

**SHELLHARBOUR
WORKERS' CLUB LTD**

2024

ANNUAL

REPORT



**SHELLHARBOUR
WORKERS' CLUB LTD**

ABN 69 001 068 864

FROM THE PRESIDENT

On behalf of the Board of Directors, I am pleased to present the Annual Report for Shellharbour Workers' Club Limited for the year ending 30 June 2024.

I am pleased to report that the Club has recorded a profit before tax of \$1,542,262 and a profit after tax of \$1,468,014 for the 2024 Financial Year.

For most of the past financial year, the Club has been under construction, both internally and externally. Thankfully, most of the building works was isolated from the general public areas, so there was limited disruption. However, there were some periods of disruption, and we thank our members and visitors for their patience during these times. The new areas on the southern side of the Club opened in late April 2024, and the outcome has been amazing—the wait was worth it! The new spaces offer our members and visitors wonderful new areas to explore. The new façade works, landscaping, and entry look fantastic and are just the beginning of a longer-term plan to update the entire club's façade.

Throughout the financial year, the Club has remained focused on our members and our community—the people who have consistently shown us their support. A very special thanks to our amazing staff for delivering great service every day. This support ensures that year on year, the Club can progressively grow and develop. Thank you to the Board of Directors for their continued commitment and passion for making this Club the best it can possibly be.

Thank you for your support.

Mark Climo, President



Mark Climo
President

BOARD OF DIRECTORS



Brian Goodall
Vice President



Luke McPhie



Scott Murphy



Peter Cooper



Patrick Shortall



Lupcho Mazeovski

VISION

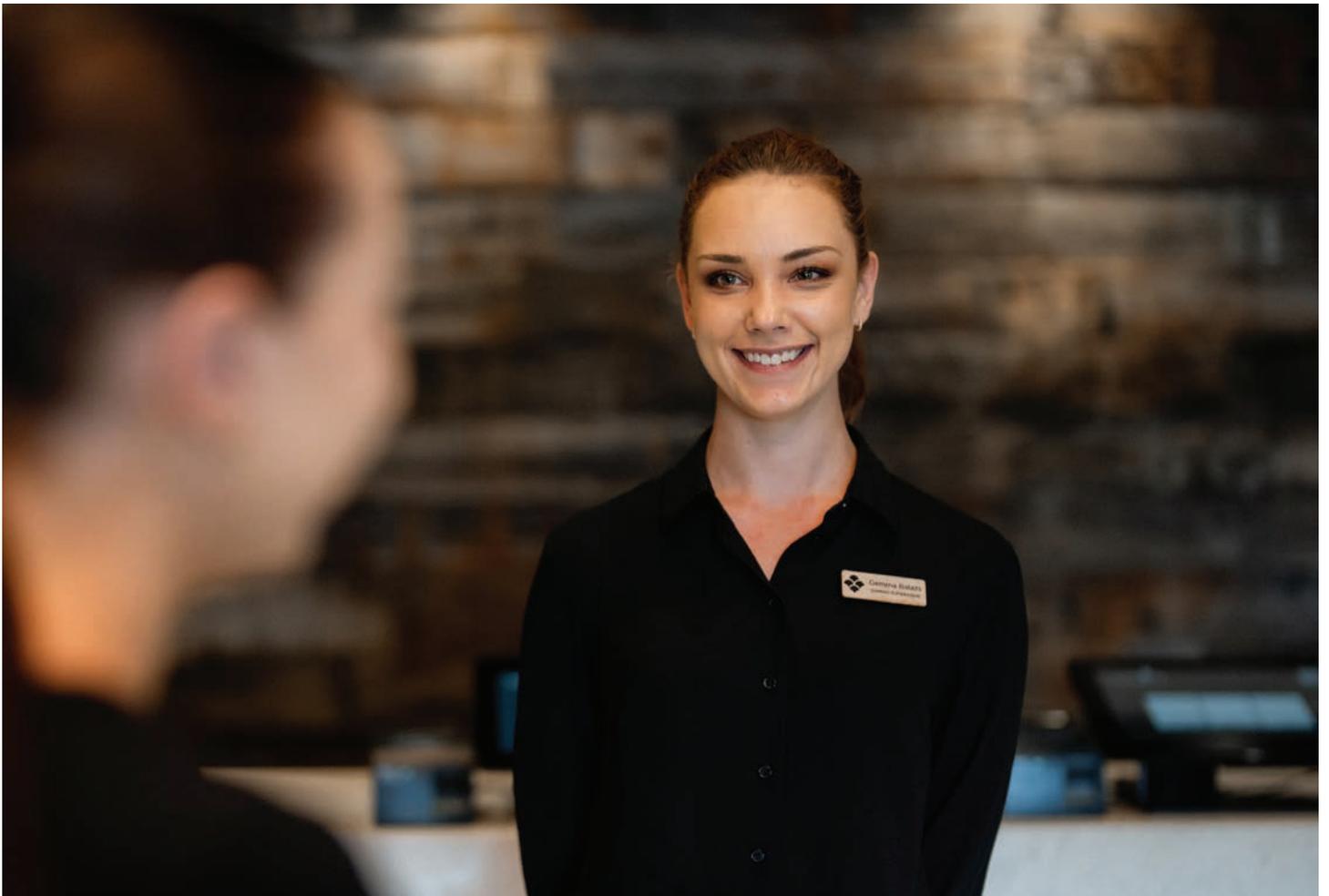
To enable the community to reach its highest potential.

