



Lithgow & District Workmens Club Ltd

53rd ANNUAL REPORT & BALANCE SHEET

For the year ending 31st December, 2024



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



53rd ANNUAL REPORT & BALANCE SHEET

FOR THE YEAR ENDING 31st DECEMBER, 2024

Year at a Glance

* OPERATING REVENUE
UP 1.22% TO \$14,810,321

* OPERATING PROFIT
UP TO 227,095

* CAPITAL EXPENDITURE
BUILDINGS & ASSETS
\$659,653

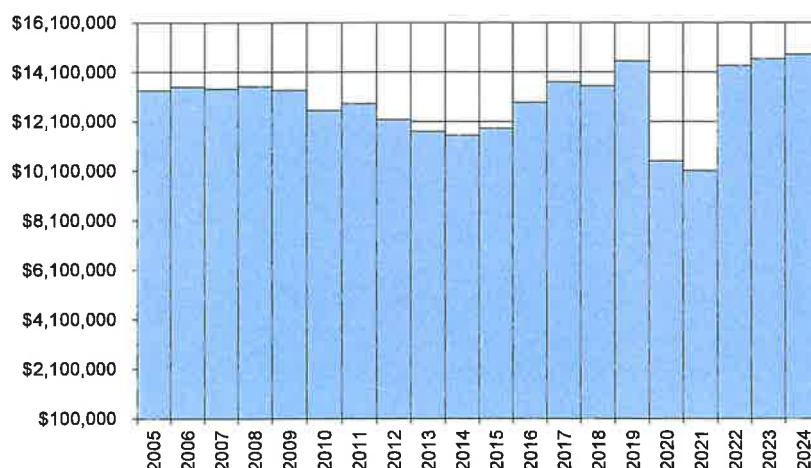
* WAGES UP 1.88% TO
\$4,835,238

* SPORTS & SUB-BODIES
& AFFILIATED CLUBS
\$119,150

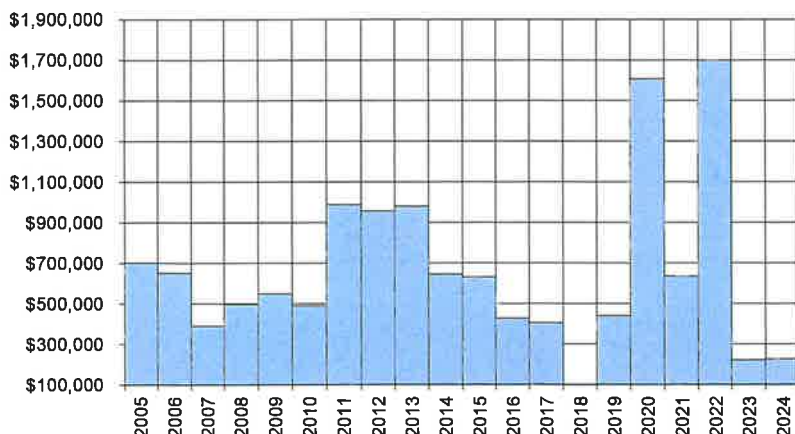
* FEDERAL & STATE TAXES
& LOCAL GOVERNMENT RATES
\$2,250,613

* COMMUNITY DEVELOPMENT
& SUPPORT EXPENDITURE
\$62,757

Revenue



Operating Profit



MINUTES OF THE ANNUAL GENERAL MEETING

HELD AT THE LITHGOW WORKMEN'S
CLUB IN THE SHOW ROOM
Monday May 27, 2024 at 7:30pm.

The meeting was opened at 7:30pm with 22 members in attendance and 22 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, and the General Manager Geoff Wheeler together with the Operations Manager Shane Wade.

The President opened the meeting and called for apologies.

APOLOGIES: Club's Auditor's Gabriel Saponle from Crowe Horwath, D Goodwin, M Quinn, Keith Morris, Wayne Clark, N Compton

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 \$221,779, with an increase in revenue of 1.86%. He further advised the meeting that this was a reasonable result given the severe increase in operating expenses, including land tax of \$127,251.

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 and continues to face with cost-of-living increases for both the club and our patrons. The president thanked the General Manager and his management team and staff for their unwavering commitment during a tough trading environment and that our members should be proud of their contributions during these extreme times.

