costs have also increased across departments due to various factors.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

Event 1 – Key Management Personnel

The General Manager of the Company, Christopher Longbottom, resigned from the Company on 20 February 2023.

Matt O'Hara was contracted by the Board to provide advisory services in February 2023.

Event 2 – Increased Overdraft Facility

The existing overdraft facility reported under Note 9 Financial Liabilities which is provided by the Geoffrey Kruger Trust, was extended by a further \$100,000 (total facility being \$200,000).

Event 3 – Redevelopment Works

On 5 October 2022, the Hilltops Council approved the Development Application (DA) for the following:

- demolition of the existing Clubhouse;
- construction of a new Clubhouse; and
- construction of motel accommodation consisting of 36 units.

The Board subsequently entered into a Construction Management Contract on 8 March 2023 with New England Construction Pty Ltd for the sum of \$10,846,597 (GST Exclusive) to:

- demolish the existing Clubhouse;
- construct the new Clubhouse (including furniture and fittings); and
- construct motel accommodation consisting of 12 units.

HARDEN COUNTRY CLUB LIMITED

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Events after the reporting date

Works pertaining to the motel accommodation is scheduled for completion by October 2023, whereas works pertaining to the Clubhouse is scheduled for completion by January 2024.

Event 4 – Redevelopment Contributions

In September 2019, the Company entered into a Memorandum of Understanding (MoU) with the Geoffrey Kruger Trust (Kruger Trust), whereby the Kruger Trust agreed to underwrite (donate) the cost to redevelopment the Company's existing facilities. The maximum contribution in which the Kruger Trust agreed to underwrite (donate) was \$13.8 million.

As of 31 December 2021, total funds contributed for the redevelopment project amounted to \$2.2 million.

Since entering into the MOU in 2019, the Kruger Trust has taken out a mortgage over the company's land for an amount of \$500,000, this being for financial contributions prior to this date (Note 9 Financial Liabilities).

Renegotiation of the remaining \$11 million Kruger Trust contributions commenced in January 2023. After seeking external consultation regarding the feasibility of the proposed alterations, the Board entered into an agreement on 13 July 2023, where \$4 million of these funds would be repaid to the Kruger Trust under a new loan facility agreement.

During the year ended 31 December 2022, the Company received its first \$2 million instalment from the Kruger Trust for Stage 3 of the abovemention redevelopment works. A further \$2 million was received in June 2023.

Future developments and results

The Board is committed to the long term sustainability of the Company. Over the next 24 months, there is a planned considerable improvement of the club facilities and services. Working with our major funder, The Geoffrey Kruger Trust, Harden Country Club will see a major investment of some \$10,000,000 injected over a 2-year period.

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia. The *Smoke-Free Environment Act 2000*, *Smoke-Free Environment Amendment Regulation 2009*, and the *Smoke-Free Environment Act 2007* ban and regulate smoking in enclosed public places as well as specified public places.

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Meetings of directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Cameron Fairfield-Smith	11	11
Matthew Ryan	11	6
Kelvin Brown	11	8
Donald McFadyen	11	7
Cameron Hooke	11	9
Kyle Murray	3	2
Walter Leonow	11	10
Jayson Smith	3	3
Scott Chesworth	8	6
Ronald Page	8	6

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

The Company has paid premiums to insure each of its Director's against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than the conduct involving a willful breach of duty in relations to the Company.

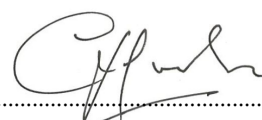
Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporation Act 2001*, for the year ended 31 December 2022 has been received and can be found on page 8 of the financial report.

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

President:

Cameron Fairfield-Smith

Director:

Cameron Hooke

Dated 20 September 2023

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2022

We declare that, to the best of our 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.