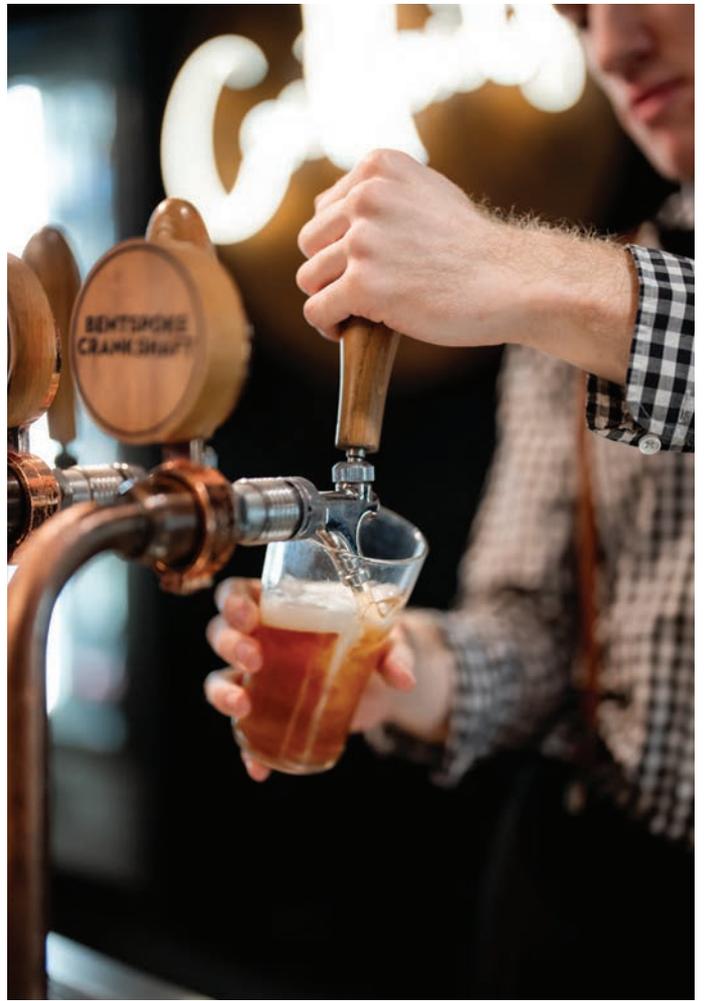




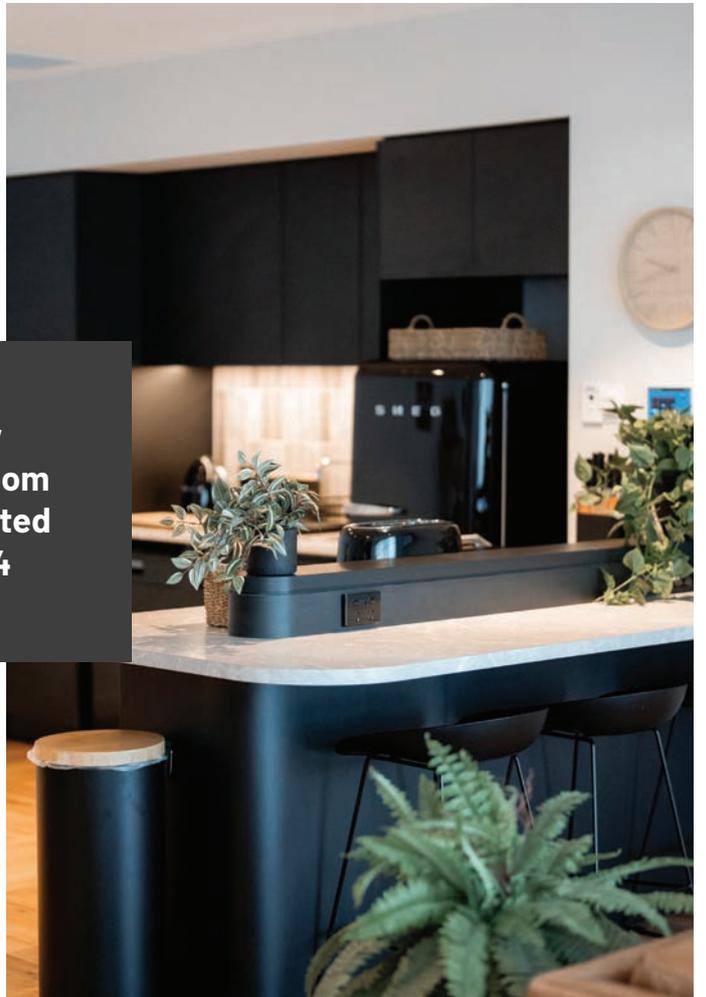
STAFF

The success we've achieved this year is thanks to the commitment of our amazing team.





