



**WANGI DISTRICT WORKERS CLUB LIMITED
(ACN 001 029 241)**

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

**WANGI DISTRICT WORKERS CLUB LIMITED
PRESIDENTS REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Fellow Members,

Congratulations to Management, Staff and Directors on a very pleasing result for the year ending 30th June 2024.

The diversification of the various activities conducted by the club is certainly contributing to the clubs present position.

Treasurer Bob Porter will outline more details in his Treasurers Report.

A number of projects have either been completed by management or are currently in progress this year. These include projects such as the upgrading of the auditorium, carpet, big screen TV and the current kitchen renovation / upgrade.

Also, as a result of an item of general business from last year's AGM an upgraded toilet/washroom facility has been established for the Market St. Café patrons.

The Market St Café has established its own clientele which has far exceeded original trading estimates.

Club raffles have been well attended during the year with the introduction of a Seafood raffle which is held on the first Sunday of each month.

Various promotions during the year, offering a variety of major prizes, have been well supported by members.

During the year the club's membership numbers exceeded 7000. This is a record number of members for the club. This number has since reduced to 6000+, due to outstanding renewals, but is expected to pass the membership record this year.

This year Wangi Shores has seen a turnover of a number of units. We welcome all new residents to the Wangi Shores family. In addition, the club has commenced planning for the development of Block K of the village.

The Development Application for the 8 new units is currently before Council and it is hoped that construction will commence soon. The addition of these units will increase the number of units at Wangi Shores to 57.

Finally, I would like to thank Management and Staff for their commitment and support for the Club and its activities, Summerhill Park, Wangi Shores and Market Street Café. Thank you also to the Directors for their support and contribution during the year.



Robert J Smiles. - President

WANGI DISTRICT WORKERS' CLUB LTD.

TREASURER'S REPORT FOR THE YEAR ENDED 30 JUNE 2024

The financial affairs of Wangi Workers' Club are best analysed by examining the four business elements of the Club's operation, namely -

** Core recreational and leisure operations - the licensed Club. ** Market Street Café.
** Summerhill Park Residential Village. ** Wangi Shores Retirement Village.

The aggregation of these operations into a consolidated financial result is then presented.

Club Operations

Club Operations recorded an annual profit of \$125,356 compared to 2022-23 profit of \$345,403, and exceeding budget by \$93,728. This result is after provision for Depreciation of \$449,519.

Bar net profit of \$656,953 showed a healthy improvement on \$572,494 in 2023, and budget of \$599,052. Bar sales at \$1,550,793 exceeded 2023 by 14% and budget by 7% – a continuation of post-Covid recovery! Poker machine net profit of \$1,801,149 was down by \$53,292 on 2023 but effectively on-budget. Paper Gaming (TAB and Keno) recorded a profit of \$92,522 – up by \$22,064 on last year and 65% over budget.

Summation of the above trading results, with an aggregated trading profit of \$2,550,624 exceeded budget by \$84,128, and slightly up on 2023's \$2,497,392.

Income from other sources (commissions, membership subscriptions, raffles) of \$407,452 exceeded budget by \$22,948, largely due to healthy raffle support.

Total trading and other income for the year arising as outlined above was \$2,958,075 (in 2023, \$3,023,271), applied against the following Expense categories.

Members amenities costs of \$705,135 (raffles, promotions, entertainment, courtesy bus, donations) almost aligned exactly with budget.

Clubhouse expenses (depreciation, Council rates, and repairs and maintenance) were \$476,394 – below budget by \$59,772 almost totally due to reduced repairs and maintenance expense.

Administration expenses increased over the year from \$1,510,160 to \$1,651,191 but only \$71,023 over budget. Significant items in this overrun were Insurance, Electricity And Gas, Printing and Stationery and Subscriptions.

Expenses across the three areas of Members Amenities, Clubhouse and Administration totalling \$2,832,720 showed a modest increase on 2023 but closely aligned with budget, and comfortably below income, yielding a profit \$125,356 - \$93,728 greater than budget.

There is general recognition that Club operations have stabilised after the disrupted 2 – 3 year interval of Covid intervention, and that the Club financial performance outlined above will continue into the future.

Market Street Café

For the 12 months, Coffee Shop sales totalled \$817,660 – a 21% increase on 2023, and above budget by 33%. Wages increased proportionately, with Loan Interest of \$24,486 almost double budget as a result of interest rate increases. All other items were close to budget. The Coffee Shop recorded a pleasing profit of \$10,939 - \$30,938 better than the budgeted loss of \$19,999 – after depreciation provision of \$16,432.

Investment Property Accounting

In 2019-20, the Club moved to the “Fair Value” method of accounting for the performance of its Investment Properties – namely Wangi Shores Retirement Village and Summerhill Park Transportable Home Village. Under this arrangement, depreciation is no longer applied as a “cost”. Instead, any change in the current value of the properties is evaluated, and either recorded as increase or decrease in the residents’ loan financial liability (Wangi Shores Retirement Village) or applied as a gain or loss to the trading performance (Summerhill Park Transportable Home Village).

In 2022-23, the Board arranged for a formal valuation of both properties, and the relevant adjustments in values were brought to account. The Board and the Club accountants have reviewed the current status of both properties, and concluded that there has been no significant change that would warrant a valuation adjustment in the current year. The two Investment Properties therefore remain on the books at the 2022-23 values, with marginal increases in relation to costs incurred during the period.

Summerhill Park

Summerhill Park continued to display strong commercial performance, linked to the Park being unencumbered, and progressive adjustment of rents to reflect market rates. Park occupancy remained effectively at 100% throughout the year, with a current waiting list active.

Summerhill Park operation showed a profit of \$458,154 compared to \$440,875 in 2023. Rental income was \$740,327 (up slightly from \$712,516) and slightly under budget. Operating Expenses were \$282,173 (up from \$271,641) but \$32,839 under budget. Reduced wages were the major contributor to this result, with Repairs And Maintenance, Water Rates, Professional Fees and Motor Vehicle costs moderately up on budget.

Wangi Shores

The Financial Report is structured to show (a) operational parameters funded by Resident Recurrent Charges (a weekly fee), and includes day-to-day expenses – insurances, rates, wages, routine maintenance, administration expenses, water and energy costs for general services, . . . and so on, and (b) ownership parameters such as Deferred Management Fees payable by Residents on exit, Land Tax on the undeveloped portion of the site, village transport, legal costs in securing new / replacement Residents, loan interest . . . and the like.

Wangi Shores Operations (funded via Recurrent Charges) recorded a loss of \$136,005 (\$12,963 less than budgeted). The completed stages of the Village comprise 49 Units. Several expense items are geared to the completed Village of 90 Units, so contribute disproportionately to this bottom-line. Preparations for construction of the next block of 8 Units, at the Dobell Drive end of Puna Avenue, are well advanced.

Recurrent Charges Income of \$439,429 exceeded the \$405,240 budget. Operating expenses were \$601,889, an increase from \$513,585 last year, with Wages, Electricity and Gas, Insurance and Repairs And Maintenance the major contributors.

