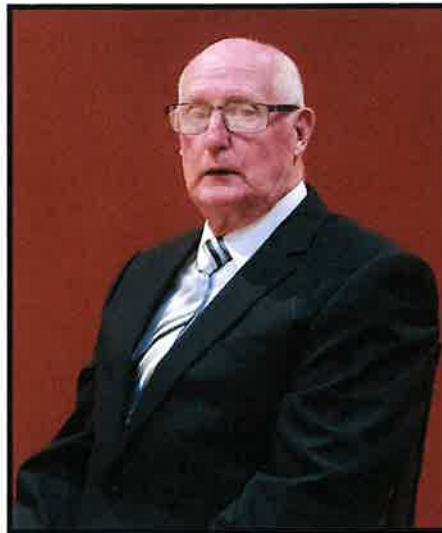




Lithgow & District Workmens Club Ltd

52nd ANNUAL REPORT & BALANCE SHEET

For the year ending 31st December, 2023



President

Mr H.K. Fisher



Vice President

Mr M.A. Quinn



Vice President

Mr R.J. Warren



Director

Mr D. Fitzgerald



Director

Mr D.J. Goodwin



Director

Mr W.A. Gregory



Director

Mr T.J. Schram



52nd ANNUAL REPORT & BALANCE SHEET

FOR THE YEAR ENDING 31st DECEMBER, 2023

Year at a Glance

* OPERATING REVENUE
UP 1.86% TO \$14,632,511

* OPERATING PROFIT
DOWN TO 221,779

* CAPITAL EXPENDITURE
BUILDINGS & ASSETS
\$941,210

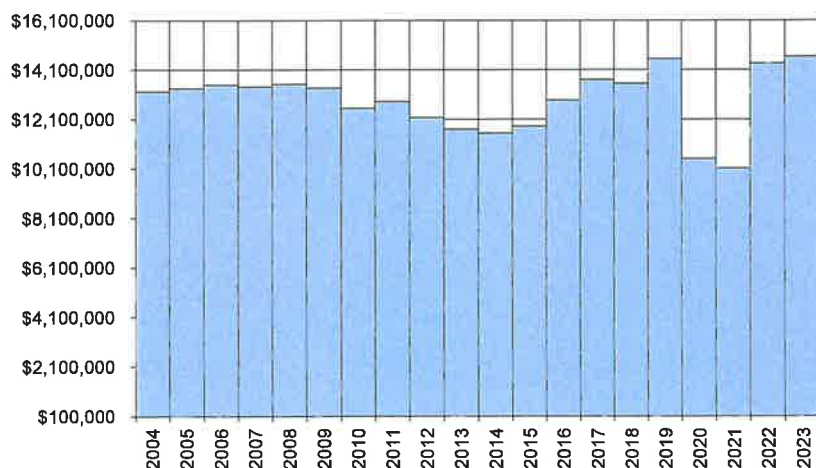
* WAGES UP 7.23% TO
\$4,745,791

* SPORTS & SUB-BODIES
& AFFILIATED CLUBS
\$111,750

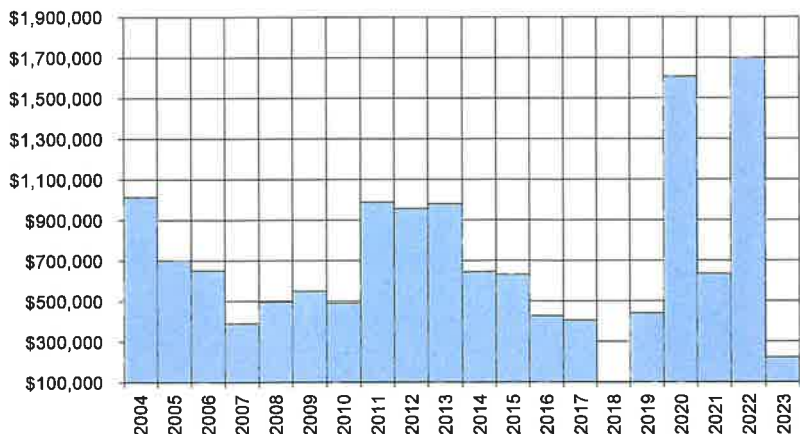
* FEDERAL & STATE TAXES
& LOCAL GOVERNMENT RATES
\$2,244,485

* COMMUNITY DEVELOPMENT
& SUPPORT EXPENDITURE
\$67,283

Revenue



Operating Profit



MINUTES OF THE ANNUAL GENERAL MEETING

HELD AT THE LITHGOW WORKMEN'S
CLUB IN THE SHOW ROOM
Monday May 29, 2023 at 7:30pm.

The meeting was opened at 7:30pm with 25 members in attendance and 25 members entitled to vote.

CHAIRMAN:

The AGM was conducted by the President Howie Fisher.

Also, in attendance were the Vice presidents Michael Quinn & Ray Warren, Directors Darryl Fitzgerald, Trevor Schram, William Gregory, Darryl Goodwin, and the General Manager Geoff Wheeler together with the Operations Manager Shane Wade, Lawyer Adam Jones, and the Club's Auditor Gabriel Faponle from Crowe Central West.