**New
staff room
completed
2024**



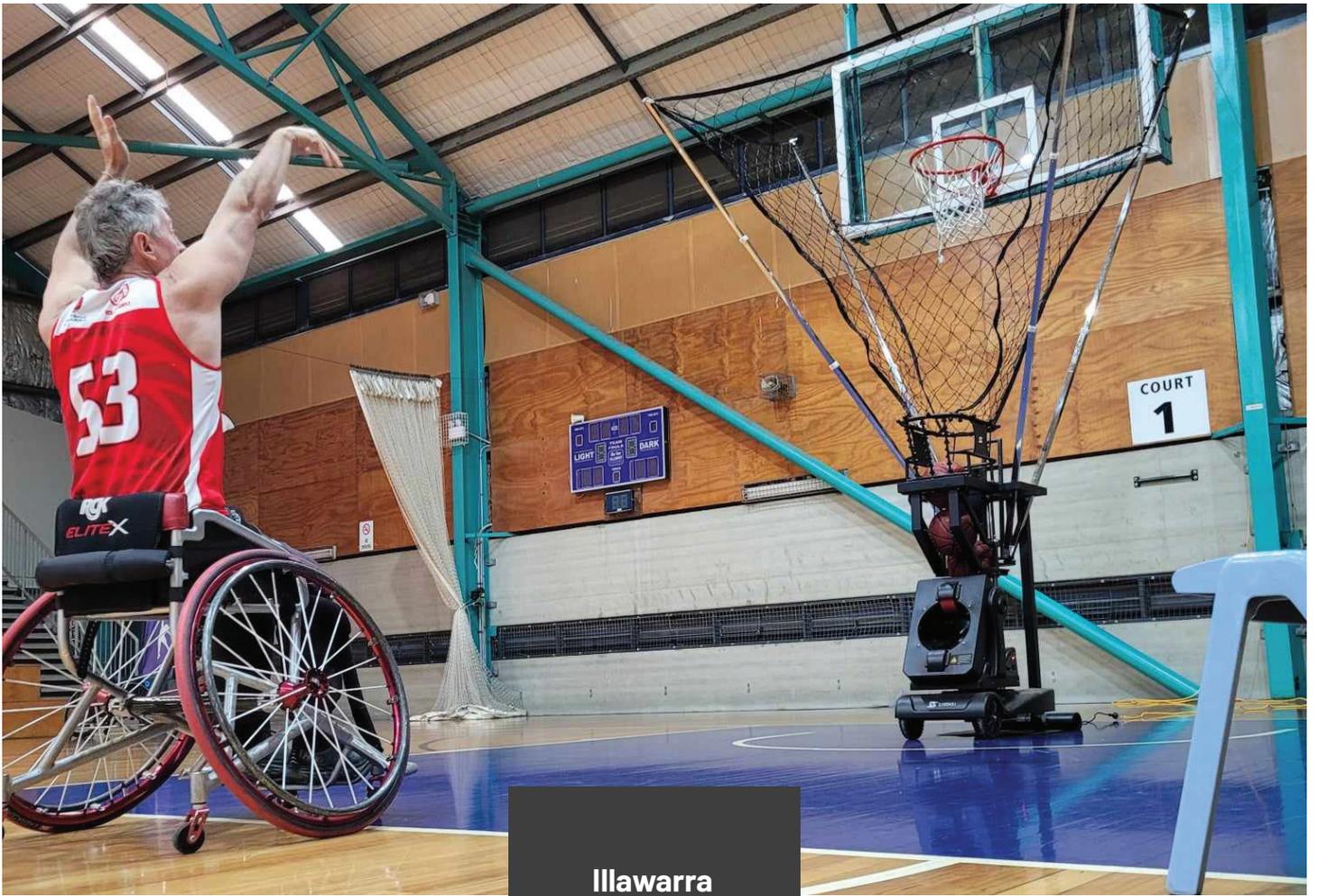
COMMUNITY

Over the last 5 years
The Shellharbour Club has
contributed over **\$1.8M**
to the community through
the ClubGrants scheme.