The Owner (Non-Recurrent) elements of Wangi Shores finances resulted in a profit of \$422,927 against a budget of \$478,917. Deferred Management Fees (brought to account, but not payable until the respective premises are vacated by existing residents) were of \$431,139 with \$157,800 received in Deferred Management Fees on Villas exchanged during the year. Expenses of \$166,012 were incurred on Land Tax on the undeveloped portion of the Village, loan interest, tile and carpet replacement and legal costs.

Overall Performance

Aggregation of the results from the above 'business units' gives the following Table.

Business Unit	2023-24 Result	2023-24 Budget
Club core business	\$ 125,356	\$ 31,628
Market Street Café	\$ 10,939	\$ (19,999)
Summerhill Park	\$ 458,154	\$ 428,340
Wangi Shores	\$ 286,922	\$ 329,949
Totals	\$ 881,370	\$ 769,918

Loss figures are (.....) bracketed.

i.e. the Club's commercial activities yielded a surplus of \$881,370 compared to a budget of \$769,918. This 'bottom line' includes non-cash elements (a) depreciation and amortisation cost totalling \$465,951, and (b) Deferred Management Income of \$431,139 earned, but not payable until Residents' departure from Wangi Shores.

Balance Sheet

The Club's Current Assets of \$1,772,912 are up by almost \$200,000 on last year, with \$1,032,102 of this amount being cash (or cash equivalent) – a liquidity level required by the Club's routine operations, and potential capital improvements.

Major capital expense was incurred during the year on new carpet for the Lounge, Auditorium and Bistro, and the large video screen in the Auditorium.

Club borrowings at the start of the year were a consolidated loan of \$2,410,000. During the year repayments of \$280,000 were made, leaving a loan balance of \$2,130,000 at year's end.

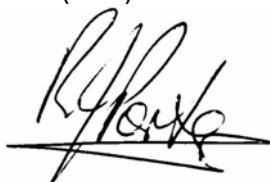
The Liability side of the Balance Sheet is heavily distorted by classification of Wangi Shores Residents' 'Sales' Loans (to be refunded when residents vacate the Village) as "Current Liabilities". This stands at \$41,641,618 – 97.3% of the Club's Current Liabilities.

Putting aside this 'distortion', the Club's ratio of Current Assets (\$1,772,912) to Current Liabilities (\$1,172,944) is 1.51 : 1 – compared to an 'adjusted' ratio of 1.60 : 1 for 2022-23. i.e. the Club has \$1.51 'in the bank' for every \$1 currently owed. The Club's net worth is \$22,429,271.

In this presenting this Report, acknowledgement and thanks are due to –

- Club staff at all levels, who continued effectively delivering the Club's services to Members and Guests.
- Our Patrons – Members and Guests – for their welcome attendance that prevailed throughout the year..

R. J. (Bob) Porter



Hon. Treasurer

September 2024

The following material is supplementary to the formal Treasurer’s Report but may assist Members in gaining a better understanding of the content of the Report.

Firstly, a Schematic Overview of the structure of the four elements of the Club’s business operations, detailing the major parameters within each element, that are presented and discussed in the formal Report.