The President opened the meeting and called for apologies.

APOLOGIES: Nil

President's Report

The President opened the meeting and welcomed all thanking them for their attendance.

The President then announced to the meeting that the Club had made an operating profit of \$1,699,341, with an increase in revenue of 41.99% and noted that the operating profit was influenced by government grants of \$828,799. He further advised the meeting that this was a good result.

The President thanked the Board for their solid contribution with strong and good leadership. The President extended congratulations to General Manager Geoff Wheeler for his leadership, his management team, and staff for their contribution towards the club prospering.

The President then thanked all the sub bodies and members for their continued support and informed the meeting that for the club to prosper it needed the support of all our sporting and community organisations as we support them.

The Chairman spoke on the challenges the club had faced during the back end of 2022 with severe inflation and rising interest rates, these challenges continue into 2023, with gas, electricity, insurance, and consumables costs continually rising, impacting the business and you, our members.

The president also advised that the Club contributed more than \$190,000 to sporting, charity, and community organisations during 2022 and thanked the same groups for their contributions to our community and the club. The president informed the meeting that trading has declined in recent months, with the cost of living, high inflation and increased interest rates certainly impacting us all. The President said he was confident that the club would get through these challenges and remain a viable and sustainable business into the future.

Finally, the President thanked the auditors for their work in presenting the financial report of the club and Adam Jones (lawyer) for his assistance in updating and modernising our club's constitution.

Business

(i) To confirm the Minutes of the previous Annual General Meeting, held on Monday May 30, 2022

Resolved: on the motion of Messrs M Fordham and B Stewart that the Minutes of the previous Annual General Meeting, held on Monday May 30, 2022, be confirmed.

Business arising from the minutes: Nil.

Resolved: on the motion of Messrs M Fordham and K Merry that the Minutes of the previous Annual General Meeting, held on Monday May 30, 2022, be adopted.

(ii) To receive, consider and adopt the Financial Report of the Company for the year ended the 31st of December 2022 together with the report of the Directors and Auditor therein.

The President gave an overview of the financial performance of the Club for the 2022 year and then invited the Club's Auditor's Gabriel Saponle representative of Crowe Central West to give the meeting a review of the Club's position.

2022 – LITHGOW WORKIES – FINANCE/AUDITOR'S REPORT

In this year's audit we focused on the following key areas which we also included in our Audit Strategy Document at the commencement of the audit:

1. Revenue recognition – as this is a significant risk raised in the auditing standards, we focused our audit to make sure your revenue was reported correctly in accordance with the relevant accounting standards (which are AASB15 and AASB1058 respectively). We are pleased to report that Sales of goods, Poker machines and Motel income including membership subscriptions were recognised correctly and in line with relevant accounting standards.

2. Property, Plant and Equipment, Land and Buildings and Depreciation – there is considerable judgement and estimate involved. Again, as this is considered an area of audit focus, therefore we tailored our audit approach to ensure that these are reported and disclosed appropriately.

Audit assessment of your assets including, land and buildings, Intangibles such as Gaming licences and plant and equipment. These assets were assessed to external valuations, to market expected price for Poker machine licences and or depreciated value respectively. These licences have always been booked at cost and many through legacy issues were not recorded in the books. Therefore, the Club's reporting of these is lower than in real terms what they are worth, but they do meet the accounting standard being recorded at cost.

We noted that the Club's Property, Plant and Equipment is carrying at appropriate value. Impairment assessed performed on the fixed assets suggested there was no impairment noted and that the financial statements was fairly stated.

A snapshot on how our audit went this year:

The audit was able to be conducted by a mix of onsite and remote this year. Once again, Renae and the finance staff were available and very responsive to our requests. All information and documentation that was requested was provided in a timely manner.

We can report that we did not find any specific instances of controls being bypassed or overridden – there were no significant control issues or weaknesses found during the audit. Over the years, management has always been very responsive to implementing any recommendations from us to strengthen controls. As a result, controls and processes are very robust.

From a going concern perspective, the Club has made a significant surplus this year as a result of increase in Poker machine revenue. Therefore, we have concluded that the Club is able to pay its debts/liabilities in the next 12-18 months.

Payroll and Leave liabilities appear to be correctly calculated and with some guidance use reasonable assumptions and probabilities of payout.

With respect to Related Party Disclosures and the Club's compliance with AASB 124 we can report that we are comfortable there are no unreasonable related party and are at arms-length. We can also report that the Board are in the process of finalising this policy and the procedures that follow to comply with the standard fully.

Overall, we can report that management controls and processes are strong.

We feel the Board is operating well at a strategic level and works well with the General Manager.

During our audit, we did not note any issue in relation to fraud in our enquiries and observations. The samples checked by the auditors, including larger, unusual, suspicious,

or significant transactions and in our unpredictability testing where we look at random areas in the business for anything unusual.

And lastly, our audit report was not qualified. In other words, it was a clean audit report.

We have to commend the Board, Senior Management, and entire staff for their efforts in ensuring the Club continues to be run really well. It is very clear that there is a long and proud history in this Club and the way it is run.