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated 20 September 2023

Wagga Wagga

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue		2,429,721	3,617,542
Other income		61,894	78,728
	4	<u>2,491,615</u>	<u>3,696,270</u>
Less: Expenses			
Administrative expenses		393,953	340,044
Bar expenses		87,855	50,133
Catering expenses		47,009	37,548
Clubhouse expenses		89,221	98,468
Employee benefits expenses		920,636	730,194
Golf course expenses		199,423	181,541
Other expenses		203,189	217,375
Poker machine expenses		30,232	28,094
Catering purchases		244,239	137,503
Bar purchases		<u>375,424</u>	<u>229,918</u>
Profit/(loss) before income tax		(99,566)	1,645,452
Income tax expense	2(b)	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>(99,566)</u>	<u>1,645,452</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u><u>(99,566)</u></u>	<u><u>1,645,452</u></u>

The accompanying notes form part of these financial statements.

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,519,143	374,521
Trade and other receivables		12,042	22,701
Bar and catering stock		53,116	54,694
Prepayments		13,918	18,845
TOTAL CURRENT ASSETS		<u>1,598,219</u>	<u>470,761</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,303,510	3,801,426
TOTAL NON-CURRENT ASSETS		<u>4,303,510</u>	<u>3,801,426</u>
TOTAL ASSETS		<u>5,901,729</u>	<u>4,272,187</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	130,742	179,009
Financial liabilities	9	228,475	222,138
Contract liabilities	10	2,137,876	326,212
Annual leave entitlements		56,639	30,605
TOTAL CURRENT LIABILITIES		<u>2,553,732</u>	<u>757,964</u>
NON-CURRENT LIABILITIES			
Financial liabilities	9	566,844	591,586
TOTAL NON-CURRENT LIABILITIES		<u>566,844</u>	<u>591,586</u>
TOTAL LIABILITIES		<u>3,120,576</u>	<u>1,349,550</u>
NET ASSETS		<u>2,781,153</u>	<u>2,922,637</u>
EQUITY			
Revaluation reserve	2(m)	392,548	392,548
Retained earnings		2,388,605	2,530,089
TOTAL EQUITY		<u>2,781,153</u>	<u>2,922,637</u>

The accompanying notes form part of these financial statements.

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
RETAINED EARNINGS			
Retained earnings at the beginning of the year		2,530,089	1,072,841
Opening balance adjustments	2(a)	(41,918)	-
Restated retained earnings at the beginning of the year		2,488,171	1,072,841
Profit/(Loss) for the year		(99,566)	1,645,452
Retained earnings at the end of the year		2,388,605	2,530,089
RESERVES			
Revaluation reserve at the beginning of the year		392,548	392,548
Revaluation reserve at the end of the year		392,548	392,548
TOTAL EQUITY		2,781,153	2,922,637

The accompanying notes form part of these financial statements.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,083,377	1,290,514
Wage subsidies received (Geoffrey Kruger Trust)	209,998	241,977
Government subsidies received (COVID-19)	-	53,990
Payments to suppliers and employees	(2,315,944)	(1,727,656)
Net cash used in operating activities	<u>(22,569)</u>	<u>(141,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(772,486)	(987,686)
Proceeds from capital grants (Geoffrey Kruger Trust)	2,000,000	1,063,402
Net cash provided by investing activities	<u>1,227,514</u>	<u>75,716</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from overdraft facility (Geoffrey Kruger Trust)	-	100,000
Proceeds from borrowings	-	121,547
Repayment of borrowings	(60,323)	(69,640)
Net cash provided by/(used in) financing activities	<u>(60,323)</u>	<u>151,907</u>
Net increase in cash and cash equivalents held	1,144,622	86,448
Cash and cash equivalents at beginning of year	374,521	288,073
Cash and cash equivalents at end of financial year	6 <u>1,519,143</u>	<u>374,521</u>

The accompanying notes form part of these financial statements.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

The financial report covers Harden Country Club Limited (the Company) as an individual entity. Harden Country Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

The financial report was authorised for issue by the Board of Directors on 20 September 2023.

1 BASIS OF PREPARATION

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

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Going Concern

Notwithstanding the following, the financial statements have been prepared on a going concern basis:

- The Company's current liabilities as at 31 December 2022 exceeded its current assets by \$955,513 (2021: \$287,203).
- The Company remained economically dependent on the Geoffrey Kruger Trust for continued financial support to operate the business, including the following:
 - Payment of wages and associated on-costs for the General Manager and the Superintendent Greenskeeper;
 - The redevelopment project;
 - Provision of a \$100,000 contribution (refer to Note 9(a)); and
 - Interest free loan with nominal repayment for a 20-year term.