Shellharbour City
Baptist Church
Open Hands Soup
Kitchen





**Illawarra
Wheelchair
Basketball**

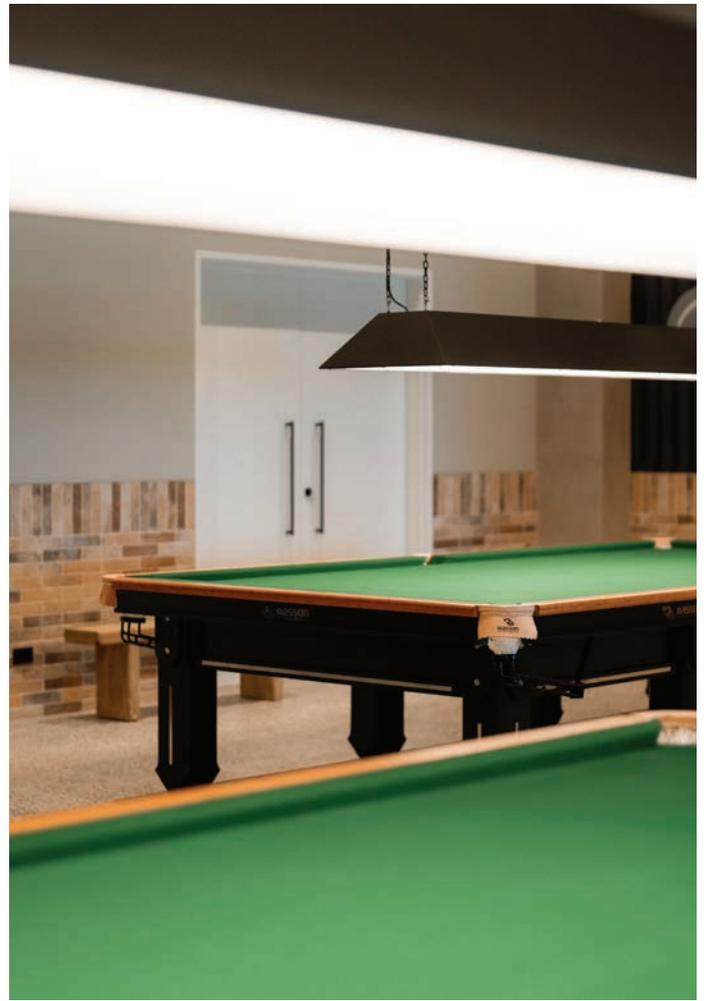


SOUTHERN SECTION PROJECT

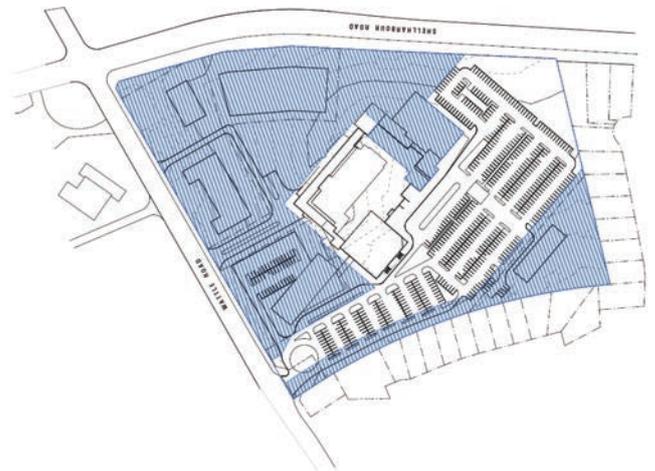
Completed March 2024

Thank you to our members and guests for your patience. It was worth the wait!





The Core and Non-Core Plan for the Primary Asset - Shellharbour was approved by the Members at the Annual General Meeting in October 2014.



FINANCIAL SNAPSHOT

GROUP GROSS REVENUE \$

2024	33,762,041
2023	36,142,270
2022	27,097,566
2021	31,531,683
2020	24,050,346
2019	27,718,427
2018	28,005,059
2017	25,391,750
2016	25,178,101
2015	23,756,822

GROUP GROSS PROFIT \$

2024	1,542,262
2023	2,893,183
2022	1,163,915
2021	4,236,944
2020	1,923,585
2019	1,818,759
2018	1,773,392
2017	1,952,693
2016	2,572,471
2015	2,712,372

GROUP EBITDA \$

2024	6,699,112
2023	7,407,864
2022	5,424,516
2021	9,239,516
2020	5,654,336
2019	6,386,115
2018	5,863,992
2017	5,314,931
2016	5,643,223
2015	5,636,859

GROUP EBITDA %

2024	19.42%
2023	20.50%
2022	20.16%
2021	31.78%
2020	24.55%
2019	23.18%
2018	21.12%
2017	20.93%
2016	22.41%
2015	23.73%

GROUP TOTAL ASSETS \$

2024	64,497,325
2023	56,715,287
2022	56,825,114
2021	55,524,053
2020	55,092,286
2019	48,747,480
2018	47,833,327
2017	47,004,143
2016	37,571,358
2015	32,910,310

DIRECTORS' REPORT

The directors of Shellharbour Workers' Club Ltd (the "Company" or "Club") present this report, together with the financial statements for the financial year ended 30 June 2024 .

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows.

NAME	POSITION	TERM	QUALIFICATION, EXPERIENCE AND RESPONSIBILITIES
MARK CLIMO	President	Director 2007 - Current Club Member 1990 - Current Life Member 2018 - Current	Occupation: Real Estate Sales Training: Cert IV Corporate Governance - Director Foundation & Management Collaboration; - Finance for Club Boards; - Club Leadership in Action; - Strategic Planning & Market Profiling; - Risk Management & Procurement. Responsible Service of Alcohol Responsible Conduct of Gambling
BRIAN GOODALL	Vice President	Director 2013 - Current Club Member 1996 - Current	Occupation: Business Manager Sub-committees: - Audit, Risk & Compliance Committee; - Remuneration Committee. Training: Cert IV Corporate Governance - Director Foundation & Management Collaboration; - Finance for Club Boards; - Club Leadership in Action; - Strategic Planning & Market Profiling; - Risk Management & Procurement. Responsible Service of Alcohol Responsible Conduct of Gambling
DIANNE HYDE	Director	Director 1975 - 1986 Director 2000 - November 2023 Club Member 1969 - Current Life Member 1985 - Current	Occupation - Business Owner Sub-committee - ClubGRANTS Committee Training - Cert IV Corporate Governance Director - Foundation & Management Collaboration Finance for Club Boards Club Leadership in Action Strategic Planning & Market Profiling Risk Management & Procurement Responsible Service of Alcohol Responsible Conduct of Gambling
LUKE MCPHIE	Director	Director 2013 - Current Club Member 1997 - Current	Occupation: Police Officer (Retired) Sub-committees: - ClubGRANTS Committee. Training: Cert IV Corporate Governance - Director Foundation & Management Collaboration; - Finance for Club Boards; - Club Leadership in Action; - Strategic Planning & Market Profiling; - Risk Management & Procurement. Responsible Service of Alcohol Responsible Conduct of Gambling
SCOTT MURPHY	Director	Director 2016 - Current Club Member 1998 - Current	Occupation: Commercial Manager Sub-committees: - Remuneration Committee; - ClubGRANTS Committee. Training: - Director Foundation & Management Collaboration; - Finance for Club Boards. Responsible Service of Alcohol Responsible Conduct of Gambling