The president also advised how proud he was under extenuating circumstances that the Club could contribute more than \$179,033 to sporting, charity, and community organisations during 2023 and thanked the same groups for their contributions to our community and the club. The

president informed the meeting that current trading is up and down, and that the club is now prudently reviewing our investments into the club and motel for 6 to 12 months, as we are faced with severe operating expenses. The President said he was very 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.

Business

(i) To confirm the Minutes of the previous Annual General Meeting, held on Monday May 29, 2023

Resolved: on the motion of Messrs D Stait and P Morris that the Minutes of the previous Annual General Meeting, held on Monday May 29, 2023, be confirmed.

Business arising from the minutes: Nil.

Resolved: on the motion of Messrs P Morris and D Stait that the Minutes of the previous Annual General Meeting, held on Monday May 29, 2023, be adopted.

(ii) To receive, consider and adopt the Financial Report of the Company for the year ended the 31st of December 2023 together with the report of the Directors and Auditor therein.

The President gave an overview of the financial performance of the Club for the 2023 year and then invited the Club's General Manager to read Auditor's Gabriel Saponle representative of Crowe Horwath Central West report and to give the meeting a review of the Club's position.

2023 – 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 of 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 using 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 2023 financial report in your Annual Report which you should all have a copy.

- Surplus for the year is \$221,779

In terms of Revenue:

In total, operational revenue decreased slightly by \$0.526 million. However, some revenue streams such as;

- Food and beverages increased by \$0.617 million or 14%;
- Motel increased by \$0.197 million or 12%;
- There was a decrease in revenue from Gaming by \$0.560 million or -7%, in comparison to other similar Clubs in NSW, this reduction is considered insignificant; and
- Social and entertainment income slightly increase by \$16 thousand or 7%

In terms of expenditure:

- Total operational expenditure increased by \$0.205 million;
- Cost of Goods sold (food and beverages) increased by \$0.086 million;
- Depreciation increased by \$0.135 million;
- Employment costs are up by \$0.523 million; and
- Finance costs (loan interest) was significantly down by \$0.02 thousand.

It is also worth noting that cash and cash equivalent increased significantly by \$0.632 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.

THANK YOU.

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

The General Manager then gave an overview of trading during 2023 and explained that the cash profit of \$1,534,961 was certainly a pleasing result for the club under the circumstances. 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 2023 and focused on the help provided to our schools through the “Community Schools Breakfast Program” community groups, and our sporting groups 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.

Resolved: on the motion of Messrs N Longdon and K Merry that the Financial Statements, Balance Sheet and the Reports of the Directors and Auditor be adopted.

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

Nil.

(iv) 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 B Kelly and N Longdon 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 2024 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.”

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

N Longdon asked if the club if they could provide a cover or shed for the Bowlers BBQ

There being no further business for consideration the President thanked those present for the attendance and closed the Annual General Meeting at 7:50 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 26th May 2025 commencing at 7.30pm.

Business

- (i) To confirm the Minutes of the previous Annual General Meeting, held 27th May 2024.
- (ii) To receive, consider and adopt the financial report of the Company for the year ended the 31st of December 2024 together with the report of the Directors and Auditors thereon.
- (iii) 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 2025 Annual General Meeting, receiving the following benefits, and the Members further acknowledge that the benefits outlined in sub-paragraphs (a) to (i) 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.
 - (i) The reasonable cost of providing Directors with club industry specific training."
- (iv) To consider and if thought fit, pass the special resolutions contained in the accompanying Notice of Special Resolutions.
- (v) To declare the results of the election of the Board.
- (vi) To transact any other business of which due notice has been given.
- (vii) To take recommendations from the floor for any consideration by the Board.