Now I'll take you through some high-level points about your financial results this year. You can see the 2022 financial report in your Annual Report which you should all have a copy.

- Surplus for the year is \$1,699,341

In terms of Revenue:

- In total, Operational revenue increased significantly \$4.4 million
- Revenue from Food and beverages increased by \$1.31 million or 42%
- Revenue from Gaming increased by \$2.27 million or 40%
- Revenue from the Motel increased by \$594 thousand or 54%
- Social and entertainment income slightly increase by \$70 thousand or 38%

In terms of expenditure:

- Total operational expenditure increased by \$3.35 million
- Cost of Goods sold (food and beverages) increased by \$651 thousand
- Depreciation increased by \$3 thousand
- Employment costs are up by \$1.11 million
- Finance costs (loan interest) was significantly down by \$0.3 thousand

It is also worth noting that net cash by operating activities increased significantly by \$1.29 million, this has had a significant impact on cash balance at the year end.

That covers off on the audit and the financials at a high level but happy to take questions either on notice or I may be able to answer them now for you.

THANK YOU.

The President then requested the General Manager respond to the Auditors comments.

The General Manager then gave an overview of trading during 2022 and explained that the operating profit of \$1,699,341 was certainly a pleasing result for the club. The General Manager thanked his management team, staff, and the Board our Members & Guests for their contribution to the club over the previous 12 months. The General Manager advised the meeting of the support that the club has provided to our local community during 2022 and focused on the help provided to our schools through the "Community Schools Breakfast Program" community groups, and our sporting groups. Cost of living pressures are certainly impacting the business, and you, our members & our patrons, with inflation and higher

interest rates impacting all of us. We have noticed the impact this has had on our business from the last quarter in 2022 and significantly flowing through into 2023, which will be a tough year for us all. The General Manager advised that he is confident the Club will get through all the challenges ahead with the help of our members, sporting organisations, community groups, our board, and our staff. The General Manager thanked Gabriel Saponle and the team from Crow Auditors, and Adam Jones, the lawyer we engaged in helping us navigate through the complex task of changes and modernization of our club's constitution.

Resolved: on the motion of Messrs M Fordham and B Stewart that the Financial Statements, Balance Sheet and the Reports of the Directors and Auditor be adopted.

(iii) Pursuant to the Registered Clubs Act to pass the following resolution regarding Director's benefits as an ordinary resolution:

Resolved: on the motion of Messrs W Clark and B Stewart that the following resolution be adopted:

“The Members hereby approve and agree to the Members of the Board, during the twelve (12) month period preceding the 2023 Annual General Meeting, receiving the following benefits, and the members further acknowledge that the benefits outlined in sub-paragraphs (a) to (h) are not available to members generally but only those members who are elected Directors of the Club:

- (a) Reasonable meals and refreshments to be associated with each Board meeting of the Club.
- (b) The reasonable cost of the provision of a meal and refreshments for each Duty Director whilst on duty.
- (c) The provision of blazers and associated apparel for the use of Club Directors when representing the club.
- (d) The reasonable cost of Directors and their partners attending the Annual Dinner at the Club.
- (e) The reasonable cost of Directors attending the Clubs NSW Annual General Meeting.
- (f) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
- (g) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and method of operation provided such attendances are approved by the Board as being necessary for the benefit of the Club.
- (h) The reasonable cost of attendance by the Directors and their partners at Club Shows or Club Functions as required when representing the Club.”

(iv) Special Resolution Updating and Modernising the Constitution of Lithgow & District Workmen's Club Ltd.

Resolved: on the motion of Messrs Brian Stewart and Fiona Slater that that the Constitution of Lithgow & District Workmen's Club Ltd in the form presented to the Meeting be adopted as the Constitution of Lithgow & District Workmen's Club Ltd in substitution for and to the exclusion of the existing Constitution of Lithgow & District Workmen's Club Ltd.

This Resolution was carried with over 75% of available votes in favour of the resolution.

- (v) The President Howard Fisher advised the meeting that he declared all Positions of the Board vacant and called for the General Manager to read the report for the 2023 election prepared by returning officer Sonya Teerman, to advise the meeting of the make up of the Board for the next two years.

The General Manager advised the following election results:

President:

Howard Fisher elected unopposed.

Vice Presidents:

Ray Warren and Michael Quinn elected to the positions of Vice Presidents unopposed.

Directors:

Darryl Goodwin – elected unopposed.

Trevor Schram – elected unopposed.

William Gregory – elected unopposed.

Darryl Fitzgerald – elected unopposed.

The General Manger congratulated all Board members for being re-elected unopposed for the ensuing two years.

- (vi) To transact any other business of which due notice has been given.

Nil

- (vii) To take recommendations from the floor for any consideration by the Board

The President Howard Fisher asked the meeting if they had any recommendation for the Board.

Member Owen Sedger (4698) advised the meeting that cars continue to enter the western Tank Street - Car Park via the exit of the carpark.