In addition to the above, the Company's result for the year excluding the redevelopment contributions and wage subsidies from the Geoffrey Kruger Trust was a loss of \$505,202 (2021: \$755,602).

The Directors are of the opinion the Company will continue on a going concern basis due to the following circumstances:

- Net assets of the Company as at 31 December 2022 amounted to \$2,781,153 (2021: \$2,922,637).
- \$100,000 in current liabilities owed to the Geoffrey Kruger Trust is not expected to be called upon within the next 12 months. The repayment terms of these funds are tied to favorable financial performance increases of the Company.
- The \$2,000,000 contract liability in current liabilities relates to project contributions received from the Geoffrey Kruger Trust for the construction of the Clubhouse and 12 motel units which is being constructed during the 2023 financial year.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 BASIS OF PREPARATION

Going Concern (continued)

- A number of strategies have been implemented by the Company, including:
 - o Increased financial management to reduce discretionary spending.
 - o Entering into agreed repayment plans with some suppliers. Repayment terms and conditions vary between suppliers including payment frequency and time to repay.
 - o Focus on providing events to increase patronage. This includes one-off large events including popular artists, community fundraising and live events.
 - o A qualified chef and sous-chef have been employed to increase the provisions of higher quality meals. This has resulted in an 85% increase in catering sales during the 2022 financial year.
 - o An ongoing analysis of price of goods is now undertaken with corresponding regular increases in food and drink prices to compensate for these goods price increases.
 - o Changes have been made to financial management procedures so that greater financial control is achieved. Tax liability is now set aside in a separate account on a weekly basis so that money is available for the monthly payment.
 - o Staff levels have been reviewed for both Clubhouse and Course operations. Rosters have been adjusted to reflect staffing needs and eliminate unutilised staffing periods.
 - o The redevelopment of the Club and course facilities by way of demolishing the existing club premises, squash courts, workshop, and golf cart garages and erecting a new club premises (including beer garden), golf cart garages, workshop, tennis courts, pavilion, and landscaping.

Further to the above, the Directors have reviewed the detailed annual budget for 2023 with particular scrutiny of income forecasts and expense increases. The budget forecasts includes significant variations to account for the completion of the redevelopment projects currently underway, and all underlying assumptions in the income forecast have been deemed reasonable to conservative.

For the year ended 31 December 2022, the Directors of the Company have concluded that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, and continue as a going concern.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Opening balance adjustment

In December 2019, the Company entered into a finance lease agreement for gaming software and server. In 2021, the Company purchased the respective software and server and commenced making repayments. The finance lease liability was not recognised in the statement of financial position and the lease expenses did not go through profit and loss. This has resulted in an opening balance adjustment to correct misstatements made in this regard.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* through its sporting body status.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Revenue and other income

Income for Not-for-Profit Entities

In accordance with AASB 1058 *Income of Not-for-Profit Entities*, the Company recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories and property, plant, and equipment), which have been provided or transferred to the Company for nil or nominal consideration, is deemed to further the objectives of the Company, and has no enforceable or sufficiently specific performance obligations attached to the receipt.

Revenue from Contracts with Customers

The Company recognises revenue on a basis that reflects the transfer of promised goods or services to consumers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model for each appropriate revenue stream as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations are transferred.

The Company's accounting policies for recognising revenue are outlined in further detail below.

All revenue is stated net of the amount of goods and services tax (GST).

Specific revenue streams are as follows:

Gaming machine takings

Gaming machine takings are recognised as revenue on receipt of the funds as there are no enforceable performance obligations contained within a contract between the Company and the patron. Revenue from gaming machine takings is shown in the statement of profit and loss and other comprehensive income, net of payouts, rebates and gaming tax.

Golf income

Green Fees

Green fees are charged to non-members of the Company who wish to play golf at the Company's facilities. Cancellations of bookings are permitted with a full refund being returned to patrons if course bookings are cancelled at least 24-hours prior to the scheduled tee time. Therefore, revenue in relation to course income, is recognised at the point in time that the green fee becomes non-refundable.

