



2022

51ST ANNUAL REPORT & BALANCE SHEET

LITHGOW & DISTRICT WORKMENS CLUB LTD
For the year ending 31st December, 2022



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

MINUTES OF THE ANNUAL GENERAL MEETING

HELD AT THE LITHGOW WORKMEN'S
CLUB IN THE SHOW ROOM
Monday May 30, 2022 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, and the General Manager Geoff Wheeler together with the Operations Manager Shane Wade, and the Club's Auditor Gabriel Faponle from Crowe Horwath.

The President opened the meeting and called for apologies.

APOLOGIES: A Gregory & D Goodwin

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 \$636,816, with a decrease in revenue of \$384K. 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 with covid over the previous two and a half years. The president thanked the General Manager and his management team and staff for their unwavering commitment during the COVID – 19 Pandemic 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 \$107,000 to sporting, charity, and community organisations during 2021 and thanked the same groups for their contributions to our community and the club. The president informed the meeting that current trading was going very well, and that the club is now investing into improvements throughout the club and motel. 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 31, 2021

Resolved: on the motion of Messrs N Longdon and B Stewart that the Minutes of the previous Annual General Meeting, held on Monday May 31, 2021, be confirmed.

Business arising from the minutes: Nil.

Resolved: on the motion of Messrs N Longdon and B Stewart that the Minutes of the previous Annual General Meeting, held on Monday May 31, 2021, be adopted.

(ii) To receive, consider and adopt the Financial Report of the Company for the year ended the 31st of December 2021 together with the report of the Directors and Auditor therein.

The President gave an overview of the financial performance of the Club for the 2021 year and then invited the Club's Auditor's Gabriel Faponle representative of Crowe Horwath Central West to give the meeting a review of the Club's position.

2021 - FINANCE REPORT/AUDITORS 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).
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.

3. Cyber security and data penetration testing - is the Club ready for such an event? Cyber security risk management is a critical challenge for most organisations today. Clubs in NSW recently commented that most Clubs are severely underprepared for a cyber-attack. Once again, we focused on this area to see what the Club is doing about this.

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.

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.

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.

From a going concern perspective government support with Job Keeper and the Small Business Stimulus did help the Club through the shutdown due to the Pandemic. We are aware that trading towards the back end of last year and into this year has been good.

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

We recommend that Cyber Security and Disaster Recovery policies, processes and procedures remain an area of focus going forwards. We acknowledge that the Board has developed a policy and has adopted processes around this as well. We believe that Cyber security is going to always be an area that the Club will need to continue to focus on and we have made some recommendations to management and the Board to continue to further strengthen this area in the Club going forward. We are aware that they are now attending to this. Hence, as it is such a high-risk area now, we will retain this as an area of focus going forward.

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 compliment the Club on coping with such an unusual and difficult year. This is surely due to the hard decisions, resolve and dedication of the Board and senior staff respectively to guide the Club through it. The decision to close the Club for a period in 2021 due to COVID-19 reflects on the good management.

We must 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 2021 financial report in your Annual Report which you should all have a copy.

- Surplus for the year is \$636,816

In terms of Revenue:

- In total, Operational revenue was down by \$384 thousand
- Revenue from Food and beverages increased by \$216 thousand or 8%
- Revenue from Gaming was down by \$977 thousand or 5%
- Revenue from the Motel was down \$289 thousand or 21%
- Social and entertainment income remains steady this year

In terms of expenditure:

- Total operational expenditure was down by \$374 thousand
- Cost of Goods sold (food and beverages) increased by \$122 thousand
- Depreciation was down by \$89 thousand
- Employment costs are down by \$457 thousand
- Finance costs (loan interest) was significantly down by \$32 thousand
- Overall other operating expenses increase slightly by \$84 thousand

It is also worth noting that government support worth \$728 thousand was received during this COVID period. This has provided adequate support to the Club's financial result this year.

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 2021 and explained that the operating profit of \$636,816 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 2021 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 B Stewart 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 D Stait and K Holmes 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 2022 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.”

(v) Special Resolution to grant Peter James Quinn Conferred Life Membership.

RESOLVED that the Board of LWC endorse by resolution that Peter James Quinn be nominated for Conferred Life Membership of the Lithgow & District Workmen’s Club Ltd for his long and meritorious service to the club, to proceed as a Special Minute in the agenda to be voted on at the LWC AGM in 2022. Michael Quinn declared an interest in the resolution and did not vote.

Resolved: on the motion of Messrs P Morris and W Clark that Peter James Quinn be granted Conferred Life Membership of the Lithgow & District Workmen’s Club Ltd.

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

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

Nil

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 29th May 2023 commencing at 7.30pm.

Business

- (i) To confirm the Minutes of the previous Annual General Meeting, held 30th May 2022.
- (ii) To receive, consider and adopt the financial report of the Company for the year ended the 31st December 2022 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 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) 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."
- (iv) To consider and if thought fit, pass the special resolution contained in the accompanying Notice of Special Resolution.
- (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
6th April 2023

Notice of Special Resolution

Notice is hereby given that at the Annual General Meeting of Lithgow & District Workmens Club Ltd ('the Club') to be held on Monday 29th May 2023 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 resolution which is proposed as a Special Resolution:

Special Resolution

That the Constitution of Lithgow & District Workmens Club Ltd in the form presented to the Meeting be adopted as the Constitution of Lithgow & District Workmens Club Ltd in substitution for and to the exclusion of the existing Constitution of Lithgow & District Workmens Club Ltd.

Explanatory Note to Special Resolution

If passed, this special resolution will adopt a new Constitution to replace the Club's existing Constitution.

The main purposes of the new Constitution are to:

- include provisions which reflect the current Corporations Act 2001, Liquor Act 2007 and Registered Clubs Act 1976;
- implement membership related changes such as specifying additional eligibility requirements for election to the Board, and adding grounds for suspension and removal from the premises of any member pending disciplinary proceedings; and
- update and simplify the language of the Constitution when compared with the existing Constitution.