WANGI WORKERS' CLUB - ACCOUNTING PROCESS SCHEMATIC

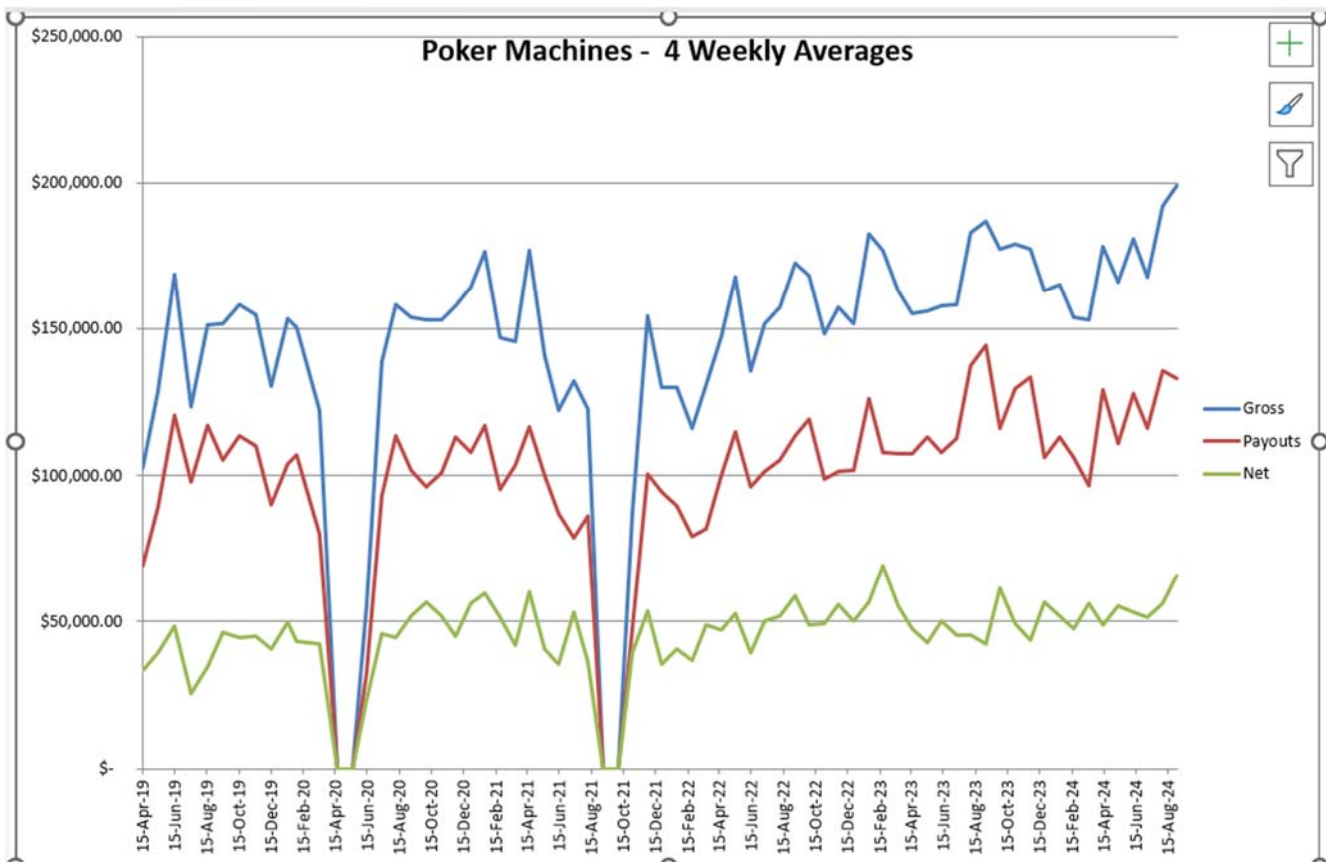
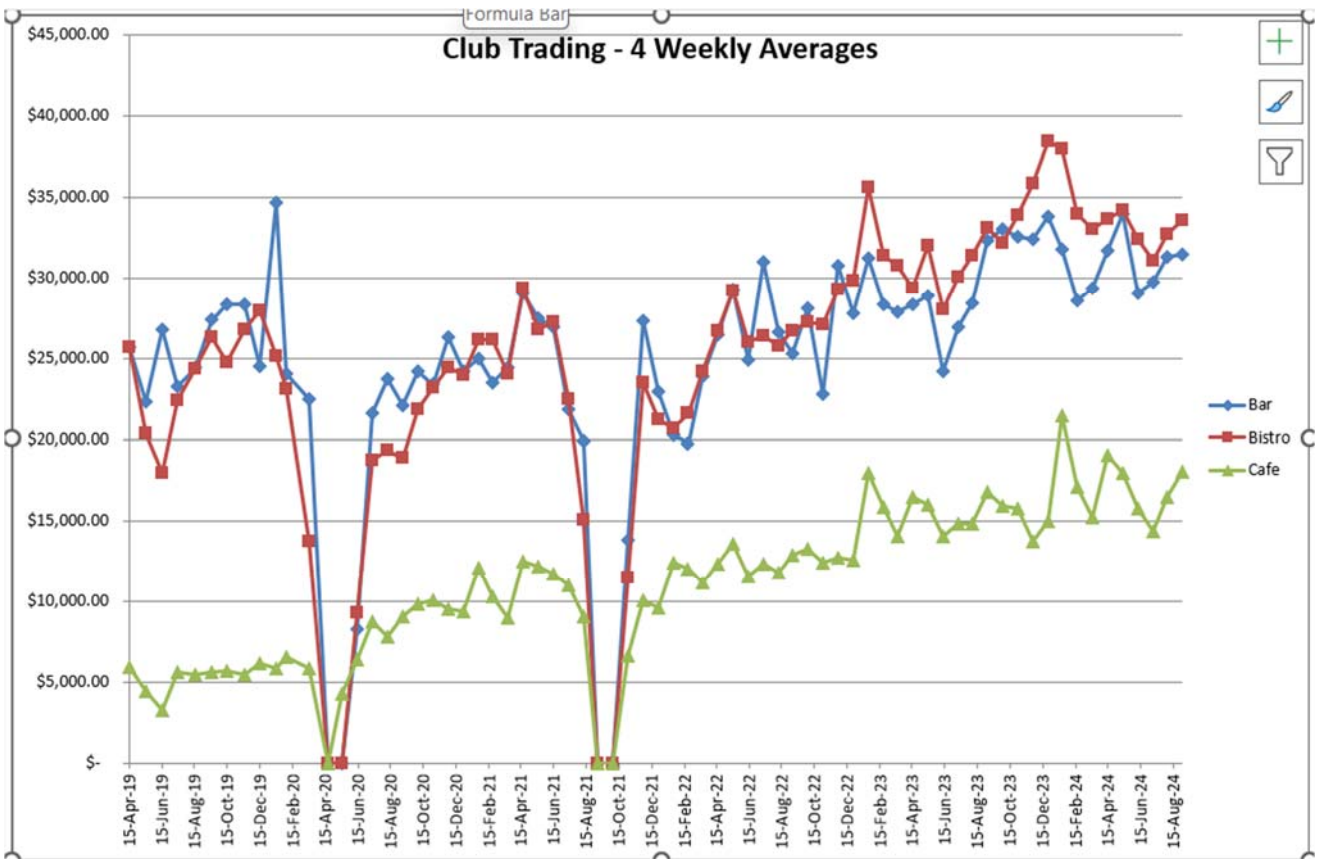
<p align="center">Licensed Club</p> <ul style="list-style-type: none"> • Bar Trading - Sales - Expenses - Net Profit • Poker Machine Operations - - Sales - Expenses - Net Profit • Paper Gaming (TAB, Keno) - Sales - Expenses - Net Profit • Other Income _____ Total Income _____ • Members Amenities • Clubhouse • Administration _____ Total Expenses _____ • Net Operating Profit _____ Income less Expenses _____ 	<p align="center">Wangi Shores</p> <p>Operations - Recurrent</p> <ul style="list-style-type: none"> • Recurrent Charges Income _____ • Direct Expenses Elect & Gas, Insurance, Vehicles Rates, R & M, Security, Computers Phone, Wages, Print / Stat. _____ • Net Profit - Recurrent _____ = Income Less Expenses _____ <p>Operations - Non-Recurrent</p> <ul style="list-style-type: none"> • Deferred Management Fee Accrual • Deferred Management Fee Realised Non-Recurrent Income _____ • Direct Expenses Interest, Legals, Land Tax, Subscriptions, Advertising _____ • Net Profit - Non-Recurrent _____ = Income Less Expenses _____ <p>Wangi Shores Total</p> <ul style="list-style-type: none"> • Net Profit _____ = Net Profit Recurrent plus _____ Net Profit Non-Recurrent _____
<p align="center">Coffee Shop</p> <ul style="list-style-type: none"> • Sales less Cost of Goods = Gross Profit _____ • Expenses R & M, Wages, Interest Depreciation _____ • Net Profit _____ = Gross Profit _____ less Expenses _____ 	<p align="center">Summerhill Park</p> <ul style="list-style-type: none"> • Rental Income = Gross Profit _____ • Expenses R & M, Wages, Elect & Gas Rates, Vehicles _____ • Net Profit _____ = Gross Profit _____ less Expenses _____

And secondly, a series of Graphs which track Club and Coffee Shop basic trading parameters :

- 4-Week Average Weekly Sales figures for Bar, Bistro and Coffee Shop
- 4-Week Average Weekly Poker Machine performance – Gross Revenue, Payouts and Net Revenue.

These cover the period back to early April 2019 (pre-Covid).

The primary purpose of including this material is to provide a pictorial representation of the Club’s growth and stable operations, and to acknowledge the support and contribution that Members had in delivering this favourable outcome.



* * * * *

WANGI DISTRICT WORKERS CLUB LIMITED

CEO REPORT

FOR THE YEAR ENDED 30 JUNE 2024

I am pleased to present my fifth annual report to the members of Wangi District Workers Club as the CEO. This year has seen some pleasing outcomes for the Clubs ongoing viability and potential for future prosperity.

Financially the Club has had another strong year with all our cost centres reporting above budgeted targets and achieving profitable results. It is proven the Clubs diversification strategies are pivotal to supporting future growth and improvements to facilities, products and services offered to the community.

Summerhill Park effectively remains fully tenanted. The demand for units as they become vacant has been consistently high. The affordable lifestyle, services and facilities remains unique to the region. For these reasons, our tenancy turnover remains low.

The Board of Directors have strategically moved to continue to further develop Wangi Shores Retirement Village with a Development Application pending with Lake Macquarie City Council for construction of another block of eight villas. Further investment has been made to finalise the construction documentation in readiness to tender the project.

Market St Café has not only delivered a positive cashflow result but its first ever net profit. Sales year on year continue to grow, with this year exceeding the previous year a little over twenty percent.