By Order of the Board

G.K. WHEELER,
General Manager
31st March 2025

Notice of Special Resolutions

Notice is hereby given that at the Annual General Meeting of Lithgow & District Workmens Club Ltd ('the Club') to be held on Monday 26th May 2025 commencing at 7:30pm in the Club's premises at 3-7 Tank Street Lithgow NSW 2790, members will be asked to consider and if thought fit, pass the following resolutions which are proposed as Special Resolutions:

First Special Resolution

That the Constitution of Lithgow & District Workmens Club Ltd be amended as follows:

- In rule 15(d) delete the words "Life Members" and insert instead the words "Service Life Members"
- Delete existing rule 17 and insert instead the following new rule 17:
 17. (a) Any Club Member or Club Life Member who has rendered long or meritorious service to the Club may be nominated and elected to Service Life membership in accordance with this rule. Service to the Club may include service as a member of any of the Club's subsidiary clubs or committees. A person's nomination and election to Service Life membership may be posthumous.
 - (b) In addition to paragraph (a) a person will only be eligible for nomination or election to Service Life membership if:
 - (i) their long or meritorious service excludes any service as an employee of the Club; and
 - (ii) they are not a current member of the Board; and
 - (iii) they have not been found guilty at any time of a charge under rule 38 or disciplinary provision of a previous Constitution of the Club.
 - (c) A nomination for Service Life membership must be in writing on a form provided by the Club, have a proposer and seconder, be endorsed by at least another 20 members, and include a summary of the nominee's service to the Club. The proposer, seconder and endorsers must be Service Life Members, Club Life Members or Club Members and must not be current members of the Board.
 - (d) The nomination for Service Life membership will be submitted to the Board. If approved, the Board will refer the nomination to a General Meeting. If the nomination is approved by resolution passed by a two-thirds majority of members present and voting at that General Meeting, the person nominated will be elected as a Service Life Member.
 - (e) The Club will display the names of Service Life Members in the main foyer or another prominent position in the Club's premises.
 - (f) Upon the passing of the special resolution to adopt this rule, all Life Members will be deemed to be Service Life Members.
- In rule 18 delete the words "Life membership" and instead insert the words "Service Life membership"
- Delete existing rule 19 and insert instead the following new rule 19:
 19. (a) A Service Life Member will have all the entitlements, rights and privileges of a Club Member.
 - (b) A Service Life Member will be exempt from payment of subscriptions and levies.
 - (c) Each Service Life Member (or their next of kin if applicable) and Club Life Member will be presented with a distinctive badge, plaque or similar token of appreciation.
- In rule 34(b) delete the words "Life Members" and insert instead the words "Service Life Members"
- In rule 37(a) delete the words "Life Member" and insert instead the words "Service Life Member".

Explanatory Note to First Special Resolution

If passed, this special resolution will rename the class of Life membership as Service Life membership, and tighten the eligibility requirements and procedure for a person's nomination and election to Service Life membership.

The purpose of renaming the class of Life membership as Service Life membership is to clearly distinguish Service Life Members from Club Life Members.

The purpose of tightening the eligibility requirements and procedure in new rule 17 is to restrict nominations to those persons who meet the additional service and conduct-related requirements in paragraph (b), and have a minimum level of support as required by paragraph (c) (that is, 20 members in addition to the proposer and seconder).

The members in General Meeting (which the Constitution defines as including an Annual General Meeting) will maintain their existing power to decide whether to elect (by two-thirds majority of those present and voting) a nominee as a Service Life Member.

Paragraph (a) in new rule 17 states that any Club Member or Club Life Member who has rendered long or meritorious service to the Club may be nominated and elected to Service Life membership. Service to the Club may include service as a member of a subsidiary club or committee. A person's nomination and election to Service Life membership may be posthumous.

Paragraph (e) in new rule 17 relates to the display of Service Life Members' names in the Club's premises.

New rule 19 is similar to existing rule 19 except for paragraph (c), which refers to a Service Life Member's "next of kin" and adds the word "plaque".

The amendments to rules 15(d), 18, 34(b) and 37(a) relate to renaming of Life Members as Service Life Members.

For members' reference, existing rules 17 and 19 read:

17. (a) *Life membership may be conferred upon any Club Member or Club Life Member who has rendered long or meritorious service to the Club.*
- (b) *Nominations for Life membership must be in writing and made by two financial members other than Junior Sporting Members.*
- (c) *The nomination will be submitted to the Board for approval. If approved, the Board will refer the nomination to a General Meeting for approval. If the nomination is approved by a two-thirds majority of members present and voting at that General Meeting, the person nominated will be a Life Member of the Club.*
19. (a) *A Life Member will have all the entitlements, rights and privileges of a Club Member.*
- (b) *Life Members will be exempt from payment of subscriptions and levies.*
- (c) *Life Members and Club Life members will be presented with a distinctive badge or similar token of appreciation.*

Second Special Resolution

That the Constitution of Lithgow & District Workmens Club Ltd be amended as follows:

- In rule 66 delete the words "the quorum required for a meeting of the Board" and insert instead the words "four Directors".