Tournament and Competition Fees

Competition fees are recognised as income once nominations for competitions close, as this is the point in time when the entrant becomes unable to obtain a refund if they cancel, and all risks and rewards have been transferred to the entrant.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Revenue and other income

Membership subscriptions

Membership subscriptions represent the amounts received from the Company's members in accordance with the Rules of the Company. Membership subscriptions received in advance incur an obligation for the Company to honor the terms and conditions of the membership for the term of the membership.

This represents a constructive obligations to provide all benefits associated with the membership to the members. Therefore, membership subscriptions received in advance are recognised on the statement of financial position as a contract liability and subsequently recognised as revenue in the year to which they relate, on a straight-line basis.

Raffle Income

Receipts from raffle income are recognised as revenue when raffle activities have been held and prizes have been distributed.

Redevelopment Contributions

On 23 July 2019, the Geoffrey Kruger Trust elected to fund the redevelopment project of the Company. The redevelopment project consists of demolishing the existing club premises, squash courts, workshop, and golf cart garages, and erecting a new club premises (including beer garden), golf cart garages, workshop, tennis courts, pavilion, and landscaping.

Contributions are received in advance and recognised as a contract liability on the Statement of Financial Position, on initial recognition. Once the 'Stage' to which the contributions relate to is completed, the contributions are recognised as revenue as this is deemed the point in time the Company has fulfilled its performance obligations in this regard.

During the year, the Company completed Stage 2 of the redevelopment project, being the beer garden, and subsequently recognised \$200,000 in revenue. Stage 3 funds were received during the year and amounted to \$2,000,000, for the construction of the Clubhouse and Accommodation with works commencing during the 2023 financial year. Therefore, the Stage 3 Redevelopment Contributions received have been recognised as a contract liability of the Company at year end.

Refer to Note 14 for further information pertaining to Stage 3.

Contributions received have been classified as investing activities within the Statement of Cash Flows.

Sales of goods

Revenue derived through bar, restaurant, and cafe sales is recognised on transfer of goods to the patron as this is deemed to be the point in time where all the risks and rewards associated with the goods are transferred, there is no longer any ownership or effective control over the inventory and the Company's performance obligations have been met.

Wage Subsidies

Subsidies are provided by the Geoffrey Kruger Trust on an annual basis to subsidise the wage cost of the General Manager and the Superintendent Greenskeeper. These wage subsidies are received in advance and are recognised on the statement of financial position as a contract liability and subsequently recognised as revenue in the year to which the wage expenses relate, on a straight-line basis.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Revenue and other income

Other income

Other income is recognised as revenue when the Company has fulfilled its performance obligations.

COVID-19 Stimulus Grant and Subsidies

The Company was eligible and has received JobSaver subsidies from Service NSW for the period between 14 August to October 2021.

The government subsidies received during the period were recognised as revenue upon receipt, in accordance with AASB 1058 *Income of Not-for-Profit Entities*. This was due to the nature of these grants and subsidies, having no performance obligations attached to them.

(d) 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 payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on an exclusive 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.

(e) Inventories

Inventories for bar and catering goods are measured at the lower of cost and net realisable value. Cost of inventory is determined using the individual item basis which is inclusive of freight and delivery charges and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written off in the statement of profit or loss and other comprehensive income when deemed to be damaged or obsolete.

(f) 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.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

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

Capital work-in-progress are stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Property, plant, and equipment

Freehold land and buildings

Land is measured at fair value using valuations performed by the NSW Valuer General.

Buildings are measured using the revaluation model. Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every three (3) years or more if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Downward revaluations are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Prior to the determination of revaluation increments or decrements, any accumulated depreciation recognised for buildings is reversed and credited against the asset's depreciated replacement cost. To the extent changes are made to the buildings useful life, additional disclosures are made under Note 3: Critical Accounting Estimates and Judgements with the increase or decrease in depreciation charges being debited in profit or loss.

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	15% - 40%

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.

(g) Impairment of non-financial assets

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

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

HARDEN COUNTRY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Intangibles

Gaming machine entitlements

Under the *Gaming Machine Act 2001* (the Act), a tradeable asset titled gaming machine entitlement was created. Gaming machine entitlements are able to be sold to other registered clubs within the state of New South Wales (NSW), provided certain statutory requirements are met. The Act came into effect on 1 April 2001.