Members have benefitted with the investment of improvements to the Clubs facilities. This year saw the completion of the new toilet facilities for Market St Café, upgrade of the auditorium including the huge LED screen, new carpet throughout the main lounge and the auditorium. Work will soon be complete to upgrade the Clubs main kitchen and bistro servery.

I would like to thank the Board of Directors for the countless hours of volunteering to assist with raffles and events. More importantly for their contribution to establishing and adhering to strategies that will ensure your club is well positioned to continue to grow and remain the hub of the community. Their governance has resulted in upgrades to facilities while simultaneously reducing debt and investing in the Clubs future developments and plans.

These positive outcomes are not possible without the support of our leadership team. I am extremely grateful to have Kelly Bryant as our Operations Manager who works tirelessly to support the Board of Directors, myself, our leadership team and staff. Thanks to Cathy Ware for all her hard work and dedication to Wangi Shores Retirement Village and its residents, and to our Club Supervisors who we rely upon daily. I am truly appreciative of everything you all do for our Club.

Thank you to our dedicated team of staff who continue to deliver the highest of standard in products and services to our members and guests. They continue take the initiative in a tough labour market working tirelessly through staff shortages and high demand.

I would also like to sincerely thank all our members for your continued support and patronage.

A handwritten signature in black ink that reads "J. Baillie". The signature is written in a cursive style with a large, prominent initial "J".

Juston Baillie
Chief Executive Officer
Wangi District Workers Club



**Wangi District
Workers' Club Limited**

ACN 001 029 241

**Annual Financial Report
for the year ended 30 June 2024**

Wangi District Workers' Club Limited ACN 001 029 241

Annual financial report for the year ended 30 June 2024

Contents

	Page
Directors' report	3-4
Auditor's independence declaration	5
Financial statements	
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10-22
Consolidated entity disclosure statement	23
Directors' declaration	24
Independent auditor's report to the members	25-27

These financial statements are the financial statements of Wangi District Workers' Club Limited. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 18 September 2024. The Directors have the power to amend and reissue the financial statements.

Director's report

Your Directors present their report on Wangi District Workers' Club Limited (the Club) for the year ended 30 June 2024.

Directors details

The following persons were Directors of Wangi District Workers' Club Limited during the financial year, and up to the date of this report:

Mr Robert Smiles

President
Director since 2013

Internal auditor for Qantas for 25 years as well as other divisional and administrative management roles.

Mr Robert Porter

Treasurer
Director since 2002 (14 previous years served as a Director)

42 years as an engineering manager for Pacific Power. Qualifications obtained include Bachelor of Science- Sydney University 1964, Bachelor of Engineering (Mechanical) - Sydney University 1966. Has served on a number of other Directorships as follows: Mingara Recreation Club - 7 years, Lakes Credit Union Ltd - 20 years (5 as Chairman), Rathmines Hall Operating Committee, Ener-Port Consulting Pty Ltd, Catalina Players Incorporated.

Mr Daryl Daniels

Director
Director since 2021

Owner / Director of a Newcastle based recruitment company. Possesses over 25 years experience in the sector, with the last 10 years incorporating ownership. Holds a Diploma of HR. Resides in Wangi Wangi. Actively supports local sports clubs through sponsorship.

Mr Michael Mason

Vice President
Director since 2011

50 years experience as Construction Manager, mainly in water and sewerage infrastructure.

Mr Luke James

Director
Director since 2019

Qualified Chef. 18 years mining experience with 15 of those in senior management roles.

Mr Graham Bonwick

Director
Director since 2021

Employed in Automotive Industry for 50 years. Director of Guildford Leagues Club for 20 years from year 2000 to 2020 with the last 6 years as President.

Mr Alan Eacott

Director
Director since 2022

30 years purchasing officer for NSW public works department, 35 years as director of Sugar Valley Golf Club.

Company secretary

Juston Baillie is the Club Chief Executive Officer. Juston has been an employee of Wangi District Workers' Club Limited for 18 years, and has been Company Secretary since January 2020.

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings	
	A	B
Mr Robert Smiles	13	13
Mr Michael Mason	13	12
Mr Robert Porter	13	13
Mr Luke James	13	5
Mr Graham Bonwick	13	12
Mr Daryl Daniels	13	12
Mr Alan Eacott	13	12

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

The AGM was held on 2 November 2023.

Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended 30 June 2024, the following land and buildings are considered to be core and non-core property:

Core - Land and Buildings upon which the Club and waterfront carpark is situated, being 7-19 Market Street, Wangi Wangi, together with the car park located at 2 David Street, Wangi Wangi.

Non-Core - 3 and 5 Market Street, Wangi Wangi
- Summerhill Park Mobile Home Park located at 4 Minnamooora St, Wangi
- Wangi Shores Retirement Village located at 11A Dobell Drive, Wangi Wangi

Principal activities

During the year, the principal activities of the Club was the running of a licensed Club for the benefit of its members and to meet the Club's objectives under its constitution.

There have been no significant changes in the nature of these activities during the year.

Objectives

The Club's long and short-term objectives are to:

Be the preferred destination for the broader community by continually improving services and facilities that align with community wants, needs and expectations.

In pursuit of this mission, we adopt the following values:

- Community support and contribution
- Exceptional customer service
- Ethical conduct

Strategy for achieving short and long-term objectives

During the year the principal activities of the Club consisted of:

- (a) maintaining and increasing existing revenue levels;
- (b) controlling costs to remain profitable which will allow the Club's premises to be continually improved.

Performance measurement

The Club measures its performance through both financial and non financial key performance indicators that have been developed relevant to the Club industry.

Contribution in winding up

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 \$6 each towards meeting any outstanding obligations of the Club. At 30 June 2024, the total amount that members of the Club are liable to contribute if the Club is wound up is \$44,724 (2023: \$41,268).

Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this Directors' report.

This report is made in accordance with a resolution of the Directors.



Robert Smiles - President



Robert Porter - Treasurer

Dated: 18 September 2024
Wangi Wangi, NSW



Level 5, 12 Stewart Avenue
Newcastle West NSW 2302

20 Church Street
Maitland NSW 2320

Box 29, Hunter Region MC NSW
2310

+61 2 4923 4000

pitchernewcastle.com.au

Auditor's independence declaration

To the Directors of Wangi District Workers' Club Limited

In accordance with the requirements of the Corporations Act 2001, as lead auditor for the audit of Wangi District Workers' Club Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

Shaun Mahony - Partner

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 18 September 2024
Newcastle West, NSW

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney



Pitcher Partners is an association of independent firms. An independent company. ABN 53 001 876 320. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

Wangi District Workers' Club Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