NAME	POSITION	TERM	QUALIFICATION, EXPERIENCE AND RESPONSIBILITIES
PETER COOPER	Director	Director 2009 - 2013 Director 2015 - Current Club Member 2000 - Current Life Member 2021 - Current	Occupation: Social Worker (Retired) Sub-committees: - Audit, Risk & Compliance Committee; - Remuneration Committee. Training: - Director Foundation & Management Collaboration; - Finance for Club Boards. Responsible Service of Alcohol Responsible Conduct of Gambling
PATRICK SHORTALL	Director	Director July 2018 - Current Club Member 2006 - Current	Occupation: Managing Director (Retired) Sub-committee: - Audit Risk & Compliance Committee Training: - Director Foundation & Management Collaboration; - Finance for Club Boards. Responsible Service of Alcohol Responsible Conduct of Gambling
LUPCHO MAZEVSKI	Director	Director November 2023 - Current Club Member 2005 - Current	Occupation: NSW Public Service (Retired) Sub-committees: - ClubGRANTS Committee Training: - Director Foundation & Management Collaboration; - Finance for Club Boards. Responsible Service of Alcohol Responsible Conduct of Gambling

CHIEF EXECUTIVE OFFICER/COMPANY SECRETARY

Debra Cosmos was appointed Chief Executive Officer and Company Secretary on 4 May 2013. Debra commenced employment with the Club in 1995 and has a Diploma in Hospitality Management, Advance Diploma in Social Welfare, Certificate IV in Workplace Training and Assessment, Certificate IV in Corporate Governance, Responsible Service of Alcohol Certificate and Responsible Conduct in Gambling Certificate.

PRINCIPAL ACTIVITY

The principal activity of the Company during the financial year was that of a Registered Club.

OPERATING RESULTS FOR THE YEAR

The Company achieved a profit of \$1,468,014 for the 2024 year (2023: \$3,018,957).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period which may affect either the Company's operations or results of those operations or the Company's state of affairs.

BUSINESS OVERVIEW

Annually, the board of directors review and set the strategic direction for the Company. The annual strategic planning process is a collaboration of the board of directors and the management team working together to set priorities. It is a disciplined process that produces key actions that shape and guide what the business is, who it serves, what it does and why it does it, with a focus on the future. This process is always guided by our vision:

“To enable the community to reach its highest potential.”

The strategic plan is underpinned by a detailed review of the business Strengths, Weakness, Opportunities and

Threats (SWOT). In response to the SWOT analysis, four primary objectives are set that enable the Company to optimise strengths and possible opportunities whilst addressing identified weaknesses and minimising potential threats. The objectives provide a rolling five year view towards progressive growth of the business aimed at optimising the existing Company assets, capturing new products and services and working towards sustainable diversification. The corresponding strategies provide the specific direction required to achieve these objectives.

The four primary objectives of the Company are:

Market Positioning

To ensure that the Company is positioned strategically within the market to increase market share.

Asset Management

To manage the acquisition, development, use and disposal of Company Assets.

People Culture

To ensure the organisational design, human resources and systems enable optimal performance of the Company.

Risk Management

To implement and connect risk management to business planning and decision making.

MEASUREMENT OF SUCCESS

The Club measures success against industry wide benchmarks and key performance indicators for:

- EBITDA - Earnings before interest, tax, depreciation and amortisation
- Revenue
- Patron visitation
- Member satisfaction
- Community benefit through the ClubGRANTS Scheme
- Community engagement

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid premiums in respect of a contract insuring all directors and executives of Shellharbour Workers' Club Ltd against legal liability arising from any wrongful act committed, attempted or allegedly committed or attempted in the course of their duties as a director or executive of the Company. Total premiums paid during the financial year were \$6,127 (2023: \$ 5,991)

INDEMNIFICATION OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young (Australia) during or since the financial year.

DIRECTORS' ENTITLEMENTS

No director has received or become entitled to receive, during or since the end of financial year, a benefit because of a contract made by the Company or a related body corporate with the director, a firm of which a director is a member or an entity in which a director has a substantial financial interest with the exception of:

Dianne Hyde, a Director of Warilla Florist - supplied goods (flowers) to the Club totalling \$120 (2023: \$ 1,555).

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the Company's accounts or the fixed salary of a full time employee of the Company, controlled entity or related body corporate.

DIRECTORS' MEETINGS

The number of Director Meetings and Sub-committee Meetings attended by each director during the year were as follows:

NAME	BOARD MEETINGS		SUB-COMMITTEE MEETINGS		
	MONTHLY BOARD MEETING	SPECIAL BOARD MEETING	AUDIT, RISK & COMPLIANCE COMMITTEE MEETING	ClubGRANTS COMMITTEE MEETING	REMUNERATION COMMITTEE MEETING
MARK CLIMO	11	2	-	-	-
BRIAN GOODALL	11	2	2	-	1
DIANNE HYDE	4	1	-	-	-
PETER COOPER	12	2	2	-	1
LUKE MCPHIE	12	2	-	1	-
SCOTT MURPHY	11	2	-	1	1
PATRICK SHORTALL	12	2	2	-	-
LUPCHO MAZEVSKI	7	1	-	1	-

MEMBER'S GUARANTEES

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$ 2.00 (2023 : \$2.00) each. At 30 June 2023, the number of members was 26,031(2023: 26,950 as follows:

NUMBER OF MEMBERS	
LIFE MEMBERS	7
FULL MEMBERS	26,024
TOTAL MEMBERS	26,031

At 30 June 2024, the total amount that members of the Company are liable to contribute if the Company is wound up is \$52,062 (2022: \$53,900).

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found attached to the directors' report.

Signed in accordance with a resolution of the directors.