The Company owned 13 gaming machine entitlements at the commencement of the Act. None of the gaming machine entitlements held by the Company have been recognised as intangible assets due to the recognition & measurement requirements at the time of acquisition.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and cash at bank which is readily convertible to known amounts of cash.

Funds received for project development from the Geoffrey Kruger Trust are recognised as restricted cash as they are reserved for a predetermined purpose.

(j) Leases

Finance leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

The Company is party to a number of hire purchase leases with Aristocrat for gaming machines and Yamaha Motor Finance for four (4) golf carts. Lease terms are between 2-3 years and are paid monthly in arrears or in advance in accordance with the terms of the finance. The leases also include an interest component which is recognised through profit and loss.

(k) Employee benefits

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

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.

HARDEN COUNTRY CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

(m) Reserves

Asset revaluation reserve

The asset revaluation reserve comprises unrealised gains and losses from the revaluation of land and buildings (see Note 2(f): Property, Plant, and Equipment) for more information. Refer to Note 3 for estimates and judgements used in determining fair value.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

The significant estimates and judgements made have been described below.

(a) Key estimates - impairment of non-financial assets

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and judgements.

(b) Key estimates - Fair value of land and buildings

An independent valuation was obtained in 2015. In 2017 the Directors reassessed the relevance of the independent valuation obtained in 2015. The Directors were of the opinion there had not been any material changes in the value of the buildings. No independent valuations have been obtained since 2015 due to the Company's buildings undergoing significant renovations and redevelopments. Upon completion of the capital works, an updated independent valuation will be obtained.

Furthermore, as at 31 December 2020, the Company's land was revalued from \$366,000 to \$384,000 based on the NSW Valuer General valuation on 1 July 2019. The Directors have determined there has been no significant changes in market conditions since this date and therefore, no further valuation was obtained during the financial year.

(c) Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

(d) Key estimates - Inventories

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. Where there is evidence of the carrying amount being higher than the net realisable value, inventory is written down to its estimated net realisable value.

HARDEN COUNTRY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
4 REVENUE AND OTHER INCOME		
Revenue		
Commission income	43,406	26,979
Gaming machine takings	549,937	329,357
Golf income	77,294	54,516
Membership subscriptions	48,792	38,686
Other income	56,064	69,738
Raffle income	26,308	32,020
Redevelopment contributions (Geoffrey Kruger Trust)	200,000	2,195,674
Sale of goods	1,220,464	660,211
Wage subsidies (Geoffrey Kruger Trust)	207,456	210,361
	<u>2,429,721</u>	<u>3,617,542</u>
Other Income		
COVID-19 stimulus grant and subsidies	-	53,990
Fundraiser income	6,973	23,238
Donations & sponsorships	54,921	1,500
	<u>61,894</u>	<u>78,728</u>
	<u>2,491,615</u>	<u>3,696,270</u>
5 AUDITOR'S REMUNERATION		
Remuneration of the auditor, National Audits Group Pty Ltd for:		
- auditing and assisting with the compilation of the financial statements	37,500	38,000
- less: community discount	(5,000)	(10,000)
Total amount invoiced	<u>32,500</u>	<u>28,000</u>
6 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	95,267	68,584
Cash at bank	71,573	140,148
Restricted cash	1,352,303	165,789
2(i)	<u>1,519,143</u>	<u>374,521</u>

HARDEN COUNTRY CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
7 PROPERTY, PLANT, AND EQUIPMENT		
NON-CURRENT		
Land		
At fair value	384,000	384,000
Buildings		
At fair value	2,671,791	2,567,203
Accumulated depreciation	(189,663)	(68,932)
	2,482,128	2,498,271
Capital works in progress		
At cost	555,362	34,291
Plant and equipment		
At cost	1,762,089	1,650,821
Accumulated depreciation	(880,069)	(765,957)
	882,020	884,864
Total property, plant, and equipment	4,303,510	3,801,426

HARDEN COUNTRY CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7 PROPERTY, PLANT, AND EQUIPMENT

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

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

	Land \$	Buildings \$	Capital Works in Progress \$	Plant and Equipment \$	Total \$
Year ended 31 December 2022					
Balance at the beginning of year	384,000	2,498,271	34,291	884,864	3,801,426
Additions	-	-	625,659	170,680	796,339
Transfers	-	104,588	(104,588)	-	-
Depreciation expense	-	(120,731)	-	(173,524)	(294,255)
Balance at the end of the year	384,000	2,482,128	555,362	882,020	4,303,510

Capital works in progress at the beginning of the 31 December 2022 year consisted of costs incurred for the Beer Garden which was completed during the year. On completion, the total project cost was transferred to buildings.