There being no further business for consideration the President thanked those present for their attendance and closed the Annual General Meeting at 8:10 pm

Howard Fisher
Chairman

Lithgow & District Workmen's Club Limited

(A Company Limited by Guarantee)

A.B.N. 66 001 068 408

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of LITHGOW & DISTRICT WORKMEN'S CLUB LIMITED will be held at the Club, 3-7 Tank Street, Lithgow, NSW, on Monday 27th May 2024 commencing at 7.30pm.

Business

- (i) To confirm the Minutes of the previous Annual General Meeting, held 29th May 2023.
- (ii) To receive, consider and adopt the financial report of the Company for the year ended the 31st December 2023 together with the report of the Directors and Auditors thereon.
- (iii) To transact any other business of which due notice has been given.
- (iv) Pursuant to the Registered Clubs Act to pass the following resolution regarding Director's Benefits as an ordinary resolution:
"The Members hereby approve and agree to the Members of the Board, during the twelve (12) month period preceding the 2023 Annual General Meeting, receiving the following benefits, and the Members further acknowledge that the benefits outlined in sub-paragraphs (a) to (h) are not available to members generally but only those Members who are elected Directors of the Club:
 - (a) A reasonable meal and refreshments to be associated with each Board meeting of the Club.
 - (b) The reasonable cost of the provision of a meal and refreshments for each Duty Director whilst on duty.
 - (c) The provision of blazers and associated apparel for the use of Club Directors when representing the Club.
 - (d) The reasonable cost of Directors and their partners attending an annual dinner at the Club.
 - (e) The reasonable cost of Directors attending the Clubs NSW Annual General Meeting.
 - (f) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
 - (g) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and the method of operation provided such attendances are approved by the Board as being necessary for the benefit of the Club.
 - (h) The reasonable cost of attendance by Directors and their partners at Club shows or Club functions as required, when representing the Club."
- (v) To take recommendations from the floor for any consideration by the Board.

By Order of the Board

G.K. WHEELER,
General Manager
25th March 2024

OFFICE BEARERS 2023

President:

Mr H. K. Fisher

Vice Presidents:

Messrs. M. A. Quinn and R. J. Warren

Board of Directors:

Messrs. D. Fitzgerald, D. J. Goodwin, W. A. Gregory,
and T. J. Schram

General Manager

Mr G. K. Wheeler

Operations Manager

Mr S. Wade

Financial Manager

Mrs R. G. Piggott

Executive Chef

Mr T. J. Standing

Motel Manager

Ms J. Rushworth

IT Admin Manager

Mrs K. L. Fatcher

Functions Manager

Mrs P. Gillard

Auditor

Mr G Faponle
(of Crowe Central West)

PRESIDENT'S REPORT

On behalf of the Board of Directors, I am pleased to present the 2023 Annual Report for Lithgow Workies Club. It has been both an exciting and challenging year and I am proud of how the team and board have adjusted to change during some challenging periods but also how they have relished the exciting times.

I would also like to acknowledge the contribution of each member of our board for the strategic work they do to support the club. In conjunction with the Management Team. The Board have been active in bringing the Strategic Plan vision to fruition which includes focusing on both short-term goals of asset development and long-term goals to continue to diversify the business to ensure the future business viability for the membership into the future. 2023 seen many significant challenges facing our industry and unfortunately these challenges have increased into 2024. The board continues to focus on the future and have prudently delayed major infrastructure development of the motel to increase our room capacity with the view of reviewing our trading outcomes and manage our significant increases in expenses in the next 6 to 12 months, to ensure the long-term viability of this great club.

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

I am pleased to report a net profit of \$221,779 with a \$1,588,978 cash profit for the financial year ending December 31, 2023. I continue to thank and express my appreciation for the united efforts of your Board, CEO, Management and Staff, this achievement is a sound result given the adversities, staff shortages and challenges presented by high inflation, increased power & gas prices and increasing interest rates. The club delivered the major replacement of three of our main air conditioning units, updating our security cameras, upgrades to our IT network and minor changes to our clubhouse & motel.

The Club's focus is always to manage its finances responsibly in order that the promotion and continuance of the Club is secure well into the future, this has also been the case throughout the 2023 year. With great support from our loyal members and sustained efforts from our Board, CEO, Management Team, staff, and members, the desired outcome has been achieved during the last financial year.

The Board still maintains the position that the Club should always strive to build on its community capacity, lift its community profile and build stronger relationships with the Greater Lithgow Community. The decision of the Board to continue with the support of our local school community in 2023 and onwards by providing funding to help with their School Breakfast Programs is certainly evidence of our commitment to our community.

I offer my thanks to each of my fellow Directors. Each member of the Board continues to volunteer and invest their time, energy, and commitment into aligning Lithgow Workies Club with our long-term sustainability and success.

On behalf of the Board of Directors I would like to thank Geoff Wheeler, our CEO for his continued leadership and support, the Senior Management Team for their dedication and unwavering commitment, and importantly our Staff for their continued alliance with our Club values, and the constant provision of genuine country hospitality to you our members, and guests.

I would like to thank all those who support the activities in the Club, from all our sporting groups, sub – bodies, social groups, motel guests, corporate groups and of course you, our loyal members. Without you, the Member, we would not have a Club. Your continued support throughout the year and into the future is vital and appreciated.