The accompanying Explanatory Table summarises the new Constitution and compares various provisions of the new Constitution with corresponding provisions in the existing Constitution. The Explanatory Table does not form part of the new Constitution and is not a substitute for reading the new Constitution.

Members are welcome to contact the Club's office, to inspect and receive a copy of the new Constitution and compare the new Constitution with the existing Constitution, which is available on request. Members are encouraged to contact the General Manager before the Meeting with any questions regarding the new Constitution, to enable the Club to provide suitably researched replies. The Board recommends this special resolution to members.

Procedural notes to members

The 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 Resolution to the General Manager at least seven days before the date of the Meeting to enable the Club to provide suitably researched replies.

Lithgow & District Workmens Club Ltd

Special Resolution at 2023 Annual General Meeting – Explanatory Table regarding proposed new Constitution

The purpose of the following table is to assist members to compare provisions of the proposed new Constitution against the Club's existing Constitution. The table is not a substitute for reading the proposed new Constitution.

In the table, the 'Corresponding rule number in existing Constitution' column indicates a relationship between the subject matter of a rule in the proposed new Constitution to a rule in the existing Constitution. In many instances the proposed new Constitution significantly modifies or updates the subject matter.

The 'Subject matter and comments' column does not describe every rule change in the new Constitution. The intention of this column is to summarise the subject matter of the new rule, and identify significant changes from the existing Constitution and various issues for members' consideration.

Some rules in the existing Constitution are deleted from the proposed new Constitution. These changes are noted towards the end of the table by the first column entry, 'Not included'.

Explanatory Table

Rule number in new Constitution	Corresponding rule number in existing Constitution	Subject matter and comments
Rule 1	Rule 1	The Club's legal name (Lithgow & District Workmens Club Ltd) is unchanged.
Rule 2	Rule 2	This rule sets out definitions used in the Constitution. The new definition of "ballot paper" includes physical or electronic formats. The definition of "by-law" now includes policies made by the Board (for example, the Club's Responsible Service of Alcohol policy will now be regarded as a By-law under the Constitution). The definition of "Executive" (President and the two Vice-Presidents) is deleted because the new Constitution does not include a separate rule regarding the Executive (that is, the new Constitution omits existing rule 64, as noted at the end of this table).

Explanatory Table		
Rule number in new Constitution	Corresponding rule number in existing Constitution	Subject matter and comments
Rule 3	No corresponding rule	The Constitution is subject to legislation, and in the event of any inconsistency between the Constitution and legislation, the legislation will prevail.
Rule 4	Rule 4	Under new rule 4, the members in general meeting can no longer vary or revise the Board's construction or interpretation of the Constitution. This change provides more certainty for the Board because members of the Club in General Meeting will not be able to vary the Board's interpretation of the Constitution. Members retain the right to apply to the Supreme Court for a ruling if they disagree with the Board's interpretation of a rule in the Constitution.
Rule 5	Rule 5	New rule 5 includes a reference to gender inclusivity. The Constitution no longer refers to specific genders.
Rule 6	Rules 7 and 11	The new Constitution retains the Club's objects, with minor updating of language (for example, use of gender neutral language).
Rule 7	Rules 9(b) and 12	The income and property of the Club must be applied solely towards the promotion of the Club's objects.
Rule 8	Rule 13	This rule states that members have limited liability.
Rule 9	Rule 14	The limited liability amount of \$5 per member on winding up of the Club is retained.
Rule 10	Rule 15	The restrictions on distribution of surplus property on winding up are retained.
Rule 11	Rule 19	This rule requires all members to be admitted to membership in accordance with the Registered Clubs Act.
Rule 12	Rule 17	Persons under 18 years of age are eligible for Junior Sporting membership only.
Rule 13	No corresponding rule	Membership of the Club is open to all genders.
Rule 14	Rule 18	This rule states that all existing members will retain their membership on adoption of the new Constitution.
Rule 15	Rule 20	The classes of full membership are retained. As is the case at present, full membership of the Club will comprise Club Members, Club Life Members, Junior Sporting Members and Life Members.
Rule 16	Rule 26	This rule describes the eligibility criteria for each class of full membership other than Life membership (see rule 17). The criteria are unchanged.
Rule 17	Rule 27	The eligibility requirements and procedure for election as a Life Member are retained.
Rule 18	No corresponding rule	This new rule enables the Board to create and dissolve sub-classes of membership other than Life membership. For example, the Board could create a sub-class of Bowling membership within the class of Club membership.
Rule 19	Rules 23 and 24	This rule relates to the entitlements of Life Members. Voting entitlements are unchanged.
Rule 20	Rules 23 and 24	This rule relates to the entitlements of all membership classes other than Life Members. Voting entitlements of each class of membership are unchanged.
Rule 21	Rules 9(a) and 52(c)	This rule continues the restriction in the Registered Clubs Act that employees of the Club who are also members of the Club, will not have any voting or standing rights and cannot hold office on the Board.
Rule 22	Rules 24 and 83(b)	Each member who is entitled to vote has one vote. The Registered Clubs Act prohibits proxy voting.
Rule 23	Rule 25	The Board may make By-laws regarding the entitlements, rights and privileges of members to use the Club's facilities and amenities.
Rule 24	Rules 28, 29 and 30	This rule relates to honorary membership of the Club, and is consistent with the Registered Clubs Act.
Rule 25	Rules 31 and 32	This rule relates to temporary membership of the Club, and is consistent with the Registered Clubs Act.
Rule 26	Rule 39	This rule relates to provisional membership of the Club. A provisional members is a person who has applied for and paid for membership and is awaiting the Board's decision on their application. Under new rule 26(a), provisional membership may be granted for up to six months instead of the existing limit of six weeks. Under new rule 26(e), provisional members may have their membership terminated by the Secretary or in the Secretary's absence, by the senior employee on duty, which is relevant if the provisional member is involved in an incident.
Rule 27	Rule 51	This rule relates to guests of members, and is consistent with the Registered Clubs Act. The Board may make By-laws regulating all matters in connection with guests of members (for example, regarding the number of times a guest may enter the premises before being asked to become a member).
Rule 28	Rule 45	A General Meeting may appoint and remove 'Patrons' of the Club upon a recommendation of the Board.
Rules 29 to 32	Rules 35, 36 and 37	These rules relate to the requirements and procedure for election to membership, and are consistent with the Registered Clubs Act.
Rule 33	Rule 33	This rule relates to transfer between classes of membership.