		2024	2023
	Notes	\$	\$
Revenue from continuing operations	2	7,160,151	6,977,728
Other Income	3	1,988	2,039,027
Bar cost of goods sold		(574,301)	(501,200)
Bar direct expenses		(319,538)	(287,216)
Coffee shop cost of goods sold		(283,610)	(247,920)
Coffee shop direct expenses		(498,625)	(435,635)
Gaming direct expenses		(654,574)	(678,913)
Paper gaming expenses		(38,725)	(35,267)
Summerhill park direct expenses		(282,173)	(271,641)
Wangi shores retirement village expenses		(631,267)	(530,771)
Borrowing expenses		(205,106)	(162,437)
Members amenities		(713,112)	(695,761)
Clubhouse operations		(476,394)	(471,946)
Administration expenses		(1,603,344)	(1,477,558)
		(6,280,769)	(5,796,265)
Profit / (loss) before income tax		881,370	3,220,490
Income tax expense	4	-	-
Profit / (loss) for the year		881,370	3,220,490
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		881,370	3,220,490

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Statement of financial position

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,032,102	919,923
Trade receivables	6	17,953	18,404
Inventories	7	70,298	67,196
Financial assets at amortised cost	8	431,476	373,226
Other assets	9	221,083	195,727
Total current assets		1,772,912	1,574,476
Non-current assets			
Financial assets at amortised cost	8	3,628,188	3,240,954
Property, plant and equipment	10	6,011,074	5,872,409
Investment properties	11	55,696,153	55,605,000
Lease assets	12	74,547	106,458
Total non-current assets		65,409,962	64,824,821
Total assets		67,182,874	66,399,297
LIABILITIES			
Current liabilities			
Trade and other payables	13	401,072	285,614
Financial liabilities	14	42,056,862	42,027,771
Provisions	15	243,526	211,649
Other liabilities	16	71,884	42,816
Lease liabilities	12	41,218	39,212
Total current liabilities		42,814,562	42,607,062
Non-current liabilities			
Financial liabilities	14	1,880,000	2,160,000
Provisions	15	27,836	14,902
Other liabilities	16	20,575	17,585
Lease liabilities	12	10,630	51,847
Total non-current liabilities		1,939,041	2,244,334
Total liabilities		44,753,603	44,851,396
Net assets		22,429,271	21,547,901
MEMBERS FUNDS			
Reserves	17	242,511	242,511
Retained profits		22,186,760	21,305,390
Total members funds		22,429,271	21,547,901

The above *statement of financial position* should be read in conjunction with the accompanying notes

Wangi District Workers' Club Limited

Statement of changes in equity

For the year ended 30 June 2024

	Reserves	Retained	Total
	\$	\$	\$
Balance at 1 July 2022	242,511	18,084,900	18,327,411
Profit for the year	-	3,220,490	3,220,490
Total comprehensive income for the year	-	3,220,490	3,220,490
Balance at 30 June 2023	242,511	21,305,390	21,547,901
Profit for the year	-	881,370	881,370
Total comprehensive income for the year	-	881,370	881,370
Balance at 30 June 2024	242,511	22,186,760	22,429,271

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Wangi District Workers' Club Limited

Statement of cash flows

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from members and customers		7,313,693	7,164,336
Payments to suppliers and employees		(6,054,880)	(5,668,213)
Interest received		1,988	1,361
Interest paid		(205,106)	(162,437)
Net cash inflow (outflow) from operating activities		<u>1,055,695</u>	<u>1,335,047</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(562,243)	(991,584)
Payments for investment properties		(91,153)	(91,796)
Net cash inflow (outflow) from investing activities		<u>(653,396)</u>	<u>(1,083,380)</u>
Cash flows from financing activities			
Proceeds from borrowings		252,740	218,338
Repayment of borrowings		(503,649)	(459,172)
Repayment of lease liabilities		(39,211)	(35,074)
Net cash inflow (outflow) from financing activities		<u>(290,120)</u>	<u>(275,908)</u>
Net increase in cash and cash equivalents		112,179	(24,241)
Cash and cash equivalents at the beginning of the financial year		919,923	944,164
Cash and cash equivalents at the end of the financial year	5	<u>1,032,102</u>	<u>919,923</u>

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2024

1 Summary of material accounting policies

(a) Information about the entity

- Wangi District Workers' Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.
- Wangi District Workers' Club Limited is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Club is 17-19 Market Street Wangi Wangi, NSW 2267.
- The principal place of business of the Club is 17-19 Market Street Wangi Wangi, NSW 2267.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

(c) Material accounting policy information

The material accounting policies applied in the preparation of this financial report are consistent with the previous period unless otherwise stated.

(d) Statement of compliance

This financial report complies with *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except for investment properties which have been measured at fair value. The financial report is presented in Australian Dollars.

(e) Working capital deficiency and going concern basis of preparation

As at 30 June 2024, Wangi District Workers' Club Limited has a working capital deficiency of \$41,041,650.

The working capital deficiency is caused by the following:

- (a) residents loan of \$41,641,618 being included as all current in financial liabilities.

The going concern basis assumes the continuity of normal business operations, that is, the realisation of assets and the settlement of liabilities in the ordinary course of business.

In addition the Directors make reference to the following:

- (a) The Club generated positive net operating cashflows of \$1,055,695 and a profit of \$881,370 during the current year.
- (b) The Club has a budgeted operating cash profit of \$600,077 for the 2025 year.
- (c) The Club has a cash balance at 30 June 2024 of \$1,032,102.
- (d) The Directors are of the opinion that in regards to the resident loans, the expected cash outflows resulting from the settlement of a liability to a departing resident simultaneously results in expected cash inflows of similar value from a new incoming resident.
- (e) The Club has access to an unused Business Line of Credit Facility of \$500,000 and a redraw facility of \$1.38M from the Commonwealth Bank.
- (f) The Directors do not foresee any issues in continuing to meet the terms and conditions of its loans with the Bank.

The Directors are of the opinion the above will be achieved and the Club will continue as a going concern and meet its debts and commitments as they fall due. As a result, the Directors have prepared the financial report on a going concern basis.

(f) Rounding of amounts

The Club is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Notes to the financial statements

For the year ended 30 June 2024

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Club derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Beverage and Food Revenue	Gaming revenue	Member- ship revenue	Raffle and bingo revenue	Summerhill Park revenue	Retirement village revenue	Other revenue	Total
2024	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,368,453	2,573,274	21,577	314,703	-	-	69,814	5,347,821
Other revenue (not covered by AASB15)	-	17,180	-	-	740,327	1,054,823	-	1,812,330
	<u>2,368,453</u>	<u>2,590,454</u>	<u>21,577</u>	<u>314,703</u>	<u>740,327</u>	<u>1,054,823</u>	<u>69,814</u>	<u>7,160,151</u>

Timing of revenue recognition

At a point in time	2,368,453	2,573,274	-	314,703	-	-	69,814	5,326,244
Over time	-	17,180	21,577	-	740,327	1,054,823	-	1,833,907
	<u>2,368,453</u>	<u>2,590,454</u>	<u>21,577</u>	<u>314,703</u>	<u>740,327</u>	<u>1,054,823</u>	<u>69,814</u>	<u>7,160,151</u>

	Beverage and Food Revenue	Gaming revenue	Member- ship revenue	Raffle and bingo revenue	Summerhill Park revenue	Retirement village revenue	Other revenue	Total
2023	\$	\$	\$	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,038,815	2,625,940	21,774	311,813	-	-	190,931	5,189,273
Other revenue (not covered by AASB15)	-	17,180	-	-	712,516	1,058,759	-	1,788,455
	<u>2,038,815</u>	<u>2,643,120</u>	<u>21,774</u>	<u>311,813</u>	<u>712,516</u>	<u>1,058,759</u>	<u>190,931</u>	<u>6,977,728</u>

Timing of revenue recognition

At a point in time	2,038,815	2,625,940	-	311,813	-	-	190,931	5,167,499
Over time	-	17,180	21,774	-	712,516	1,058,759	-	1,810,229
	<u>2,038,815</u>	<u>2,643,120</u>	<u>21,774</u>	<u>311,813</u>	<u>712,516</u>	<u>1,058,759</u>	<u>190,931</u>	<u>6,977,728</u>

(b) Accounting policies and significant judgements

The Club recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Club is or expects to be entitled in exchange for those goods or services.