Finally, on behalf of the Board, Management and Staff we would like to pass on condolences to all those who lost loved ones this year: losing loved ones is never easy.

Kind Regards
Howard Fisher O.M.
President

GENERAL MANAGER'S REPORT

Dear Members,

It is my pleasure to provide my eleventh report to members on behalf of the Management Team of the Lithgow & District Workmen's Club the "Workies".

I am pleased to report on the Club's operations and activities for the 2023 year. The Club recorded a Cash Profit of \$1,588,978 and an operating profit of \$221,779, down significantly on 2022 results due to increases in operating expenses including land tax of \$125,683 paid retrospectively for the past 5 years. note: the 2022 result was also influenced by government grants of \$828,799. Of course, you, our members, are also being impacted by the significant rise in cost-of-living pressures. Although down on previous years this result would not have been possible without the continued support and leadership of our Board of Directors and the dedication to the Club from our Management Team, and employees.

The Club Motel continues to go from strength to strength and achieved significant occupancy rates and revenue during 2023, whilst also receiving awards from TripAdvisor, Star Ratings Australia, and Bookings.com. A big shout out to Julie and her team, we recognize the hard work they carry out to ensure the motel continues to achieve in all the above-mentioned areas. During 2023 all motel rooms were fitted with new smart TVs.

2023 saw a period of stable trading, that was full of challenges relating to high inflation, increased interest rates, and staff shortages, which impacted you our patrons and our business with increases in power and gas prices, council rates, insurance costs, the introduction of Land Tax along with huge increases in food and other consumable products. Unfortunately, this has carried on into 2024, with economists predicting further financial stress to come, we are doing all we can to manage the business effectively and continuing to provide quality service and products to you, our members.

Lithgow Workies recognizes its importance to the community by providing facilities, services and support mechanisms through community grants and sponsorships. The Lithgow Workies have again overachieved in this space, contributing over \$180,000 in 2023 to support community organizations. Member promotions & entertainment \$207,111, Employee Benefit expenses of \$5,691,432, all in all a significant amount put back into our local economy.

I thank all our sporting teams, individuals, and sub – bodies for their support during 2023 and we look forward to supporting you and others into the future. I encourage all of you to continue to support this great Club.

The 2023 financial year was a challenging year and I commend the Board of Directors, Management Team and Staff for their leadership and passion to work in an industry that has had to tolerate the brunt of effects of the challenges facing the hospitality industry. The commitment and passion of the team towards Lithgow Workies is fantastic to see and a huge opportunity to evolve this culture into the future of the Workies.

I would like to thank the entire membership for their support of the Club in 2023 and the future opportunities that will arise. In closing, I would like to acknowledge the Board of Directors, and especially the membership for making Lithgow Workies what it is, the future allows us to look forward to some short-term club refurbishments and solidifying the clubs position as the social and community hub of Lithgow. I

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

Thank you to Howie and the Board for your vision and continued support and encouragement of myself and the management team throughout another very challenging year.

My sincere thanks to members for your ongoing support of the Lithgow Workies Club. The significant support of members, during another challenging year has been heartwarming and greatly appreciated. Your patronage is vital to the success of the Club and your loyalty essential. Thank you one and all.

Kind Regards,

Geoff Wheeler

ACCM, GAICD, J.P.

General Manager

DIRECTORS' REPORT

Directors' Report

The Lithgow & District Workmen's Club Directors present their report on the Company for the financial year ended December 31, 2023.

Directors' Information

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

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Howard Fisher	President	Appointed June 2013	Retired
Michael Quinn	Vice President	Appointed May 2011	Groundsman
Raymond Warren	Vice President	Appointed May 2009	Retired
Darryl Fitzgerald	Director	Appointed May 2019	Retired
William Gregory	Director	Appointed May 2017	Retired
Darryl Goodwin	Director	Appointed May 2001	Police Officer
Trevor Schram	Director	Appointed June 2013	Retired

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

Principal Activities

The principal activity of the Lithgow & District Workmen's Club during the financial year was the operation of a Registered Club for the promotion of social and sporting activities in Lithgow and District.

- Providing sporting facilities for the Members and the community.
- Providing entertainment, dining, gaming and social facilities for Members and the community in a COVID safe environment.
- Providing turnover, cashflow and profit to meet the financial objectives of the Club
- Providing motel and accommodation facilities.

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

Short Term Objectives

The Club has identified the following short term objectives:

- to meet the budgeted financial performance of a 9.56% EBITDARD (Earnings Before Interest Tax Depreciation, Amortisation, Rental and Donations)
- build on current clientele of motel at the club premises.
- to meet industry requirements for the provision of a smoke free and COVID safe environment for members and their guests.
- to promote social activities and sport and the memberships involvement in sport and social activities.
- the preparation of a cash flow projection that includes banking of funds to further develop the club premises.

The Club has adopted the following strategies for achievement of these short term objectives:

- the preparation of an annual budget for financial performance that includes the calculation of EBITDARD. The Management and Directors regularly review the Club performance against the budget. The EBITDARD achieved by the company in 2023 was 11.49% and the 2024 budgeted EBITDARD is 9.56%.