Explanatory Table		
Rule number in new Constitution	Corresponding rule number in existing Constitution	Subject matter and comments
Rules 34 and 35	Rules 40 to 44	These rules relate to the payment of entrance fees, subscriptions and levies. Under new rule 34, the minimum subscription per year of membership is reduced to \$1, except for Junior Sporting Members who may not be required to pay a subscription. New rule 35 enables the Club to extend the one month time period for late payment before an unfinancial member ceases to be a member. New rule 35(e) enables the Board to make By-laws regarding withdrawal of membership privileges while any member is not a financial member (that is, if they have not paid their subscription by the due date).
Rule 36	Rule 46	New rule 36 requires each member to notify the Club of any change in their contact details, and states that the Club will not be liable for a member's non-receipt of any notice or other correspondence if the member has not notified the Club of the change in contact details.
Rule 37	Rule 47	This rule requires the Club to maintain registers under the Registered Clubs Act.
Rules 38 and 39	Rules 48 and 49	<p>These rules relate to disciplinary proceedings against members. One change in new rule 38(a) is that the Board will have power to suspend a member from "any or all" privileges of membership, instead of existing rule 48 which requires the Board to suspend a member from "all" privileges of membership. This change will give the Board to some flexibility to allow a suspended member to retain some privileges (for example, if compassionate grounds exist).</p> <p>New rule 39(a)(iii) to (vi) sets out additional grounds for the Secretary (General Manager) or in the Secretary's absence, the senior employee on duty, to suspend and remove from the Club's premises any a full member. Existing rule 49 includes only the substance of new rule 39(a)(i) and (ii) below.</p> <p>New rule 39 reads:</p> <p>39. (a) <i>The Secretary, or in the Secretary's absence the senior employee of the Club then on duty ('senior employee'), has the power to suspend the membership of and remove from the Club's premises any full member:</i></p> <ul style="list-style-type: none"> (i) <i>who is at the time intoxicated, violent, quarrelsome or disorderly; or</i> (ii) <i>whose presence on the premises renders the Club liable to a penalty under the Liquor Act; or</i> (iii) <i>who smokes, within the meaning of the Smoke-free Environment Act 2000, while on any part of the premises that is a smoke-free area within the meaning of that Act; or</i> (iv) <i>who uses or possesses, while on the premises, any substance that the Secretary or senior employee suspects of being a prohibited plant or a prohibited drug; or</i> (v) <i>whom the Club, under the conditions of its licence or a term of a local liquor accord (as defined in the Liquor Act), is authorised or required to refuse access to the premises; or</i> (vi) <i>who in the Secretary's or senior employee's opinion has engaged in conduct which may be prejudicial to the Club's interests or which may be conduct unbecoming of a member or which may render the member unfit for membership.</i> <p>(b) <i>The Secretary or senior employee who has exercised the power referred to in paragraph (a) will make a written report to the Board within seven days of the date of the suspension and removal of the member. The report will set out the facts, matters and circumstances giving rise to the suspension and removal.</i></p> <p>(c) <i>Any suspension of a member by the Secretary or senior employee pursuant to paragraph (a) will continue until further notice is given to the member pursuant to rule 38.</i></p> <p>(d) <i>This rule will not affect any provision of the Liquor Act or Registered Clubs Act regarding refusal of admittance, or removal or exclusion, of any person (including a full member) from the Club's premises.</i></p>
Rule 40	Rule 50	This rule refers to resignation and cessation of membership.
Rule 41	Rule 52	The Board consists of seven Directors, comprising the President, two Vice-Presidents and four Ordinary Directors.
Rule 42	Rules 52(d) and 53(e)	<p>New rule 42 will impose additional eligibility requirements for nomination for or election to the Board. Under existing rules 52(d) and 53(d), the only eligibility requirements are that the member must be financial and must not be currently under suspension.</p> <p>The new requirement in rule 42(a), that a candidate must have at least one year's membership immediately prior to standing for election, is intended to help ensure that candidates have current experience as a member before standing for election. The new requirements in rule 42(d) and (e) are intended to ensure that candidates with a suitable personal background become Directors of the Club.</p> <p>New rule 42 reads:</p> <p>42. <i>In addition to the requirements of the Act, Registered Clubs Act and other provisions of this Constitution, a full member will only be eligible to be nominated for or elected to the Board if that person:</i></p> <ul style="list-style-type: none"> (a) <i>has been a full member for at least one year immediately prior to their nomination or election;</i> (b) <i>is a financial member;</i> (c) <i>is not currently under suspension;</i>