Capital works in progress at the end of the year consists of costs incurred for the Stage 3, being the Clubhouse and Accommodation construction stages of the redevelopment. Refer to Note 14 for further information pertaining to Stage 3.

HARDEN COUNTRY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
8 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	100,804	144,352
Accrued expenses	11,225	11,725
Other payables	18,713	22,932
	130,742	179,009
	130,742	179,009
9 FINANCIAL LIABILITIES		
CURRENT		
Loan - Geoffrey Kruger Pty Limited	200	200
Overdraft Facility - Kruger Trust	100,000	100,000
Finance lease liabilities - Gaming Machines	107,938	92,562
Finance lease liabilities - Yamaha	20,337	29,376
	228,475	222,138
	228,475	222,138
NON-CURRENT		
Finance lease liabilities - Gaming Machines	67,044	91,786
Loan - Geoffrey Kruger Pty Limited	499,800	499,800
	566,844	591,586
	566,844	591,586

(a) Overdraft Facility - Kruger Trust

During the 2021 year, the Company received a \$100,000 contribution which is repayable at such time the Company's trading has replenished and the funds are no longer required. No interest will be charged on these funds.

The funds have been classified as a current liability as the timing of repayment is uncertain and there is no unconditional right for the Company to defer payment once trading conditions have replenished.

As outlined within Note 14, the overdraft facility was extended by a further \$100,000 subsequent to year end.

(b) Loan - Geoffrey Kruger Pty Limited

On 21 April 2020, the Company agreed to Geoffrey Kruger Pty Limited taking a mortgage of \$500,000 over the Company's land in respect of previous financial contributions. The facility is secured by a registered mortgage over the Company's land (3/DP1077819). The term of the facility is 20 years with a nominal payment of \$100 per annum being repayable on each anniversary date. The remaining principal amount is due at the end of the 20-year term. However, in the event the Company is unable to repay the remaining principal amount within this timeframe, a further 10-year term can be negotiated whereby the amount is required to be repaid in full at the end of the renegotiated term. No interest will be charged on these funds.

As part of the agreement, Geoffrey Kruger Pty Limited has imposed restrictions on the Company in relation to their ability to obtain alternative financing using the mortgaged land as security.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
10 CONTRACT LIABILITIES		
CURRENT		
Redevelopment contributions in advance - Kruger Trust	2,000,000	200,000
Wage subsidy in advance - Kruger Trust	117,294	114,752
Membership subscriptions received in advance	20,582	11,460
	<u>2,137,876</u>	<u>326,212</u>

11 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company during the year was \$363,934 (2021: \$167,200).

12 RELATED PARTIES

(a) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered key management personnel. Key management personnel of the Company are as follows:

- President;
- Deputy President;
- Treasurer;
- Honorary Secretary;
- Board Directors;
- General Manager;
- Admin/Operations Managers; and
- Chef.

For details of remuneration disclosures relating to key management personnel, refer to Note 11.

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

HARDEN COUNTRY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12 RELATED PARTIES

(b) Transactions with related parties

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

Transactions with related parties during the year were as follows:

	Purchases	Sales	Wages	Balance outstanding	
				Owed to the company	Owed by the company
Other related parties					
'- Dominika Longbottom; wife of General Manager Christopher Longbottom; employed as a Functions Manager and Bar/Café attendant	-	-	46,806	-	-
Sebastian Hooke; son of Director Cameron Hooke; employed as a bar attendant	-	-	6,759	-	-
	-	-	53,565	-	-

13 COMMITMENTS AND CONTINGENCIES

Commitments

Refer to Note 14 Events Occurring After the Reporting Date for information pertaining to the Company's redevelopment project commitments.

In the opinion of the Directors, the Company did not have any other material capital commitments at 31 December 2022.