Explanatory Note to Second Special Resolution

The purpose of this special resolution is to correct an error in existing rule 66. Rule 66 relates to vacancies on the Board and the minimum number of Directors required to be in office in order for the Board to act without filling the vacancies or calling a General Meeting.

Existing rule 66 fails to set a minimum number of Directors required to be in office because "the quorum required for a meeting of the Board" is defined in rule 57 as a 'floating' number, being "a majority of Directors who currently hold office". The amendment to rule 66 will fix this error and require the Board to maintain a minimum of four Directors.

Notes to members

Members are welcome to contact the Club's office, to inspect and receive a copy of the Club's existing Constitution and review the rules which are proposed to be amended. The Board recommends both special resolutions to members.

Each special resolution will be passed if a three-quarters majority of members who are present and voting at the Meeting vote in favour of the resolution. The Registered Clubs Act 1976 prohibits proxy voting. Members are requested to send any questions in writing regarding the special resolutions to the General Manager at least seven days before the date of the Meeting to enable the Club to provide suitably researched replies.

OFFICE BEARERS 2024

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

Miss K. M. Fairall

Auditor

Mr G Faponle
(of Crowe Central West)

PRESIDENT'S REPORT

It is my privilege to share with you the 53rd Annual Report and Financial Statements representing the Lithgow Workies' Club for the period ending December 31, 2024, on behalf of our Board of Directors. I extend my heartfelt gratitude to our diligent Board members, whose unwavering dedication ensures the prudent stewardship of our Club's assets. Your commitment is truly appreciated.

The board continues to focus on the future, and we have recently commenced the process of major infrastructure development of the motel to increase our room capacity, which will further diversify our income to help ensure the long-term viability of this great club.

On the financial point, the Club was able to perform well considering the current financial climate with the continual increase in operational expenses, supply availability and supply cost pressures.

I am pleased to report a net profit of \$227,095 with a \$1,521,995 cash profit for the financial year ending December 31, 2024. 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.

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 2024. 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 2025 and onwards by providing funding to help with their School Breakfast Programs is certainly evidence of our commitment to our community.

We encourage all members and their families to consider engaging in sports this year by joining one of our esteemed sub-clubs. Whether it's lawn bowls, snooker, hockey, soccer, rugby league, or basketball, and others, your participation will foster the growth and vibrancy of these vital components of our Club.

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.

In closing, I express my deepest appreciation to you, our members, for your continued support and engagement. Your feedback and involvement play a pivotal role in shaping the Club into the vibrant community hub it is today.

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,

I am pleased to report on the Club's operations and activities for the year ending December 31, 2024. The Club recorded a Cash Profit of \$1,521,995 and an operating profit of \$227,095. This pleasing result was not without its challenges but enabled the Club to continue to provide for our members and community through numerous club activities such as members draws, raffles, entertainment, promotions and daily food and beverage specials and the all-important Club Grants program and wider community contributions.

The Club Motel continues to go from strength to strength and achieved significant occupancy rates and revenue during 2024, whilst also receiving awards from TripAdvisor, Star Ratings Australia, and Bookings.com. We are now able to look at the increasing number of rooms in our motel and have commenced this process.

2024 saw another 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, along with huge increases in food and other consumer products. Unfortunately, this has carried on into 2025, 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 \$181,907 in 2024 to support community organizations. Member promotions & entertainment \$361,248, Employee Benefit expenses of \$5,796,396 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 2024 and we look forward to supporting you and others into the future. I encourage all of you to continue to support this great Club.

Our industry has a challenging time ahead as competition increases, the political and regulatory environment is ever evolving but rest assured your Club will navigate these challenges and continue to provide a safe and enjoyable experience here at the Lithgow Workies Club & Motel.

The commitment and passion of the team towards facing challenges at Lithgow Workies is fantastic to see and a huge opportunity to evolve this culture into the future prosperity of the Workies Club & Motel. I am regularly humbled by feedback from members, visitors and motel guests, who commend our outstanding management and staff. The club proudly employs 112 staff members, including 4 apprentice chefs 1 - 3rd year, 1 – 2nd year, & 2 - 1st year, along with 3 school-based trainees and 2 certificate 3 hospitality trainees. Our team are committed to facilitating their growth and development both personally and professionally.