Explanatory Table		
Rule number in new Constitution	Corresponding rule number in existing Constitution	Subject matter and comments
		<p>(d) <i>has not been suspended for a period of three months or more within two years before the date of nomination or election; and</i></p> <p>(e) <i>is not a former employee of the Club whose employment was terminated for misconduct.</i></p>
Rule 43	Rules 53(a) and 53(c)	The term of office of elected Directors will remain as until the conclusion of the second Annual General Meeting after their election (that is, the biennial election system remains in place).
Rule 44	Rules 53(b), 54(a), 54(b), 54(c) and 54(f)	<p>New rule 44 relates to nominations for election of the Board. The existing nomination procedure of using different closing dates for the positions on the Board is maintained.</p> <p>New rule 44 reads:</p> <p>44. (a) <i>The Board will arrange the posting of a notice on the club noticeboard to advise members of the date of the Annual General Meeting, and the opening and closing dates and times for receipt of nominations for election to the Board.</i></p> <p>(b) <i>Nominations for election to the Board must be made in writing on a nomination form authorised by the Board.</i></p> <p>(c) <i>The nomination form must be signed by two financial members other than Junior Sporting Members, and by the candidate who must also signify their consent to the nomination.</i></p> <p>(d) <i>Nominations for the positions of President and Vice-Presidents will open not less than 28 days before the Annual General Meeting and will close not less than 21 days before the Annual General Meeting.</i></p> <p>(e) <i>Nominations for the positions of Ordinary Director will open not less than 28 days before the Annual General Meeting and will close not less than 7 days before the Annual General Meeting.</i></p> <p>(f) <i>Members eligible for election to the Board may be nominated for more than one position, and in the event of their being elected to the senior position will be deemed to have been eliminated from candidature for election to the junior position. For the purpose of this paragraph the order of seniority of positions (from senior to junior) will be President, Vice-President and Ordinary Director.</i></p> <p>(g) <i>If at the close of nominations, the number of candidates duly nominated does not exceed the number required to be elected, the candidate or candidates nominated will be declared elected.</i></p> <p>(h) <i>If at the close of nominations, no nominations or insufficient nominations are received for the number required to be elected, the candidate or candidates, if any, duly nominated will be declared elected at the Annual General Meeting and nominations may, with the consent of the nominee, be made orally at the meeting for the remaining vacancies. If more than one candidate is nominated for the remaining vacancies, an election to fill those vacancies will be conducted in accordance with procedures prescribed by the Board.</i></p> <p>(i) <i>If at the close of nominations, the number of candidates duly nominated for any position exceeds the number required to be elected, a ballot will be conducted in accordance with rule 45.</i></p>
Rule 45	Rules 53(b), 54(d), 54(e), 54(g), 54(h), 54(i) and 54(j)	<p>New rule 45 relates to the conduct of any ballot for election of the Board and simplifies existing provisions while enabling the use of technology.</p> <p>The intention of new rule 45 is to modernise the election process and enable the Club to take advantage of new technologies, while still retaining a postal ballot paper for those members who prefer this method.</p> <p>New rule 45 reads:</p> <p>45. (a) <i>The Board will appoint a Returning Officer and at least one scrutineer in connection with each ballot. A candidate is ineligible to be appointed as the Returning Officer or as a scrutineer.</i></p> <p>(b) <i>At least four days before any ballot under paragraphs (c) or (d), the Board will arrange the posting of a notice on the club noticeboard to advise members of the nominations received for each position, and the opening and closing dates and times of the ballot.</i></p> <p>(c) <i>The ballot for the positions of President and Vice-Presidents will be conducted not less than 14 days before the Annual General Meeting.</i></p> <p>(d) <i>The ballot for the positions of Ordinary Director will be conducted not less than three days before the Annual General Meeting.</i></p> <p>(e) <i>The Returning Officer will prepare the ballot paper. The position of each candidate's name on the ballot paper will be determined by a draw conducted by the Returning Officer in the presence of a scrutineer.</i></p> <p>(f) <i>The ballot will be conducted as follows:</i></p> <p>(i) <i>The Returning Officer will be responsible for the conduct of the ballot.</i></p> <p>(ii) <i>The Board will enable voting in the ballot to take place in the Club's premises.</i></p> <p>(iii) <i>The Board may approve additional methods (for example, online voting) for members to vote in the ballot.</i></p> <p>(iv) <i>Members who wish to vote in the ballot will be provided with or given access to a ballot paper issued by the Returning Officer.</i></p> <p>(v) <i>The Returning Officer will issue a postal ballot paper to any member who is eligible to vote</i></p>

Explanatory Table		
Rule number in new Constitution	Corresponding rule number in existing Constitution	Subject matter and comments
		<p><i>at the election on that member's written request. The Returning Officer will determine the deadlines for receipt of written requests, and receipt of ballot papers which must not be later than the closing time of the ballot.</i></p> <p><i>(vi) Members will cast their votes by marking the ballot paper in accordance with instructions issued by the Returning Officer.</i></p> <p><i>(vii) Members must vote for the exact number of candidates required to be elected to any position. Any ballot paper which does not comply with this requirement will be declared to be informal.</i></p> <p><i>(viii) If two or more candidates receive the same number of votes for a position, the Returning Officer will conduct a draw in the presence of a scrutineer, to determine the candidate who is to be elected.</i></p> <p><i>(ix) The Returning Officer and a scrutineer will sign a declaration of the results of the ballot and provide a written report to the Board.</i></p> <p><i>(x) Following the declaration of ballot results, the ballot papers will be destroyed after the Annual General Meeting unless an ordinary resolution is passed at the meeting to retain the ballot papers for a specified period.</i></p> <p><i>(g) No person other than the Returning Officer or any person acting with the authority of the Returning Officer, will be allowed to enter or remain in that part of the Club's premises set aside for the conduct of the ballot, except for the purpose of casting a vote.</i></p> <p><i>(h) The issue of any 'how to vote' card or ticket, or other written material advocating for or rejecting a candidate, is not permitted.</i></p> <p><i>(i) The Returning Officer may recommend to the Board that disciplinary proceedings under this Constitution be commenced against any member for any alleged misconduct by that member in connection with the ballot.</i></p>
Rule 46	No corresponding rule	New rule 46 states that the Board has the power to make By-laws regulating any election of the Board. For example, By-laws could relate to allowing the publication of information regarding candidates, as distinct from the prohibition on the issuing of 'how to vote' material.
Rule 47	Rule 55	The Board is responsible for the management of the Club's business and affairs.
Rule 48	Rule 56	This rule describes the Board's general powers and provides examples of the Board's powers.
Rule 49	Rule 57	The Board has the general power to make, amend and rescind By-laws. This rule provides examples of the matters on which the Board may make By-laws.
Rule 50	Rule 60	The Board has the power to enforce By-laws in accordance with the disciplinary proceedings provisions of the Constitution.
Rule 51	Rule 61	By-laws will now be effective when first posted on the club noticeboard or on the Club's website.
Rule 52	Rules 56(m), 60, 61 and 63	This rule describes the Board's power to form, reconstitute and dissolve committees, and operational restrictions on committees.
Rule 53	Rules 56(m), 58, 59, 60, 61, 62 and 63	This rule describes the Board's power to form, reconstitute and dissolve subsidiary clubs (renamed from 'sections' in existing rule 58), and operational restrictions on subsidiary clubs.
Rule 54	Rule 65	Under the Registered Clubs Act since 2 December 2021, monthly Board meetings are no longer mandatory and are now instead required to be held at least once in each quarter ending 31 March, 30 June, 30 September and 31 December
Rule 55	Rule 65	This rule relates to the use of technology to call and hold Board meetings, as permitted under the Corporations Act.
Rule 56	Rule 65	This rule relates to who acts as the chairperson of Board meetings.
Rule 57	Rule 66	This rule states that the quorum (minimum number) for a Board meeting is a majority of the Directors who currently hold office.
Rule 58	Rule 67	This rule describes who may call a Board meeting.
Rule 59	Rule 68	As is the case at present, the chairperson of a Board meeting will be entitled to a casting vote in the event of an equality of votes.
Rule 60	Rule 70	This rule states that acts of Directors remain valid even if a defect in their appointment is afterwards discovered.
Rule 61	Rule 71	A resolution of the Board can be passed without a Board meeting being held if all Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.