Director
26 August 2024


Director
26 August 2024

Auditor's independence declaration to the directors of Shellharbour Workers' Club Ltd

As lead auditor for the audit of the financial report of Shellharbour Workers' Club Ltd for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



Daniel Cunningham
Partner
Sydney
26 August 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$	2023 \$
Revenue from contracts with customers	4.a	32,636,665	34,515,519
Other income	5.a	1,125,376	884,646
Cost of sales		(3,882,077)	(4,515,819)
Employee benefits expense	5.b	(10,231,364)	(10,265,850)
Depreciation expense		(3,385,630)	(3,413,638)
Other operating expenses	5.c	(13,681,927)	(13,321,363)
Finance income		207,937	110,732
Finance costs		(1,246,718)	(1,101,044)
Profit before income tax		1,542,262	2,893,183
Income tax (expense)/benefit	6	(74,248)	125,774
Profit for the year		1,468,014	3,018,957
Other comprehensive income		-	-
Total comprehensive income for the year		1,468,014	3,018,957

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	7	3,835,101	6,783,705
Trade and other receivables	8	218,426	245,852
Inventories	9	186,945	334,590
Prepayments		273,790	331,809
Income tax receivable		3,225	3,225
Total current assets		4,517,487	7,699,181
Non-current assets			
Property, plant and equipment	10	56,188,900	45,120,399
Investment property	11	2,622,679	2,727,448
Intangible assets	12	1,168,259	1,168,259
Total non-current assets		59,979,838	49,016,106
Total assets		64,497,325	56,715,287
Liabilities and equity			
Current liabilities			
Trade and other payables	14	2,209,356	2,110,705
Interest-bearing loans and borrowings	15	3,360,000	2,400,000
Employee benefit liabilities	16	1,285,556	1,379,076
Other liabilities	17	54,333	43,285
Total current liabilities		6,909,245	5,933,066
Non-current liabilities			
Interest-bearing loans and borrowings	15	21,760,000	16,510,000
Employee benefit liabilities	16	98,403	74,673
Other liabilities	17	142,690	152,823
Deferred tax liabilities	6	235,191	160,943
Total non-current liabilities		22,236,284	16,898,439
Total liabilities		29,145,529	22,831,505
Equity			
Retained earnings		35,351,796	33,883,782
Total equity		35,351,796	33,883,782
Total liabilities and equity		64,497,325	56,715,287

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	RETAINED EARNINGS \$	TOTAL \$
At 1 July 2023	33,883,782	33,883,782
Profit for the year	1,468,014	1,468,014
Other comprehensive income	-	-
Total comprehensive income for the year	1,468,014	1,468,014
At 30 June 2024	35,351,796	35,351,796
At 1 July 2022	30,864,825	30,864,825
Profit for the year	3,018,957	3,018,957
Other comprehensive income	-	-
Total comprehensive income for the year	3,018,957	3,018,957
At 30 June 2023	33,883,782	33,883,782

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$	2023 \$
Operating activities			
Receipts from customers		37,053,134	38,974,893
Payments to suppliers and employees		(30,308,454)	(31,526,911)
Interest received		207,937	110,732
Interest paid		(1,440,018)	(1,101,044)
Net cash flows from operating activities		5,512,599	6,457,670
Investing activities			
Proceeds from sale of property, plant and equipment		-	45,318
Purchase of property, plant and equipment		(14,671,203)	(2,623,816)
Net cash flows used in investing activities		(14,671,203)	(2,578,498)
Financing activities			
Proceeds from borrowings		9,600,000	21,810,000
Repayment of borrowings		(3,390,000)	(25,116,000)
Net cash flows (used in)/from financing activities		6,210,000	(3,306,000)
Net (decrease)/increase in cash and cash equivalents		(2,948,604)	573,172
Cash and cash equivalents at 1 July		6,783,705	6,210,533
Cash and cash equivalents at 30 June	7	3,835,101	6,783,705

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. CORPORATE INFORMATION

The financial report of Shellharbour Workers' Club Ltd (the "Company" or "Club") for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 26 August 2024.

Shellharbour Workers' Club Ltd is a not-for-profit entity limited by guarantee, incorporated and domiciled in Australia.

The Company's registered office and principal place of business is Lot 105, Shellharbour Road, Shellharbour NSW 2529.

The nature of the operations and principal activity of the Company are described in the directors' report. Information on other related party relationships of the Company is provided in Note 18.

2. ACCOUNTING POLICIES

a) Basis of preparation

These general purpose financial statements have been prepared in compliance with the requirements of the Corporations Act 2001 and Australian Accounting Standards - Simplified Disclosures. Australian Accounting Standards contain requirements specific to not-for-profit entities, including standards AASB 116 Property, Plant and Equipment, AASB 138 Intangible Assets, AASB 136 Impairment of Assets and AASB 1058 Income For Not Profit Entities.

This financial report has been prepared on a historical cost basis and is presented in Australian Dollars .

b) Changes in accounting policies, disclosures, standards and interpretations

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2023 (unless otherwise stated). The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The Group intends to adopt these new amended Standards and interpretations, if applicable, when they become effective.