Long Term Objectives of the Company

The Club has identified the following long term objectives;

- to promote the sport in the community and to be recognised for our contribution to the sport.
- to remain financially secure.
- to grow the Club operations in accordance with members interests.

Strategy for achieving the objectives:

The Club has adopted the following strategies for achievement of these long term objectives;

- the preparation of a Strategic and Business Plan that considers diversification of business operations and prudent levels of debt with maintenance of profitability and cash flows.
- the review of the sports grants recommendations and community grants recommendations and to engage with members to identify and plan for future development based upon the needs of members.

Performance Measures

The Club uses the following key performance indicators to measure performance;

- EBITDARD (11.49% achieved for 2023 compared to 21.15% for the 2022 financial year).
- Profit after income tax for the financial year was \$221,779 compared to profit of \$1,699,341 for the 2022 financial year.
- Cash flow from operating activities for the financial year was \$1,588,978 compared to \$2,981,367 for the 2022 financial year.
- Membership for the financial year was compared to a target of 10,000
- The Club has complied with all Occupational Health and Safety, Employment and Environmental requirements.

Members Guarantee

Lithgow & District Workmen's Club is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5 for members that are corporations and \$ NIL for all other members, subject to the provisions of the company's constitution.

Membership Class	Number of Members	Individual Members Contribution on Winding Up of the Company	Total Members Contribution on Winding up of the Company
Life Members	2161	\$5	\$10,805
Junior Members	1	\$5	\$5
Social Members	6938	\$5	\$34,690
Totals	9,100	\$5	\$45,500

At 31 December 2023 the collective liability of members was \$45,500 (2022: \$45,110).

Meetings of Directors

During the financial year, 15 meetings of Directors (including committees of Directors) were held and the attendances by each Director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Howard Fisher	15	15
Michael Quinn	15	13
Raymond Warren	15	14
Darryl Fitzgerald	15	14
William Gregory	15	13
Darryl Goodwin	15	14
Trevor Schram	15	12

Operating Results and Review of Operations for the Year

	2023	2022
Net Profit	221,779	1,699,341
Depreciation / Amortisation	1,313,182	1,177,813
CASH PROFIT	1,534,961	2,877,154

The operating profit of the Club after providing for income tax amounted to \$221,779 (2022: profit of \$1,699,341).

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 33 of the financial report.

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

Howard Fisher
 President
 25th March 2024

Darryl Fitzgerald
 Vice-President

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**ENDED 31st December, 2023**

	NOTE	2023 \$	2022 \$
Revenue	4	14,632,511	14,363,948
Cost of Sales		(2,000,633)	(1,914,008)
Gross Profit		12,631,878	12,449,940
Other Income	4	225,684	1,020,417
Depreciation and Amortisation Expense		(1,313,182)	(1,177,813)
Employee Benefits Expense		(5,691,432)	(5,167,753)
Other Expenses	5	(5,629,151)	(5,423,407)
Finance Costs		(2,018)	(2,043)
Surplus Before Income Tax		221,779	1,699,341
Income Tax Expense		-	-
Surplus for the year		221,779	1,699,341
Total net surplus/(deficit) for the year		221,779	1,699,341

STATEMENT OF FINANCIAL POSITION AS AT 31st December, 2023

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	3,836,825	3,204,556
Trade & Other Receivables	7	232,716	152,499
Inventories	8	264,444	236,047
Other Assets	11	82,720	319,660
TOTAL CURRENT ASSETS		4,416,705	3,912,762
NON-CURRENT ASSETS			
Property, Plant & Equipment	9	27,066,223	27,438,195
Investment Property	10	148,318	148,318
TOTAL NON CURRENT ASSETS		27,214,541	27,586,513
TOTAL ASSETS		31,631,246	31,499,275
CURRENT LIABILITIES			
Trade and Other Payables	12	1,277,059	1,412,348
Short Term Provisions	14	969,885	918,638
Other Financial Liabilities	13	15,993	15,520
Other Liabilities		76,927	55,183
TOTAL CURRENT LIABILITIES		2,339,864	2,401,689
NON-CURRENT LIABILITIES			
Long Term Provisions	14	78,519	90,530
Other Financial Liabilities	13	20,602	36,574
TOTAL NON CURRENT LIABILITIES		99,121	127,104
TOTAL LIABILITIES		2,438,985	2,528,793
NET ASSETS		29,192,261	28,970,482
EQUITY			
Reserves		4,375,229	4,375,229
Retained Earnings		24,817,032	24,595,253
TOTAL EQUITY		29,192,261	28,970,482

STATEMENT OF CHANGES IN EQUITY**ENDED 31st December, 2023**

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance as at 1 January 2023	24,595,253	4,375,229	28,970,482
Profit for the current year	221,779	-	221,779
Balance as at 31 December 2023	24,817,032	4,375,229	29,192,261
Balance as at 1 January 2022	22,895,912	4,375,229	27,271,141
Profit for the current year	1,699,341	-	1,699,341
Balance as at 31 December 2022	24,595,253	4,375,229	28,970,482