I would like to thank the entire membership for their support of the Club in 2024 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 working towards extending our motel and solidifying the club's 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.

To the Board, led by Chairman Howie Fisher, thank you for efforts and commitment to the Club and our members throughout the year. To our loyal team of management and staff at all levels within all departments in our organization, your commitment and effort throughout the year has been second to none. I sincerely thank you all and I am incredibly proud to be part of such a wonderful and talented team.

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 is essential. Thank you one and all.

Best 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, 2024.

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	Retired
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.
- 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 9.64% 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 2024 was 11.37% and the 2025 budgeted EBITDARD is 9.64%.

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 (11.37% achieved for 2024 compared to 11.49% for the 2023 financial year).
- Profit after income tax for the financial year was \$227,095 compared to profit of \$221,779 for the 2023 financial year.
- Cash flow from operating activities for the financial year was \$1,488,509 compared to \$1,588,978 for the 2023 financial year.
- Membership for the financial year was 9,428 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	2171	\$5	\$10,855
Junior Members	2	\$5	\$10
Social Members	7255	\$5	\$36,275
Totals	9,428	\$5	\$47,140

At 31 December 2024 the collective liability of members was \$47,140 (2023: \$45,500).

Meetings of Directors

During the financial year, 14 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	14	14
Michael Quinn	14	11
Raymond Warren	14	14
Darryl Fitzgerald	14	13
William Gregory	14	11
Darryl Goodwin	14	9
Trevor Schram	14	9

Operating Results and Review of Operations for the Year

	2024	2023
Net Profit	227,095	221,779
Depreciation / Amortisation	1,294,900	1,313,182
CASH PROFIT	1,521,995	1,534,961

The operating profit of the Club after providing for income tax amounted to \$227,095 (2023: profit of \$221,779).

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 2024 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
31st March 2025

Michael Quinn
Vice-President

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st December, 2024

	NOTE	2024 \$	2023 \$
Revenue	4	14,810,321	14,632,511
Cost of Sales		(2,063,238)	(2,000,633)
Gross Profit		12,747,083	12,631,878
Other Income	4	183,869	225,684
Depreciation and Amortisation Expense		(1,294,900)	(1,313,182)
Employee Benefits Expense		(5,796,396)	(5,691,432)
Other Expenses	5	(5,610,911)	(5,629,151)
Finance Expenses		(1,650)	(2,018)
Profit Before Income Tax		227,095	221,779
Income Tax Expense		-	-
Profit after Income Tax expense for the year		227,095	221,779
Revaluation changes fro property, plant and equipment		1,853,707	-
Other comprehensive income for the year, net of tax		1,853,707	-
Total net profit after income tax expense for the year		2,080,802	221,779

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION**AS AT 31st December, 2024**

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	4,652,577	3,836,825
Trade & Other Receivables	7	135,891	232,716
Inventories	8	273,529	264,444
Other Assets	9	321,020	82,720
TOTAL CURRENT ASSETS		5,383,017	4,416,705
NON-CURRENT ASSETS			
Property, Plant & Equipment	10	28,281,820	27,066,223
Investment Property	11	148,318	148,318
TOTAL NON CURRENT ASSETS		28,430,138	27,214,541
TOTAL ASSETS		33,813,155	31,631,246
CURRENT LIABILITIES			
Trade and Other Payables	12	1,240,545	1,277,059
Short Term Provisions	13	1,127,243	969,885
Other Financial Liabilities	14	4,197	15,993
Other Liabilities		112,274	76,927
TOTAL CURRENT LIABILITIES		2,484,259	2,339,864
NON-CURRENT LIABILITIES			
Long Term Provisions	13	39,400	78,519
Other Financial Liabilities	14	16,433	20,602
TOTAL NON CURRENT LIABILITIES		55,833	99,121
TOTAL LIABILITES		2,540,092	2,438,985
NET ASSETS		31,273,063	29,192,261
EQUITY			
Reserves		6,228,936	4,375,229
Retained Earnings		25,044,127	24,817,032
TOTAL EQUITY		31,273,063	29,192,261

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st December, 2024

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance as at 1 January 2024	24,817,032	4,375,229	29,192,261
Profit for the current year	227,095	-	227,095
Revaluation reserve for the year		1,853,707	1,853,707
Balance as at 31 December 2024	25,044,127	6,228,936	31,273,063
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

The accompanying notes form part of these financial statements.