Contingencies

As outlined in Note 2(c) Revenue and Other Income - Redevelopment Contributions, the Geoffrey Kruger Trust (Kruger Trust) elected to fund the redevelopment project of the Company.

Should the Company receive any unconditional bequests, gifts, donations, or grants of a monetary nature, the funds received shall be applied to the total cost of construction, and the financial commitment of the Kruger Trust is to be reduced accordingly.

As at the date the financial statements were authorised for issue, no unconditional bequests, gifts, donations, or grants of a monetary nature have been applied against the abovementioned contributions.

In the opinion of the Directors, the Company did not have any other contingencies as at 31 December 2022.

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14 EVENTS OCCURRING AFTER THE REPORTING DATE

The financial report was authorised for issue on 20 September 2023 by the Board of Directors.

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

Event 1 – Key Management Personnel

The General Manager of the Company, Christopher Longbottom, resigned from the Company on 20 February 2023.

Matt O'Hara was contracted by the Board to provide advisory services in February 2023.

Event 2 – Increased Overdraft Facility

The existing overdraft facility reported under Note 9 Financial Liabilities which is provided by the Geoffrey Kruger Trust, was extended by a further \$100,000 (total facility being \$200,000).

Event 3 – Redevelopment Works

On 5 October 2022, the Hilltops Council approved the Development Application (DA) for the following:

- demolition of the existing Clubhouse;
- construction of a new Clubhouse; and
- construction of motel accommodation consisting of 36 units.

The Board subsequently entered into a Construction Management Contract on 8 March 2023 with New England Construction Pty Ltd for the sum of \$10,846,597 (GST Exclusive) to:

- demolish the existing Clubhouse;
- construct the new Clubhouse (including furniture and fittings); and
- construct motel accommodation consisting of 12 units.

Works pertaining to the motel accommodation is scheduled for completion by October 2023, whereas works pertaining to the Clubhouse is scheduled for completion by January 2024.

Event 4 – Redevelopment Contributions

In September 2019, the Company entered into a Memorandum of Understanding (MoU) with the Geoffrey Kruger Trust (Kruger Trust), whereby the Kruger Trust agreed to underwrite (donate) the cost to redevelopment the Company's existing facilities. The maximum contribution in which the Kruger Trust agreed to underwrite (donate) was \$13.8 million.

As of 31 December 2021, total funds contributed for the redevelopment project amounted to \$2.2 million.

Since entering into the MoU in 2019, the Company has also obtained additional financing from the Kruger Trust as outlined in Note 9 Financial Liabilities, amounting to \$600,000 for the overdraft facility and loan.

Renegotiation of the remaining \$11 million Kruger Trust contributions commenced in January 2023. After seeking external consultation regarding the feasibility of the proposed alterations, the Board entered into an agreement on 13 July 2023, where \$4 million of these funds would be repaid to the Kruger Trust under a new loan facility agreement.

HARDEN COUNTRY CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14 EVENTS OCCURRING AFTER THE REPORTING DATE

Event 4 – Redevelopment Contributions (Continued)

During the year ended 31 December 2022, the Company received its first \$2 million instalment from the Kruger Trust for Stage 3 of the abovemention redevelopment works. A further \$2 million was received in June 2023.

15 STATUTORY INFORMATION

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

Harden Country Club Limited

East Street

HARDEN NSW 2587

HARDEN COUNTRY CLUB LIMITED

ABN: 39 001 049 225

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 29, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2022 and of the performance for the year then ended.
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.

President
Cameron Fairfield-Smith

Director
Cameron Hooke

Dated 20 September 2023

HARDEN COUNTRY CLUB LIMITED
ABN: 39 001 049 225

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Harden Country Club Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates the Company's current liabilities exceeded its current assets by \$955,513. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.

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

HARDEN COUNTRY CLUB LIMITED
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INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Other Information (continued)

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 on the other information obtained prior to the date of this auditor's report, 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 Management and Those Charged with Governance

The Directors of the Company are responsible for the preparation of the financial report that give a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosure and the *Corporations Act 2001* and for such internal control as the Directors determine 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 reporter, 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

National Audits Group Pty Ltd
Authorised Audit Company



Danielle Nye
Director

Dated 20 September 2023

Wagga Wagga