The Club considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. Loyalty Points Program). In determining the transaction price for the sale of goods, the Club considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Beverage and Food revenue

Revenue from the sale of food and beverages is recognised at a point in time when the physical control of the goods passes to the customer.

(ii) Gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons of the Club is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission revenue where the Club acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transaction has been completed.

Notes to the financial statements

For the year ended 30 June 2024

(b) Accounting policies and significant judgements (continued)

(iii) *Membership revenue*

Membership subscriptions are recognised over the term of membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

(iv) *Raffle and bingo revenue*

Raffle and bingo revenue is recognised at a point in time when the customer takes possession of the ticket and the raffle or bingo game has been conducted as at this point the performance obligations have been satisfied.

(v) *Summerhill Park revenue*

Lease revenue is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. Leases with tenants are reviewed annually against market data.

(vi) *Retirement Village revenue*

Recurrent charge revenue is recognised over time as services are provided under the terms of the lease agreement signed with the village resident.

Revenue from deferred management fees is recognised over the expected length of stay of a resident. The expected length of stay of a resident is estimated based on historical tenure data, including industry data.

(vii) *Other revenue*

The Club recognises other revenue at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2024	2023
	\$	\$
(a) Other income		
Change in fair value of investment properties	-	2,037,666
Interest income	1,988	1,361
	<u>1,988</u>	<u>2,039,027</u>

(i) *Change in fair value of investment properties*

The Club recognises the change in fair value of investment property based on the assessment of an independent valuer, representing the non-cash gain in relation to Wangi Shores Retirement Village and Summerhill Mobile Home Park.

(ii) *Interest income*

Interest income is recognised on an accruals basis.

(b) Other expenses

Employee Benefits Expense	1,982,862	1,787,736
Interest costs	205,106	162,437
Depreciation and amortisation expense	466,654	474,293

Notes to the financial statements

For the year ended 30 June 2024

4 Income tax expense

	2024	2023
	\$	\$

(a) Numerical reconciliation of income tax expense to prima facie tax payable

The Income Tax Assessment Act 1936 (amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been provided on a taxable income calculated as follows:

Operating profit/(loss) before income tax	881,370	3,220,490
Tax at the Australian tax rate at 25.0% (2023: 25.0%)	220,343	805,123
Add/(Less) tax effect of:		
Non deductible expenses	930	1,078
Other deductible expenses	(165,250)	-
Apportionment adjustment members income and expenses	228,480	25,332
Timing Differences	(353,899)	(706,602)
Carried forward losses not recognised / (recouped)	69,396	(124,931)
Income tax expense	-	-

(b) The Directors estimate that the potential deferred tax asset as at 30 June 2024 not brought to account is as follows:

Tax losses at 25.0% (2023: 25.0%) - Note additional tax losses were identified on lodgement of the prior year tax return, resulting in an increase in the unrecognised DTA for tax losses of \$559,890.

	2,218,264	1,588,978
	2,218,264	1,588,978

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

5 Cash and cash equivalents**Current**

Cash and cash equivalents	1,032,102	919,923
	1,032,102	919,923

6 Trade receivables**Current**

Trade receivables	17,953	18,404
	17,953	18,404

Accounting policy

Trade receivables are non-interest bearing and are generally due for payment within 30 days of the invoice date.

Notes to the financial statements

For the year ended 30 June 2024

7 Inventories

	2024	2023
	\$	\$
Current		
Stock on hand	70,298	67,196
	<u>70,298</u>	<u>67,196</u>

Accounting policy

Inventories are measured at the lower of cost and net realisable value.

8 Financial assets at amortised cost

Current

Other receivables	19,182	4,936
Deferred management fee receivable	412,294	368,290
	<u>431,476</u>	<u>373,226</u>

Non - Current

Deferred management fee receivable	3,628,188	3,240,954
	<u>3,628,188</u>	<u>3,240,954</u>

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

Deferred management fees are recognised and measured in accordance with the Club's policy on the recognition and derecognition of financial instruments. Deferred management fees are not settled in cash until such time as the resident of Wangi Shores Retirement Village departs. At this time the Club records a realised departure fee in the statement of profit or loss. Accordingly a deferred management fee receivable is recognised on the statement of financial position which represents the net present value of all deferred management fees owed to the Club by residents at balance date.

Significant accounting estimates and assumptions

Deferred management fee receivable

The following significant accounting estimates and assumptions have been used in the measurement of the deferred management fee revenue recognised:

- (a) Under the Lease and Services Contract entered into between the Club and residents of Wangi Shores Retirement Village, the residents are required to pay a management fee to the Club when they cease occupation of the Retirement Village. This fee is based on 4% per annum of the value of the resident's loan capped to a maximum 7 years of occupancy. The Club had reduced this fee to 2% for the period until the Retirement Village clubhouse received an occupation certificate for the pool area, being 7 September 2017. As this fee is deferred until the resident leaves the Village, AASB 9 "Financial Instruments" requires that the amount receivable be discounted to present value such that the receivable is measured at amortised cost using the effective interest rate method.
- (b) The calculation of the deferred management fee receivable is based on the incoming resident contribution and the assumptions that the residents are expected to occupy their units for an average of 10 years and a discount rate matching the equivalent Corporate Australian Bond rate for that period.

The estimates and judgements involved may impact the carrying value of the deferred management fee receivable and the revenue recorded in the statement of profit or loss and other comprehensive income.