Explanatory Table		
Rule number in new Constitution	Corresponding rule number in existing Constitution	Subject matter and comments
Rule 62	Rule 72	This rule sets out the procedure for disclosure by Directors of any material personal interests. The detailed requirements for disclosures by Directors are not included in this rule, but are prescribed in clause 8 of the Registered Clubs Accountability Code in Schedule 2 of the Registered Clubs Regulation. The Registered Clubs Accountability Code applies to the Club irrespective of whether the Constitution repeats any content in the Code.
Rule 63	Rule 73	This rule relates to removal of Directors by members in General Meeting, as permitted under the Corporations Act.
Rule 64	Rule 74	This rule describes grounds for vacancies on the Board. New rule 64(l) adds the ground of not having completed required training under the Registered Clubs Act, unless exempted.
Rule 65	Rule 75	The Board may (that is, it does not have to) appoint any eligible member to fill a vacancy on the Board.
Rule 66	Rule 69	The continuing Directors may continue to act despite any vacancy on the Board, provided the Board has the quorum required for a meeting of the Board.
Rule 67	Rule 76	This rule relates to the holding of Annual General Meetings, as required by the Corporations Act.
Rule 68	Rule 77	This rule relates to the holding of General Meetings (commonly known as Special General Meetings) other than Annual General Meetings, and describes the requirements and procedure for members to request the Board to call a General Meeting.
Rule 69	Rule 78	This rule requires at least 21 days' notice to members of a General Meeting, as required by the Corporations Act.
Rule 70	Rule 80	This rule specifies the quorum (minimum number of members) for a General Meeting (including an Annual General Meeting). The quorum for a General Meeting called on the request of members is 5% of the members of the Club who are present and entitled to vote (unchanged). The quorum for a General Meeting not called on the request of members, and for an Annual General Meeting, is 20 members of the Club who are present and entitled to vote (unchanged).
Rule 71	Rule 81	If a quorum is not present within 15 minutes from the time appointed for a General Meeting, a member-requested General Meeting will be dissolved, and any other General Meeting will be adjourned (either for a week or to any other date, time and place which the Board specifies).
Rule 72	Rule 79	This rule describes the business items of an Annual General Meeting (for example, receipt and consideration of the financial report, directors' report and auditor's report).
Rule 73	Rule 82	This rule relates to who will act as the chairperson of an Annual General Meeting.
Rule 74	Rule 83	At a General Meeting, a poll may be demanded on any resolution by the chairperson or by not less than five members who are entitled to vote on the resolution. The chairperson will be entitled to a casting vote in the event of an equality of votes.
Rule 75	Rule 84	At a General Meeting, a declaration of the result of a resolution and an entry in the minutes of the meeting is conclusive evidence of the result.
Rule 76	Rule 85	This rule relates to a poll (that is, a count of votes) at a General Meeting. A demand for a poll may be withdrawn, and that the chairperson's decision (made in good faith) regarding the acceptance or rejection of a vote, will be final and conclusive.
Rule 77	Rule 86	Any General Meeting may be adjourned by the chairperson, or on the direction of the meeting.
Rule 78	Rule 87	This rule relates to the entering of and signing of the minutes of a General Meeting.
Rules 79 to 83	Rules 88 to 92	These rules relate to financial records and audit requirements.
Rule 84	Rule 93	This rule relates to the appointment of the Club's Secretary (General Manager).
Rule 85	Rule 94(a)	The Club 'may' (that is, it does not have to) have a common seal.
Rule 86	Rules 94(b) and 94(c)	This rule relates to the execution of documents with or without using the seal.
Rules 87 and 88	Rules 95 and 96	<p>The Corporations Act allows the Club to send meetings-related documents (including notices of meetings) to any member via electronic means. Members may request a hard copy of the document.</p> <p>New rules 87 and 88 read:</p> <p>87. <i>The Club may give a notice (which includes a document or report) to any member by one or more of the following means:</i></p> <ul style="list-style-type: none"> (a) <i>personally;</i> (b) <i>sending the notice by post to the address of the member recorded for that member in the Register of Members kept pursuant to this Constitution;</i> (c) <i>sending the notice to the facsimile number or electronic address (if any) nominated by the member;</i> (d) <i>in any manner referred to in section 110D of the Act.</i> <p>88. (a) <i>Where the Club gives a notice personally, the notice is taken to have been given to the member on that day.</i></p>