STATEMENT OF CASHFLOWS
ENDED 31st December, 2023

	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Receipts from Customers	14,777,978	15,323,799
Payments to Suppliers & Employees	(13,186,982)	(12,340,389)
Interest Received	-	-
Interest Paid	(2,018)	(2,043)
Net Cash Provided by (Used In)		
Operating Activities	19 1,588,978	2,981,367
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(941,210)	(2,147,798)
Net Cash Provided by (Used In)		
Investing Activities	(941,210)	(2,147,798)
Cash Flows from Financing Activities		
Repayment of Borrowings	(15,499)	(15,047)
Net Cash Provided by (used in)		
Financing Activities	(15,499)	(15,047)
Other Activities		
Net increase (decrease) in cash held	632,269	818,522
Cash and Cash Equivalents at Beginning of Year	3,204,556	2,386,034
Cash and Cash Equivalents at End of Year	6 3,836,825	3,204,556

The financial report covers Lithgow & District Workmens Club Ltd as an individual entity. Lithgow & District Workmens Club Ltd is a not-for-profit Club limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Lithgow & District Workmens Club Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 25 March 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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.

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Sale of goods

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

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.

Subscriptions

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

Other income

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

(b) Income Tax

The Club is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 to the extent of income derived from members under the Principle of Mutuality. Receipts derived from mutual dealings with members are not assessable income. The Club is only liable for income tax on income derived from non-members. Non-members include:

- temporary, honorary, social and reciprocal members will be treated as visitors
- members' guests – those visitors who accompany a member and are signed in by the member
- other visitors

(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.

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

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and is net of any rebates and discounts received.

Net realisable value is 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 down through an obsolescence provision if necessary.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the revaluation model.

Freehold land and buildings are shown at fair value, being the amount of an external independent valuer that valued the buildings in 2019, including all additions at cost after the valuation.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club, 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
Plant and Equipment	20-50% Prime cost
Improvements	15-25% Prime cost
Poker Machines	25-50% Prime cost

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.

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

(f) Investment property

Investment property is held at cost which includes expenditure that is directly attributable to the acquisition of the investment property. The investment property at the Fingal Bay Holiday Centre is valued at cost due to the investment agreement entered by the Club.

(g) Trade and other receivables

Trades and other receivables are recognised at amortised cost, less any expected credit loss.

(h) Financial instruments

Financial liabilities

The Club 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 Club comprise trade payables, bank and other loans and lease liabilities.

(i) Cash and cash equivalents

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

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

(j) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the amount expected to be paid when the liability is settled plus a 4% wage increase.

(k) Provisions

Provisions are recognised when the Club 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 recognised from the first date of service for all employees.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Club prior to the end of the financial year and which are unpaid. Due to their short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

3 Critical Accounting Estimates and Judgements

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - fair value of land and buildings

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

Key estimates - 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.

Key estimates - receivables

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

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
Sales revenue		
- Sale of goods	5,168,941	4,526,634
- Poker machines	7,218,513	7,804,397
- Motel income	1,898,101	1,700,214
	<u>14,285,555</u>	<u>14,031,245</u>
Other revenue		
- Member subscriptions	74,371	76,846
- Social & entertainment income	272,585	255,857
	<u>346,956</u>	<u>332,703</u>
Total sales revenue	<u>14,632,511</u>	<u>14,363,948</u>

	2023	2022
	\$	\$
Other Income		
- rental income	34,944	34,944
- profit/(loss) from sales of assets	(321)	751
- Other income	191,061	984,722
	<u>225,684</u>	<u>1,020,417</u>
Total Revenue and Other Income	<u>14,858,195</u>	<u>15,384,365</u>

Disaggregation of revenue from contracts with customers

Timing of revenue recognition

	2023	2022
	\$	\$
- At a point of time	14,792,636	14,555,565
- Overtime	(56,392)	828,800
Revenue from contracts with customers	<u>14,736,244</u>	<u>15,384,365</u>

5 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Other Expenses		
- Administration expenses	431,970	417,029
- Community support	179,033	189,736
- Electricity & gas	265,224	264,136
- Insurance	278,964	233,013
- Members promotions & entertainments	299,823	210,200
- Poker machine duty tax	1,301,968	1,426,958
- Poker machine GST	656,171	713,221
- Poker machine expenses	266,155	266,366
- Rates & water	144,134	116,388
- Repair & maintenance	418,283	394,937
- Other operating expenses	1,387,426	1,191,423
Total other expense	5,629,151	5,423,407

6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	537,405	537,405
Bank balances	3,299,420	2,667,151
Total cash and cash equivalents	3,836,825	3,204,556

7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	94,600	56,865
Expected credit loss	(3,000)	(3,000)
	91,600	53,865
Accrued income	141,116	98,634
Total current trade and other receivables	232,716	152,499

8 Inventories

	2023	2022
	\$	\$
CURRENT		
At cost:		
Inventory	264,444	236,047
Total Inventories	264,444	236,047

Write downs of inventories to net realisable value during the year were \$ NIL (2022: \$ NIL).