9 Other assets

Current

Prepayments	221,083	195,727
	<u>221,083</u>	<u>195,727</u>

Notes to the financial statements

For the year ended 30 June 2024

10 Property, plant and equipment

	Work in Progress \$	Land and buildings \$	Plant and equipment \$	Poker Machines \$	Total \$
Non-current assets					
At 1 July 2023					
Cost	36,067	8,860,623	3,168,636	2,063,909	14,129,235
Accumulated depreciation	-	(4,113,278)	(2,329,680)	(1,813,868)	(8,256,826)
Net book amount	<u>36,067</u>	<u>4,747,345</u>	<u>838,956</u>	<u>250,041</u>	<u>5,872,409</u>
Year ended 30 June 2024					
Opening net book amount	36,067	4,747,345	838,956	250,041	5,872,409
Additions	92,206	206,050	173,577	101,575	573,408
Depreciation charge	-	(181,451)	(153,599)	(99,693)	(434,743)
Closing net book amount	<u>128,273</u>	<u>4,771,944</u>	<u>858,934</u>	<u>251,923</u>	<u>6,011,074</u>
At 30 June 2024					
Cost	128,273	9,066,673	3,342,213	2,165,484	14,702,643
Accumulated depreciation	-	(4,294,729)	(2,483,279)	(1,913,561)	(8,691,569)
Net book amount	<u>128,273</u>	<u>4,771,944</u>	<u>858,934</u>	<u>251,923</u>	<u>6,011,074</u>

Accounting policy**(a) Land and buildings**

Land and buildings are carried at cost less any accumulated depreciation and any impairment in value.

(b) Plant and equipment, poker machines

Each class of plant and equipment and poker machines is carried at cost less any accumulated depreciation and any accumulated impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings	20 - 40 years
Plant and equipment	2 - 20 years
Poker machines	4 years

(d) Impairment

Property, plant and equipment are tested for impairment whenever events or circumstances indicate that the asset may be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash generating unit level. An impairment loss is recognised when the carrying amount of an asset or cash generating unit (to which the asset belongs) exceeds its recoverable amount.

Significant accounting estimates and judgements

The useful life of property, plant and equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

Notes to the financial statements

For the year ended 30 June 2024

11 Investment properties

	Wangi Shores Retirement Village	Summerhill Park	2024 \$ Total	2023 \$ Total
Non-current assets - at fair value				
Opening balance at 1 July	47,105,000	8,500,000	55,605,000	54,080,287
Additions at cost	63,224	27,929	91,153	91,796
Net gain / (loss) from fair value adjustment - allocated to Village residents loan	-	-	-	(604,749)
Net gain / (loss) from fair value adjustment - allocated to income statement	-	-	-	2,037,666
Closing balance at 30 June	47,168,224	8,527,929	55,696,153	55,605,000

The Directors have determined the fair value of investment properties based on independent valuations obtained for the Wangi Shores Retirement Village from Integrity Property Consultants Pty Limited, and for Summerhill Park from Chadwick Property Valuers. The independent valuer's were engaged to provide a valuation in accordance with AASB 13 Fair Value for both of the investment properties as at 30 June 2023.

The Independent valuers were engaged to provide a valuation in accordance with AASB 13 Fair Value for both of the investment properties as at 30 June 2023 and the Directors have considered other available market data including recent transactions for units within the Wangi Shores Retirement Village since the date of the Valuers reports in estimating the fair value at balance date.

Accounting policy

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value. To obtain the fair value, an independent valuation is obtained by the Club from external valuers at least once every 3 years. Gains or losses arising from changes in the fair values of the Wangi Shores Retirement Village investment property constructed Villas are recorded as increases or decreases in the Residents loan financial liability. Gains or losses arising from changes in the fair values of other investment properties including undeveloped land are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are no longer recognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognising of an investment property are recognised in the statement of profit or loss and other comprehensive income in that year.

Significant accounting estimates and judgements

The fair value of investment properties is estimated at each reporting date, based on independent assessments of the market value of the properties and the best available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.

Notes to the financial statements

For the year ended 30 June 2024

12 Lease assets and lease liabilities

2024	2023
\$	\$

The Club leases poker machine assets.

a) Lease assets**Non-current**

Carrying amount of lease assets, by class of underlying asset:

Poker Machines

74,547	106,458
--------	---------

Reconciliation of lease assets**2024****Carrying amount at the beginning of the year**

Additions

Amortisation

Carrying amount at the end of the year

Poker Machines	Total	Total
\$	\$	\$
106,458	106,458	20,871
-	-	119,210
(31,911)	(31,911)	(33,623)
74,547	74,547	106,458

b) Lease liabilities**Current**

Lease liabilities

Non-current

Lease liabilities

Total

41,218	41,218	39,212
10,630	10,630	51,847
51,848	51,848	91,059

Reconciliation of lease liabilities**2024****Carrying amount at the beginning of the year**

Additions

Interest expense

Lease payments

Carrying amount at the end of the year

Poker Machines	Total	Total
\$	\$	\$
91,059	91,059	6,923
-	-	119,210
3,485	3,485	3,884
(42,696)	(42,696)	(38,958)
51,848	51,848	91,059

Maturity analysis of future lease payments

Not later than 1 year

Later than 1 year and not later than 5 years

Lease payments

42,696	42,696	42,696
10,674	10,674	53,370
53,370	53,370	96,066

Accounting policy

Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. The weighted average incremental borrowing rate is 5%.

Notes to the financial statements

For the year ended 30 June 2024

12 Leases (continued)**Lessor**

Lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Club leases out accommodation consisting of owned mobile homes situated at Summerhill Park Mobile Home Park. The Club has classified these leases as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income recognised by the Club during the 2024 financial year was \$740,327 (included at note 2 within Summerhill Park revenue).

The Club also leases out accommodation consisting of residential villas at Wangi Shores Retirement Village. As part of this lease, the Club is entitled to receive management fees calculated as 4% of the interest free loan provided to the Club, for a maximum of 7 years. The Club has classified these leases as operating leases. The expected lease payments to be received in the table below includes the full undiscounted amount of these lease payments based on the assumption that the residents are expected to occupy their Villas for an average of 10 years.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease revenue to be received after the reporting date.

Operating lease revenue	Summerhill	Wangi	Total
	Park	Shores	
	\$	\$	\$
Less than one year	71,058	603,068	674,126
One to two years	-	511,511	511,511
Two to three years	-	448,358	448,358
Three to four years	-	330,592	330,592
Four to five years	-	224,671	224,671
More than five years	-	208,074	208,074
Total	71,058	2,326,274	2,397,332

13 Trade and other payables

	2024	2023
	\$	\$
Current		
Trade payables	173,753	85,263
Accrued expenses	114,223	114,305
Other creditors	60,440	35,725
GST payable	52,656	50,321
	401,072	285,614

Accounting policy

Trade payables, other creditors and accruals, are non-interest bearing and are generally due for payment within 30 days of the invoice date.

Notes to the financial statements

For the year ended 30 June 2024

14 Financial liabilities	2024	2023
	\$	\$
Current		
<i>Secured</i>		
Residents loan	41,641,618	41,625,000
Bank loans (i)	250,000	250,000
Total secured financial liabilities	<u>41,891,618</u>	<u>41,875,000</u>
<i>Unsecured</i>		
Insurance loan	165,244	152,771
Total unsecured financial liabilities	<u>165,244</u>	<u>152,771</u>
	<u>42,056,862</u>	<u>42,027,771</u>
Non-current		
<i>Secured</i>		
Bank loans (i)	1,880,000	2,160,000
Total secured financial liabilities	<u>1,880,000</u>	<u>2,160,000</u>

(i) Secured liabilities

The above bank loans and undrawn finance facilities are secured by first mortgages over the Club's freehold land and buildings, including those classified as investment properties.