Explanatory Table		
Rule number in new Constitution	Corresponding rule number in existing Constitution	Subject matter and comments
		<p>(b) <i>Where the Club sends a notice by post, the notice is taken to have been given to the member:</i></p> <p>(i) <i>in the case of a notice of General Meeting, on the day following that on which the notice was posted; or</i></p> <p>(ii) <i>in any other case, at the time at which the notice would have been delivered in the ordinary course of post.</i></p> <p>(c) <i>Where the Club sends a notice to a facsimile number or electronic address, the notice is taken to have been given to the member on the day following that on which the notice was sent.</i></p> <p>(d) <i>Where the Club gives a notice under rule 87(d), the notice is taken to have been given to the member on the following day following that on which the notice was sent or made available.</i></p> <p>Section 110D of the Corporations Act allows the Club to give notices to members by a variety of means, including electronic communication (for example, via SMS or email with link, or postcard with QR code). New rule 87(b) will provide an alternative for the Club to send notices by post. In practice, with the Corporations Act now enabling the Club to choose the option of giving notices of meetings by electronic means, rule 87(b) is increasingly unlikely to be used except in the case of members who have not nominated an electronic address or who have requested to be sent a hard copy only of notices of meetings. The electronic sending of notices of meetings, and other types of notices (for example, membership renewals and disciplinary proceedings), will reduce printing and postage costs, and reduce the use of paper.</p>
Rule 89	No corresponding rule	This rule describes the circumstances under which officers (including Directors and the Secretary) may be indemnified by the Club, and refers to relevant provisions of the Corporations Act.
Rule 90	Rule 38(c)	This rule sets out the Corporations Act requirement that the Club will supply a copy of the Constitution to any full member on that member's request.
Not included	Rule 6	This rule relates to payment of costs of preparation of the Constitution out of the assets of the Club. There is no legal requirement to include this rule in the Constitution itself.
Not included	Rules 8 and 10	These rules refer to requirements of the Registered Clubs Act and relate to the Club's compliance obligations which apply irrespective of the Constitution.
Not included	Rule 16	This rule refers to compliance with a maximum permissible number of members under the Registered Clubs Act, which no longer applies.
Not included	Rule 21	This rule renamed membership classes on adoption of the existing Constitution, and is now redundant.
Not included	Rule 22	This rule refers to a compliance requirement in the Registered Clubs Act regarding the required proportion of members who must be entitled to vote at an election of the Board.
Not included	Rule 34	This rule refers to the keeping of an Absentee List regarding the payment of subscriptions for members leaving or returning to New South Wales (including the Australian Capital Territory).
Not included	Rules 38(a) and 38(b)	Existing rule 38(a) refers to cancellation of membership for non-payment of an entrance fee or first membership subscription. Existing rule 38(b) states that for the first three months after the date of acceptance by the Board, a member is on probation and may have their membership terminated by the Board without the requirement for any disciplinary procedure.
Not included	Rule 64	Existing rule 64 reads: "The Executive shall be responsible to the Board for the administration of the affairs of the Club In between meetings of the Board and for this purpose shall exercise all the necessary authority of the Board except the authority to admit new members and terminate membership." Existing rule 64 is not included in the new Constitution, because the Board itself may decide what powers to delegate to committees of the Board under new rule 48(a). A committee could comprise the President and Vice-Presidents and have powers delegated to it by the Board.

OFFICE BEARERS 2022

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. Fletcher

Auditor

Mr G Faponle
(of Crowe Central West)

PRESIDENT'S REPORT

As President and Chairman of the Lithgow Workmen's Club Board of Directors and on behalf of the Board, it is my pleasure to present the 2022 Annual Report. I together with the members of the Board endorse the accuracy of the information contained in the Financial Report for the year ending, 31 December 2022.

I am pleased to report a net profit of \$1,699,341 with a \$2,877,154 cash profit for the financial year ending December 31, 2022, note; this profit was influenced by government grants of \$828,799. I continue to thank and express my appreciation for the united efforts of your Board, 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 major renovations and works of our Bistro Kitchen thanks to a grant from the Black Summer Recovery Grants Program and completely updated our bistro seating, tables, furniture, bistro façade and columns. This was achieved with our own funding. I congratulate and thank all involved, the outstanding result is there for all to see.

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 2022 year. A demonstration of sound strategic planning is the investment of the club purchasing a 3-bedroom brick property at 34 Tank Street Lithgow to add to our portfolio of rental properties to operate in conjunction with the motel, this property has been totally renovated along with all new furniture. 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 2022 and onwards by providing funding to help with their School Breakfast Programs is certainly evidence of our commitment, to our community. We were able to provide over \$189,736 to the community through Club GRANTS, Sporting Sponsorships, Community Groups, Schools & Charity Organizations, which takes the total amount to be more than \$2.4 Million over the last 9 years.

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.

Our team continues to help form our identity throughout the community and we are constantly hearing from our members and guests' positive feedback and commentary on the engagement, commitment, application, and operational methods provided by our entire team.

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 this report to members on behalf of the Management Team of the Lithgow & District Workmen's Club the "Workies".

2022 was year that your club achieved significant upgrades to our facilities. Thanks to a grant from the Black Summer Recovery Grants Program, we were able to complete an extensive upgrade to our kitchen facilities, this upgrade will increase our efficiency during times of natural or other disasters, whilst operating as Lithgow's designated Evacuation Centre. During the 6-week renovation period we had to trade with limited bistro menus from the café, which was not ideal, and I thank you and our staff for your patience and understanding during those very hectic times. I am sure you will all agree that the result was certainly worth the disruptions. In addition to the kitchen upgrade the club funded an upgrade to our bistro seating area, with all furniture being replaced with esthetic changes to the serving areas and columns, at a cost of around \$350,000.00. These upgrades are on the back of the installation of a backup diesel generator and a complete renovation of our Main Bar/Café seating area and a redesign and fit out of our café at a cost of around \$500,000. I think you will all agree all the improvements to these areas are visually impressive and practically useful.

The Club Motel continues to go from strength to strength and achieved significant occupancy rates and revenue during 2022, 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 2022 all motel rooms and adjoining hallways were painted, and all rooms internal services were updated, along with changes to bedding accessories. In late 2022 the club purchased a 3-bedroom brick property at 34 Tank Street Lithgow, "across the road from the club", we have renovated the property with all new furniture carpet and painted throughout. We are adding the property to our motel options, and Air B&B, for renting out on minimum number of night's stay.

I am pleased to report on the Club's operations and activities for the 2022 year. The Club recorded a Cash Profit of \$2,877,154 and an operating profit of \$1,699,341, note; this result was influenced by government grants of \$828,799. 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.