9 Property, plant and equipment

Land and Buildings		
At cost	33,422,126	33,154,476
Accumulated depreciation	(8,893,966)	(8,373,230)
Total land and buildings	24,528,160	24,781,246
Plant and equipment		
At cost	8,566,472	8,256,205
Accumulated depreciation	(7,030,356)	(6,673,924)
Total plant and equipment	1,536,116	1,582,281
Bowling green equipment		
At cost	971,401	962,581
Accumulated depreciation	(530,237)	(467,225)
Total bowling green equipment	441,164	495,356
Non-core rental properties		
At cost	556,228	556,228
Accumulated depreciation	(29,601)	(26,258)
Total Non-core rental properties	526,627	529,970
	2023	2022
	\$	\$
Right of Use Assets		
At cost	106,301	106,301
Accumulated depreciation	(72,145)	(56,959)
Total Right of Use Assets	34,156	49,342
Total plant and equipment	2,538,063	2,656,949
Total property, plant and equipment	27,066,223	27,438,195

(a) Movements in Carrying Amounts

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 and Buildings	Plant and Equipment	Bowling green equipment	Non-core rental properties	Right of Use Assets	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2023						
Balance at the beginning of the year	24,781,246	1,582,281	495,356	529,970	49,342	27,438,195
Additions	403,942	528,774	8,820	-	-	941,536
Disposals	-	(323)	-	-	-	(323)
Depreciation expense	(657,028)	(574,616)	(63,012)	(3,343)	(15,186)	(1,313,185)
Balance at the end of the year	24,528,160	1,536,116	441,164	526,627	34,156	27,066,223

10 Investment Property		
	2023	2022
	\$	\$
At cost value		
Owned Property		
Balance at beginning of the period	<u>148,318</u>	148,318
Total investment property	<u><u>148,318</u></u>	<u>148,318</u>
Investment property includes properties that are held as right to use assets, as well as properties that are owned by the Club.		
11 Other assets		
	2023	2022
	\$	\$
CURRENT		
Prepayments	<u>82,720</u>	319,660
Total other assets	<u><u>82,720</u></u>	<u>319,660</u>
12 Trade and Other Payables		
	2023	2022
	\$	\$
CURRENT		
Trade payables	528,079	717,806
GST payable	239,542	215,177
Accrued expenses	506,818	475,755
Other payables	<u>2,620</u>	3,610
Total trade and other payables	<u><u>1,277,059</u></u>	<u>1,412,348</u>
13 Lease Liabilities		
	2023	2022
	\$	\$
CURRENT		
Other financial liabilities	<u>15,993</u>	15,520
Total current lease liabilities	<u><u>15,993</u></u>	<u>15,520</u>
NON-CURRENT		
Lease liabilities	<u>20,602</u>	36,574
Total non-current lease liabilities	<u><u>20,602</u></u>	<u>36,574</u>
14 Provisions		
	2023	2022
	\$	\$
CURRENT		
Long service leave	480,096	426,204
Annual leave	<u>489,789</u>	492,434
Total current provision	<u><u>969,885</u></u>	<u>918,638</u>
NON-CURRENT		
Long service leave	<u>78,519</u>	90,530
Total non-current provision	<u><u>78,519</u></u>	<u>90,530</u>

15 Members' Guarantee

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Club. At 31 December 2023 the number of members was 9,100 (2022: 9,022).

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Club is \$545,711 (2022: \$ 498,150).

17 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 31 December 2023 (31 December 2022:None).

18 Related Parties

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

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.

For details of remuneration disclosures relating to key management personnel, refer to Note 16: Key Management Personnel Disclosures.

(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.

19 Cash Flow Information

(a) Reconciliation of cash

	2023	2022
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>3,836,825</u>	<u>3,204,556</u>

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

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

	2023	2022
	\$	\$
Profit for the year	221,779	1,699,341
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,313,182	1,177,813
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(80,217)	(59,816)
- (increase)/decrease in other assets	236,940	(57,132)
- (increase)/decrease in inventories	(28,397)	2,350
- increase/(decrease) in trade and other payables	(135,289)	196,040
- (increase)/decrease in other payable	21,744	(2,952)
- increase/(decrease) in provisions	39,236	25,723
Cashflows from operations	1,588,978	2,981,367

20 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 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 Club is:

Lithgow & District Workmens Club Ltd
3-7 Tank Street
Lithgow NSW 2790

AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307c of the Corporations Act 2001 To the Directors of the Lithgow & District Workmen's Club Ltd

I declare that, the best of my knowledge and belief, during the year ended 31st 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

Crowe Central West

GABRIEL FAPONLE
Audit Partner
Registered Company Auditor 513644

26th March 2024

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 32, are in accordance with the Corporations Act 2001 and:
 - a) comply with the Accounting Standards- Simplified Disclosure Standard; 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 the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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.

HOWARD FISHER
Director

DARRYL FITZGERALD
Director

25th March 2024

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial report of Lithgow and District Workmens Club Ltd (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (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 Australian Accounting Standards – Simplified Disclosure Requirements and the *Corporations Regulations 2001*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entity'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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the responsible entities 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.

CROWE CENTRAL WEST

Gabriel Faponle
Audit Partner
Registered Company Auditor No. 513644

Dated at Dubbo on the 26th day of March 2024