A First Registered Mortgage by Wangi District Workers Club Limited over Club premises located at 11-19 Market Street, Wangi Wangi;

A First Registered Equitable Mortgage by Wangi District Workers Club Limited over the Company asset(s) and undertaking(s), including uncalled capital;

A First Registered Mortgage by Wangi Workers Club Limited over non residential real property located at 4 Summerhill Drive, Wangi Wangi;

First Registered Mortgages by Wangi Workers Club Limited over residential real properties situated at 3 & 5 Market Street, Wangi Wangi;

A First Registered Mortgage by Wangi District Workers Club Limited over non residential real property located at 2A David Street, Wangi Wangi;

A First Registered Mortgage by Wangi District Workers Club Limited over non residential real property located at 11 Dobell Drive, Wangi Wangi.

The Club has a \$500,000 line of credit facility which is fully undrawn, along with a redraw facility of \$1.38M on existing loans.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Club has a right to defer settlement of the liability for at least 12 months after the reporting period.

Resident loan liabilities represent the total amount payable to current residents on the termination of the resident's occupation rights to an independent living unit in the Wangi Shores Retirement Village. The liability reflects the combined market value at the end of the financial year of each independent living unit still occupied, with any change being reflecting in the fair value of Wangi Shore Retirement Village Investment Property.

Notwithstanding the expected term of an occupancy is several years, the resident has the option to cancel the residency agreement at any time. As this option constitutes a demand feature, the liability is not discounted (based on the expected date of settlement) and is recognised as a current liability in the statement of financial position. Deferred Management Fee receivables are not offset against resident loans in the statement of financial position. Resident loans are non-interest bearing.

Notes to the financial statements

For the year ended 30 June 2024

15 Provisions

	2024	2023
	\$	\$
Current		
Employee entitlements (i) & (ii)	243,526	211,649
	<u>243,526</u>	<u>211,649</u>
Non-current		
Employee entitlements (ii)	27,836	14,902
	<u>27,836</u>	<u>14,902</u>

Accounting policy**(i) Annual leave**

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) Long service leave

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

16 Other liabilities**Current**

Contract liabilities - other revenue	11,900	11,900
Contract liabilities - wangi shores revenue	37,816	8,749
Contract liabilities - Summerhill park revenue	10,599	10,599
Contract liabilities - membership revenue	11,569	11,568
	<u>71,884</u>	<u>42,816</u>

Non-current

Contract liabilities - membership revenue	20,575	17,585
	<u>20,575</u>	<u>17,585</u>

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

17 Reserves

	Capital profits	Funds acquired from Club	Total
	\$	\$	\$
Balance at 1 July 2023	35,050	207,461	242,511
Balance at 30 June 2024	<u>35,050</u>	<u>207,461</u>	<u>242,511</u>

18 Commitments**(i) Capital Commitments**

Wangi Shores - Block K	117,960	24,778
	<u>117,960</u>	<u>24,778</u>

Notes to the financial statements

For the year ended 30 June 2024

	2024	2023
	\$	\$
19 Contingent liabilities		
Bank guarantee substituting for a security deposit for TAB facilities	5,000	5,000

Mortality Fund

The Club conducts a mortality fund whereby each eligible member is entitled to have \$100 paid by the Club to his/her estate upon his/her death. No liability for this has been recognised in the financial statements, however at 30 June 2024 the Club's contingent commitment was \$5,000 (50 members) (2023: \$5,300). Payments to members are taken up as an expense in the year in which the payments are made.

20 Related parties

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

(a) *Key management personnel compensation*

Total key management personnel benefits	458,130	409,308
---	---------	---------

21 Remuneration of auditors*Auditor of the company*

Audit of the financial statements	28,700	27,200
Other statutory assurance services	6,500	9,200
Other services - taxation compliance services	5,410	5,090
Other services - consulting services	31,550	33,800
	<u>72,160</u>	<u>75,290</u>

Notes to the financial statements

For the year ended 30 June 2024

22 Segment Information

Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. The entity comprises 2 main segments, based on the entity's management reporting systems:

- Licensed Club operations for the benefit of members and guests;
- Property Investments including the Wangi Shores Retirement Village and Summerhill Park Mobile Home Park.

	Licensed Club		Property Investments	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenues from operations and other income	5,366,989	5,207,814	1,795,150	3,808,941
Segment result (before tax)	136,295	286,416	745,075	2,934,074
Segment Assets	7,446,239	7,185,053	59,736,635	59,214,244
Segment Liabilities	3,048,461	3,207,048	41,705,142	41,644,348

Refer also to the statement of profit or loss and other comprehensive income for departmental splits of income and expenses. Note that as Property Investments are currently incurring a loss for tax purposes, no income tax is payable. These losses ensure that no tax is payable by the Licensed Club either.

Wangi District Workers' Club Limited

Consolidated entity disclosure statement

For the year ended 30 June 2024

Wangi District Workers' Club Limited is not required by Australian Accounting Standards to prepare consolidated financial statements.

Accordingly, in accordance with subsection 295 (3A) of the Corporations Act 2001, no further information is required to be disclosed in this consolidated entity disclosure statement.

Directors' declaration

In the Directors' opinion:

- The consolidated financial statements, notes and consolidated entity disclosure statement set out on pages 6 to 23 are in accordance with the the Corporations Act 2001, including:
- (a)
 - (i) Complying with Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Club's financial position as at 30 June 2024 and of its performance for the financial year ended on that date.
 - (b) There are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable; and
 - (c) The consolidated entity disclosure statement required by subsection 295 (3A) of the Corporations Act 2001 is true and correct.

This declaration is in accordance with a resolution of the Directors.



Robert Smiles - President



Robert Porter - Treasurer

18 September 2024
Wangi Wangi, NSW

Independent auditor's report to the members of Wangi District Workers' Club Limited

Opinion

We have audited the financial report of Wangi District Workers' Club Limited (the Club) which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' declaration.

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

- (i) giving a true and fair view of the Clubs financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

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 Club 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 audit opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Club's Directors' report, Presidents' report and Treasurer's report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing further to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Club are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Club's financial reporting process.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Club for the year ended 30 June 2024 included on the Club's web site. The Club's Directors are responsible for the integrity of the Club's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Pitcher Partners Newcastle & Hunter Pty Ltd

Pitcher Partners is an association of independent firms. An independent company. ABN 53 001 876 320. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

Auditor's responsibilities for the audit of the financial report

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

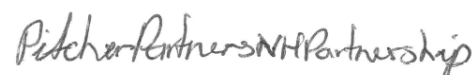
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club'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 Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Shaun Mahony - Partner



Pitcher Partners NH Partnership
Chartered Accountants

18 September 2024
Newcastle West, NSW

Pitcher Partners Newcastle & Hunter Pty Ltd

Pitcher Partners is an association of independent firms. An independent company, ABN 53 001 876 320. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.