2022 saw a period of stable trading on the back of 2 years impact from the Covid – 19 pandemics, we achieved significant upgrades and invested into our business. The back end of 2022 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 along with huge increases in food and other consumable products. Unfortunately, this has carried on into the early months of 2023, 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 product 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 has again overachieved in this space, contributing over \$189,736 in 2022 to support community organizations. Member promotions & entertainment \$210,200, Employee Benefit expenses of \$5,167,753, 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 2022 and we look forward to supporting you and others into the future. I encourage all of you to continue to support this great Club.

Thank you also to all the Club's wonderful Management Team and Staff, for your continued dedication and loyalty and particularly for your patience and understanding through staff shortages. Lithgow Workies Club is very fortunate to have a professional and caring team of individuals committed to great customer service.

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, 2022.

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 13.87% 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 2022 was 21.15% and the 2023 budgeted EBITDARD is 13.87%.

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 (21.15% achieved for 2022 compared to 18.85% for the 2021 financial year).
- Profit after income tax for the financial year was \$1,699,341 compared to profit of \$636,816 for the 2021 financial year.
- Cash flow from operating activities for the financial year was \$2,981,367 compared to \$1,688,072 for the 2021 financial year.
- Membership for the financial year was 9,022 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	2079	\$5	\$10,395
Junior Members	1	\$5	\$5
Social Members	6942	\$5	\$34,710
Totals	9,022	\$5	\$45,110

At 31 December 2022 the collective liability of members was \$45,110 (2021: \$46,745).

Meetings of Directors

During the financial year, 13 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	12
Raymond Warren	14	14
Darryl Fitzgerald	14	13
William Gregory	14	9
Darryl Goodwin	14	8
Trevor Schram	14	11

Operating Results and Review of Operations for the Year

	2022	2021
Net Profit	1,699,341	636,816
Depreciation / Amortisation	1,177,813	1,174,096
CASH PROFIT	2,877,154	1,810,912

The operating profit of the Club after providing for income tax amounted to \$1,699,341 (2021: profit of \$636,816).

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 31 December 2022 has been received and can be found on page 40 of the financial report.

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

Howard Fisher
President
27th March 2023

Michael Quinn
Vice-President

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**ENDED 31st December, 2022**

	NOTE	2022 \$	2021 \$
Revenue	4	14,363,948	10,116,036
Cost of Sales		(1,914,008)	(1,263,268)
Gross Profit		12,449,940	8,852,768
Other Income	4	1,020,417	857,211
Depreciation and Amortisation Expense		(1,177,813)	(1,174,096)
Employee Benefits Expense		(5,167,753)	(4,056,608)
Other Expenses	5	(5,423,407)	(3,840,035)
Finance Costs		(2,043)	(2,424)
Surplus Before Income Tax		1,699,341	636,816
Income Tax Expense		-	-
Surplus for the year		1,699,341	636,816
Total net surplus/(deficit) for the year		1,699,341	636,816

STATEMENT OF FINANCIAL POSITION AS AT 31st December, 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and Cash Equivalents	6	3,204,556	2,386,034
Trade & Other Receivables	7	152,499	92,683
Inventories	8	236,047	238,397
Other Assets	11	319,660	262,528
TOTAL CURRENT ASSETS		3,912,762	2,979,642
NON-CURRENT ASSETS			
Property, Plant & Equipment	9	27,438,195	26,467,459
Investment Property	10	148,318	148,318
TOTAL NON CURRENT ASSETS		27,586,513	26,615,777
TOTAL ASSETS		31,499,275	29,595,419
CURRENT LIABILITIES			
Trade and Other Payables	12	1,412,348	1,215,558
Short Term Provisions	14	918,638	584,463
Other Financial Liabilities	13	15,520	15,062
Other Liabilities		55,183	58,135
TOTAL CURRENT LIABILITIES		2,401,689	1,873,218
NON-CURRENT LIABILITIES			
Long Term Provisions	14	90,530	398,981
Other Financial Liabilities	13	36,574	52,079
TOTAL NON CURRENT LIABILITIES		127,104	451,060
TOTAL LIABILITIES		2,528,793	2,324,278
NET ASSETS		28,970,482	27,271,141
EQUITY			
Reserves		4,375,229	4,375,229
Retained Earnings		24,595,253	22,895,912
TOTAL EQUITY		28,970,482	27,271,141

STATEMENT OF CHANGES IN EQUITY**ENDED 31st December, 2022**

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
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
Balance as at 1 January 2021	22,259,096	4,375,229	26,634,325
Profit for the current year	636,816	-	636,816
Balance as at 31 December 2021	22,895,912	4,375,229	27,271,141

STATEMENT OF CASHFLOWS**ENDED 31st December, 2022**

		2022	2021
		\$	\$
Cash Flows from Operating Activities			
Receipts from Customers		15,323,799	10,988,081
Payments to Suppliers & Employees		(12,340,389)	(9,297,555)
Interest Received		-	-
Interest Paid		(2,043)	(2,454)
Net Cash Provided by (Used In)			
Operating Activities	19	2,981,367	1,688,072
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(2,147,798)	(952,071)
Net Cash Provided by (Used In)			
Investing Activities		(2,147,798)	(952,071)
Cash Flows from Financing Activities			
Repayment of Borrowings		(15,047)	(14,610)
Net Cash Provided by (used in)			
Financing Activities		(15,047)	(14,610)
Other Activities			
Net increase (decrease) in cash held		818,522	721,391
Cash and Cash Equivalents at Beginning of Year		2,386,034	1,664,643
Cash and Cash Equivalents at End of Year	6	3,204,556	2,386,034

The financial report covers Lithgow & District Workmens Club Ltd as an individual entity. Lithgow & District Workmens Club Ltd is a not-for-profit company 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 27 March 2023.

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 assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- *the business model is to hold assets to collect contractual cash flows; and*
- *the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.*

The Club's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment and including forward looking information.

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Club renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The 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.