STATEMENT OF CASHFLOWS**FOR THE YEAR ENDED 31st December, 2024**

	2024	2023
	\$	\$
Cash Flows from Operating Activities		
Receipts from Customers	15,091,015	14,777,978
Payments to Suppliers & Employees	(13,600,856)	(13,186,982)
Interest Received	-	-
Interest Paid	(1,650)	(2,018)
Net Cash Provided by (Used In) Operating Activities	<u>1,488,509</u>	<u>1,588,978</u>
Cash Flows from Investing Activities		
Proceeds from sale of Plant and Equipment	2,863	-
Purchase of Property, Plant and Equipment	(659,653)	(941,210)
Net Cash Provided by (Used In) Investing Activities	<u>(656,790)</u>	<u>(941,210)</u>
Cash Flows from Financing Activities		
Repayment of Borrowings	(15,967)	(15,499)
Net Cash Provided by (used in) Financing Activities	<u>(15,967)</u>	<u>(15,499)</u>
Net increase (decrease) in cash held	815,752	632,269
Cash and Cash Equivalents at Beginning of Year	3,836,825	3,204,556
Cash and Cash Equivalents at End of Financial Year	<u>6 4,652,577</u>	<u>3,836,825</u>

The accompanying notes form part of these financial statements.

The financial report covers Lithgow & District Workmens Club Ltd as an individual entity. Lithgow & District Workmens Club Ltd is a for-profit proprietary Company, 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 31 March 2025.

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 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.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

2 Material accounting policy information

(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.

2 Material accounting policy information continued

(b) Income tax

The Company 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 Company 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.

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.

2 Material accounting policy information continued

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, Aon Valuation Services, who valued the buildings in 2024, 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 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
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 Company.

(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 Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

2 Material accounting policy information continued

(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 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 Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

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

Key estimates - fair value of land and buildings

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

3 Critical Accounting Estimates and Judgements continued

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 Other Revenue and Income

Revenue from continuing operations

	2024 \$	2023 \$
Sales revenue		
- Sale of goods	5,417,410	5,168,941
- Motel income	1,920,891	1,898,101
- Poker machines	7,098,001	7,218,513
	<u>14,436,302</u>	<u>14,285,555</u>
Other revenue		
- Member subscriptions	70,058	74,371
- Social & entertainment income	303,961	272,585
	<u>374,019</u>	<u>346,956</u>
Total sales revenue	<u>14,810,321</u>	<u>14,632,511</u>
Other Income		
- rental income	40,178	34,944
- profit/(loss) from sales of assets	8,138	(321)
- Other income	135,553	191,061
	<u>183,869</u>	<u>225,684</u>
Total revenue and other income	<u>14,994,190</u>	<u>14,858,195</u>

Disaggregation of revenue from contracts with customers

Timing of revenue recognition:

	2024 \$	2023 \$
- At a point of time	14,883,953	14,792,636
- Overtime	110,237	(56,392)
Revenue from contracts with customers	<u>14,994,190</u>	<u>14,736,244</u>

5 Result for the Year

The result for the year includes the following specific expenses:

	2024 \$	2023 \$
Other expenses:		
Rental expense on operating leases:		
- Administration expenses	485,217	431,970
- Community support	181,907	179,033
- Electricity and gas	396,561	265,224
- Insurance	332,871	278,964
- Members promotions & entertainments	361,248	299,823
- Poker machine duty tax	1,280,666	1,301,968
- Poker machine GST	647,543	656,171
- Poker machine expenses	278,330	266,155
- Rates & water	159,016	144,134
- Repair & maintenance	341,261	418,283
- Other operating expenses	1,146,291	1,387,426
Total other expenses	5,610,911	5,629,151

6 Cash and Cash Equivalents

	2024 \$	2023 \$
Cash on hand	537,405	537,405
Bank balances	4,115,172	3,299,420
Total cash and cash equivalents	4,652,577	3,836,825

7 Trade and Other Receivables

	2024 \$	2023 \$
CURRENT		
Trade receivables	38,742	94,600
Expected credit loss	(3,000)	(3,000)
	35,742	91,600
Accrued income	100,149	141,116
Total current trade and other receivables	135,891	232,716

8 Inventories

	2024 \$	2023 \$
CURRENT		
At cost:		
Merchandise	273,529	264,444
Total Inventories	273,529	264,444

Write downs of inventories to net realisable value during the year were \$ NIL (2023: \$ NIL).

Lithgow & District Workmen's Club Limited (A Company Limited by Guarantee)
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31st DECEMBER 2024**

A.B.N. 66 001 068 408

9 Other Assets

	2024 \$	2023 \$
CURRENT		
Prepayments	321,020	82,720
Total other assets	321,020	82,720

10 Property, Plant and Equipment

	2024 \$	2023 \$
Land and Buildings		
At fair value	34,738,906	33,422,126
Accumulated depreciation	(9,093,906)	(8,893,966)
Total land and buildings	25,645,000	24,528,160
Plant and equipment		
At cost	8,712,139	8,566,472
Accumulated depreciation	(7,261,654)	(7,030,356)
Total plant and equipment	1,450,485	1,536,116
 Bowling green equipment		
At cost	1,144,390	971,401
Accumulated depreciation	(557,025)	(530,237)
Total bowling green equipment	587,365	441,164
 Non-core rental properties		
At cost	612,953	556,228
Accumulated depreciation	(32,953)	(29,601)
Total Non-core rental properties	580,000	526,627
 Right-of-Use-Assets		
At cost	106,301	106,301
Accumulated depreciation	(87,331)	(72,145)
Total Right of Use Assets	18,970	34,156
Total property, plant and equipment	28,281,820	27,066,223

10 Property, Plant and Equipment continued

(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 2024						
Balance at the beginning of the year	24,528,160	1,536,116	441,164	526,627	34,156	27,066,223
Additions	163,221	496,432	-	-	-	659,653
Disposals	-	(350,764)	-	-	-	(350,764)
Depreciation expense	(670,374)	(231,299)	(26,788)	(3,352)	(15,186)	(946,999)
Revaluation increase	1,623,993	-	172,989	56,725	-	1,853,707
Balance at the end of the year	25,645,000	1,450,485	587,365	580,000	18,970	28,281,820

11 Investment Properties

	2024 \$	2023 \$
At cost value		
Owned Property		
Balance at beginning of the period	148,318	148,318
Total investment property	<u>148,318</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 Company.

12 Trade and Other Payables

	2024 \$	2023 \$
CURRENT		
Trade payables	587,452	528,079
GST payable	215,441	239,542
Accrued expenses	433,677	506,818
Other payables	3,975	2,620
Total trade and other payables	<u>1,240,545</u>	<u>1,277,059</u>

13 Provisions

	2024 \$	2023 \$
CURRENT		
Long service leave	575,536	480,096
Annual leave	551,707	489,789
Total current provision	<u>1,127,243</u>	<u>969,885</u>
NON-CURRENT		
Long service leave	39,400	78,519
Total non-current provision	<u>39,400</u>	<u>78,519</u>

14 Lease Liabilities

	2024 \$	2023 \$
CURRENT		
Other financial liabilities	4,197	15,993
Total current lease liabilities	<u>4,197</u>	<u>15,993</u>
NON-CURRENT		
Other financial liabilities	16,433	20,602
Total non-current lease liabilities	<u>16,433</u>	<u>20,602</u>

15 Member's Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Company. At 31 December 2024 the number of members was 9,428 (2023: 9,100).

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$553,839 (2023: \$545,711).

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2024 (31 December 2023: None).

18 Related Parties

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

Key management personnel - refer to Note 16.

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 Events Occurring After the Reporting Date

The financial report was authorised for issue on 31 March 2025 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 Company, the results of those operations or the state of affairs of the Company in future financial years.

20 Statutory Information

The registered office and principal place of business of the Company 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 2024, 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

1st April 2025

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- Reduced Disclosure Requirements; and
 - b) give a true and fair view of the financial position as at 31 December 2024 and of the performance for the year ended on that date of the Company.
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.

HOWARD FISHER
Director

Michael Quinn
Director

31st March 2025

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 2024, 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 material accounting policy information, 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 2024 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 2024 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 1st day of April 2025