Key estimates - Expected credit loss

The expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

4 Revenue and Other Income

Revenue from continuing operations

	2022 \$	2021 \$
Sales revenue		
- Sale of goods	4,526,634	3,194,597
- Poker machines	7,804,397	5,552,053
- Motel income	1,700,214	1,106,527
	<u>14,031,245</u>	<u>9,853,177</u>
Other revenue		
- Member subscriptions	76,846	77,392
- Social & entertainment income	255,857	185,466
	<u>332,703</u>	<u>262,858</u>
Total sales revenue	<u>14,363,948</u>	<u>10,116,035</u>

	2022 \$	2021 \$
Other Income		
- rental income	34,944	34,944
- profit from sales of assets	751	4,500
- other income	984,722	817,768
Total other income	<u>1,020,417</u>	<u>857,212</u>
Total Revenue and Other Income	<u>15,384,365</u>	<u>10,973,247</u>

Disaggregation of revenue from contracts with customers

Timing of revenue recognition

	2022 \$	2021 \$
- At a point of time	14,555,565	10,632,524
- Overtime	828,800	340,723
Revenue from contracts with customers	<u>15,384,365</u>	<u>10,973,247</u>

5 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Other Expenses		
- Administration expenses	417,029	302,399
- Community support	189,736	112,002
- Electricity & gas	264,136	228,633
- Insurance	233,013	213,809
- Members promotions & entertainments	210,200	153,891
- Poker machine duty tax	1,426,958	939,455
- Poker machine GST	713,221	503,997
- Poker machine expenses	266,366	201,488
- Rates & water	116,388	106,232
- Repair & maintenance	394,937	326,618
- Other operating expenses	1,191,423	751,511
Total other expense	5,423,407	3,840,035

	2022	2021
	\$	\$
Cash on hand	537,405	467,405
Bank balances	2,667,151	1,918,629
Total cash and cash equivalents	3,204,556	2,386,034

7 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	56,865	30,048
Expected credit loss	(3,000)	(3,000)
	53,865	27,048
Accrued income	98,634	65,635
Total current trade and other receivables	152,499	92,683

8 Inventories

	2022	2021
	\$	\$
CURRENT		
At cost:		
Inventory	236,047	238,397
Total Inventory	236,047	238,397

Write downs of inventories to net realisable value during the year were \$ NIL (2021: \$ NIL).

9 Property, plant and equipment

	2022 \$	2021 \$
Land and Buildings		
At fair value		
At cost		
At cost	33,154,476	31,012,830
Accumulated depreciation	(8,373,230)	(7,165,116)
Buildings Works in Progress	-	341,542
Total land and buildings	24,781,246	24,189,256
Plant and equipment		
At cost	8,256,205	7,911,412
Accumulated depreciation	(6,673,924)	(6,777,356)
Total plant and equipment	1,582,281	1,134,056
Bowling green equipment		
At cost	962,581	944,641
Accumulated depreciation	(467,225)	(398,330)
Total bowling green equipment	495,356	546,311
Non-core rental properties		
At cost	556,228	556,228
Accumulated depreciation	(26,258)	(22,920)
Total Non-core rental properties	529,970	533,308
Right of Use Asset		
At cost	106,301	106,301
Accumulated depreciation	(56,959)	(41,773)
Total Right of Use Asset	49,342	64,528
Total plant and equipment	2,656,949	2,278,203
Total property, plant and equipment	27,438,195	26,467,459

(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 2022						
Balance at the beginning of the year	24,189,256	1,134,056	546,311	533,308	64,528	26,467,459
Additions	1,193,381	937,228	17,937	-	-	2,148,549
Depreciation expense	(601,391)	(489,003)	(68,892)	(3,338)	(15,186)	(1,177,813)
Balance at the end of the year	24,781,246	1,582,281	495,356	529,970	49,342	27,438,195

10 Investment Property

	2022	2021
	\$	\$
At cost value		
Owned Property		
Fingal Bay Units	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 Club.

11 Other assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	319,660	262,528
Total other assets	<u>319,660</u>	<u>262,528</u>

12 Trade and Other Payables

	Note	2022	2021
		\$	\$
CURRENT			
Trade payables		717,806	635,638
GST payable		215,177	185,995
Accrued expenses		475,755	390,460
Other payables		3,610	3,465
Total trade and other payables		<u>1,412,348</u>	<u>1,215,558</u>

13 Lease Liabilities

	2022	2021
	\$	\$
CURRENT		
Lease liabilities	15,520	15,062
Total current lease liabilities	<u>15,520</u>	<u>15,062</u>
	2022	2021
	\$	\$
NON-CURRENT		
Lease liabilities	36,574	52,079
Total non-current lease liabilities	<u>36,574</u>	<u>52,079</u>

(a) Fair value measurement

The Club measures the following financial liabilities at fair value on a recurring basis:

14 Provisions

	2022	2021
	\$	\$
CURRENT		
Long service leave	426,204	92,702
Annual leave	492,434	491,761
Total current provision	918,638	584,463
	2022	2021
	\$	\$
NON-CURRENT		
Long service leave	90,530	398,981
Total non-current provision	90,530	398,981

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 2022 the number of members was 9,022 (2021: 9,349).

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Club is \$ 498,150 (2021: \$ 469,946).

17 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 31 December 2022 (31 December 2021: 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

	2022	2021
	\$	\$
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	3,204,556	2,386,034

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

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

	2022	2021
	\$	\$
Profit for the year	1,699,341	636,816
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,177,813	1,174,096
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(59,816)	14,833
- (increase)/decrease in other assets	(57,132)	195
- (increase)/decrease in inventories	2,350	(51,500)
- increase/(decrease) in trade and other payables	196,040	(63,304)
- (increase)/decrease in other payable	(2,952)	7,302
- increase/(decrease) in provisions	25,723	(30,366)
Cashflows from operations	2,981,367	1,688,072

20 Events after the end of the Reporting Period

The financial report was authorised for issue on 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 2022, there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit

Crowe Central West

GABRIEL FAPONLE
Audit Partner
Registered Company Auditor 513644

30th March 2023

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 25 to 39, 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 2022 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

MICHAEL QUINN
Director

27th March 2023

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 2022, 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 2022 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 2022 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 30th day of March 2023