AASB 2023-2 Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules and AASB 2023-4 Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules: Tier 2 Disclosures

The amendments to AASB 112 and AASB 1060 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Company expects to be in a position to report the potential exposure in its next financial statements for the year ending 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2. ACCOUNTING POLICIES (CONTINUED)

c) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Company generated an operating profit during the year ended 30 June 2024 of \$1,468,014 (2023: \$3,018,957), and as at that date the Company's total current liabilities exceeded total current assets by \$ (2023: \$2,391,758 total current assets exceeded total current liabilities by \$1,766,115) and the Company's total assets exceeded total liabilities by \$35,351,796 (2023: \$33,883,782). The Company generated net cash inflows from operating activities for the year ended 30 June 2024 of \$5,515,899 (2023: \$6,457,670) and has \$8,140,000 of unused financing facilities available for use at 30 June 2024 (2023: \$16,990,000), management have projected the Club will continue to generate positive cash flows and will be able to pay its debts as and when they become due and payable. Based on the above, the Directors have concluded that the use of the going concern assumption in the preparation of the financial statements.

d) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e) Cash

Cash in the statement of financial position comprises cash on hand and at bank.

For the purpose of the statement of cash flows, cash and cash equivalents include cash, as defined above.

f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less provision for expected credit loss (ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. To measure the expected credit losses, trade receivables have been grouped based on outstanding balances, days past their due date and the corresponding historical credit losses experienced adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of customers to settle their debts.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2. ACCOUNTING POLICIES (CONTINUED)

g) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Prepayments

Prepayments are carried at amortised cost and represent goods and services paid for by the Company prior to the end of the financial period that have not been received.

i) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Land and buildings are measured at cost less accumulated depreciation on buildings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Class of fixed asset	Depreciation rate
Freehold land	Not depreciable
Buildings	2 - 8%
Plant and equipment	5 - 40%
Poker machines	10 - 50%
Motor vehicles	20 - 22.5%
Capital work in progress	Not depreciable

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Investment property

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment property is measured at cost, net of accumulated depreciation and accumulated impairments losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2. ACCOUNTING POLICIES (CONTINUED)

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

Depreciation is calculated using the diminishing value method at a depreciation rate of 2.5% over a useful life of 40 years.

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Licences

Licences pertaining to gaming machine entitlements which represents the right to operate gaming machines are granted for an indefinite period.

l) Leases

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

m) Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value and, net of directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

o) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, the Company makes a formal estimate of the recoverable amount. An impairment loss is recognised for the amount, by which the carrying amount of an asset exceeds recoverable amount, which is defined for not for profit entities as the higher of an asset's fair value less costs to sell or depreciated replacement cost. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows. An impairment loss is recognised in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2. ACCOUNTING POLICIES (CONTINUED)

p) Employee benefit liabilities

Wages, salaries, annual leave and current long service leave

Liabilities for wages and salaries, including non-monetary benefits which are expected to be settled within 12 months of the reporting date are recognised 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.

Non-current long service leave

The Company does not expect all of its long service leave to be settled wholly within months of each reporting date.

The Company recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

q) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

r) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

Rendering of services

Revenue from rendering of services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Club.

Revenue from rendering of services is recognised at a point in time when the control of right to be compensated for the services has been attained and can be reliably measured.

s) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature.

t) Finance income

Interest income is recorded using the EIR. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2. ACCOUNTING POLICIES (CONTINUED)

u) Finance costs

Finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

v) Taxes

i. Income tax

The Income Tax Assessment Act 1997 (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. Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

ii. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2. ACCOUNTING POLICIES (CONTINUED)

Cash flows are included in the statement of cash flows 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 part of operating cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Long service leave liability

As discussed in Note 2, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	2024 \$	2023 \$
Types of goods or service		
Sale of goods	10,671,756	12,200,427
Rendering of services	21,964,909	22,315,092
Total revenue from contracts with customers	32,636,665	34,515,519
Timing of revenue recognition		
Goods transferred at a point in time	10,671,756	12,200,427
Services transferred at a point in time	21,814,347	22,119,947
Services transferred over time	150,562	195,145
Total revenue from contracts with customers	32,636,665	34,515,519

5. OTHER INCOME/EXPENSES

a. Other income

	2024 \$	2023 \$
Rental income	1,125,376	839,328
Gain on disposal of property, plant and equipment	-	45,318
	1,125,376	884,646

b. Employee benefits expense

	2024 \$	2023 \$
Salaries and wages	8,828,189	8,878,804
Superannuation expenses	917,181	875,707
Other employee expenses	485,994	511,339
	10,231,364	10,265,850

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

5. OTHER INCOME/EXPENSES (CONTINUED)

c. Other operating expenses

	NOTE	2024 \$	2023 \$
Bar indirect expenses		178,911	194,750
Catering indirect expenses		458,477	473,037
Gaming indirect expenses		801,347	727,550
Poker machine tax		5,416,856	5,519,254
Advertising and promotional expenses		2,054,918	1,990,197
Impairment loss on property, plant and equipment	10	515,141	-
Donations		423,368	415,080
Maintenance costs		764,228	741,123
Club services		2,100,750	2,261,380
Members expenses		84,807	81,836
Administration costs		883,124	917,156
Total other operating expenses		13,681,927	13,321,363

6. INCOME TAX

a) The major components of income tax benefit for the years ended 30 June 2024 and 2023 are:

	2024 \$	2023 \$
Deferred tax:		
Relating to the origination and reversal of temporary differences	74,248	(125,774)
Income tax benefit reported in the statement of profit or loss and other comprehensive income	74,248	(125,774)

b) A reconciliation of tax benefit and the accounting profit multiplied by Australia's domestic tax rate for the years 2024 and 2023:

	2024 \$	2023 \$
Accounting profit before tax	1,542,262	2,893,183
At Company's statutory income tax rate of 25% (2023: 25%)	385,566	723,296
Non-deductible expenses for tax purposes:		
Other non-deductible differences	600,883	219,656
Net income from members not subject to tax	(912,201)	(1,068,726)
Aggregate income tax expense/(benefit)	74,248	(125,774)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

6. INCOME TAX (CONTINUED)

Deferred tax

Deferred tax relates to the following:

	1 JULY 2023 \$	DEFERRED TAX EXPENSE RECOGNISED IN PROFIT OR LOSS \$	30 JUNE 2024 \$
Blackhole deductions	32,594	(16,297)	16,297
Borrowing costs	1,283	(285)	998
Prepayment	-	(7,419)	(7,419)
Provisions	87,505	(2,871)	84,634
Fixed assets	(542,565)	110,104	(432,461)
Tax losses	260,240	(157,480)	102,760
Net deferred tax liabilities	(160,943)	(74,248)	(235,191)

	1 JULY 2022 \$	DEFERRED TAX BENEFIT RECOGNISED IN PROFIT OR LOSS \$	30 JUNE 2023 \$
Blackhole deductions	51,161	(18,567)	32,594
Borrowing costs	-	1,283	1,283
Provisions	86,074	1,431	87,505
Fixed assets	(812,918)	270,353	(542,565)
Tax losses	388,966	(128,726)	260,240
Net deferred tax liabilities	(286,717)	125,774	(160,943)

The Company has recognised deferred tax assets in respect of tax losses that arose in Australia of \$102,760 (2023: \$260,240) that are available indefinitely for offsetting against future taxable profits.

Franking credits

The Company has no franking credits available for use in the subsequent reporting periods (2023: \$nil).

7. CASH

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:

	2024 \$	2023 \$
Cash on hand	1,399,124	1,006,144
Cash at bank	2,435,977	5,777,561
	3,835,101	6,783,705

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

8. TRADE AND OTHER RECEIVABLES

	2024 \$	2023 \$
Sundry debtors	218,426	245,852

9. INVENTORIES

	2024 \$	2023 \$
Stock on hand	186,945	334,590

During 2024, \$3,882,077 (2023: \$4,515,819) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

10. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND AND BUILDINGS	PLANT AND EQUIPMENT	POKER MACHINES	MOTOR VEHICLES	CAPITAL WORK IN PROGRESS	TOTAL \$
Cost						
At 1 July 2023	45,499,971	27,750,032	9,323,637	88,028	1,410,274	84,071,942
Additions	-	1,236,667	1,728,488	-	11,899,348	14,864,503
Transfers	9,675,467	3,007,300	-	-	(12,682,767)	-
Write-off	-	-	-	-	(515,141)	(515,141)
At 30 June 2024	55,175,438	31,993,999	11,052,125	88,028	111,714	98,421,304
Accumulated depreciation						
At 1 July 2023	11,830,275	19,864,968	7,219,185	37,115	-	38,951,543
Depreciation charge for the year	1,288,921	1,106,999	884,941	-	-	3,280,861
At 30 June 2024	13,119,196	20,971,967	8,104,126	37,115	-	42,232,404
Net book value						
At 30 June 2024	42,056,242	11,022,032	2,947,999	50,913	111,714	56,188,900
At 30 June 2023	33,669,696	7,885,064	2,104,452	50,913	1,410,274	45,120,399

Additions in capital work in progress include interest capitalised during the year amounting to \$0.19m (2023: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

11. INVESTMENT PROPERTY

LAND AND BUILDINGS INVESTMENT - CHILDCARE \$

Cost	
At 1 July 2023	3,553,314
At 30 June 2024	3,553,314
Accumulated depreciation	
At 1 July 2023	825,866
Depreciation charge for the year	104,769
At 30 June 2024	930,635
Net book value	
At 30 June 2024	2,622,679
At 30 June 2023	2,727,448

12. INTANGIBLE ASSETS

LICENCES \$

Cost	
At 1 July 2023	1,168,259
At 30 June 2024	1,168,259
Net book value	
At 30 June 2024	1,168,259
At 30 June 2023	1,168,259

Poker machine licences are stated at cost. Poker machine licences have an indefinite useful life given they have no expiry date, and accordingly are not amortised but are to be assessed annually for impairment. Impairment has been tested at the reporting date and no loss has been recognised.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

13. LEASES

Company as a lessor

The Company has entered into operating lease on its investment property consisting of building. The lease is for a period of 10 years. The lease include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Operating leases

Future lease payments receivable under non-cancellable operating leases as at 30 June are as follows:

	2024 \$	2023 \$
Not later than 1 year	378,201	379,080
Later than 1 year but not later than 5 years	1,071,443	1,448,058
	1,449,644	1,827,138

14. TRADE AND OTHER PAYABLES

	2024 \$	2023 \$
Current		
Trade payables	909,178	995,203
Other creditors and accruals	1,128,635	994,653
GST payable	171,543	120,849
	2,209,356	2,110,705

15. INTEREST-BEARING LOANS AND BORROWINGS

	2024 \$	2023 \$
Current		
Primary bank loan (i)	3,360,000	2,400,000
Non-current		
Primary bank loan (i)	21,760,000	16,510,000

- (i) The loan matures in November 2026 and is subject to quarterly repayments. The interest rate for 2024 as at reporting date is 5.54% (2023: 5.11%) and is secured by a First Registered Mortgage over all the Company's property and a registered floating charge over all the Company's assets in support of its guarantee and loan.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

15. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

	2024 \$	2023 \$
Loan facility limits		
Primary bank loan	23,900,000	26,300,000
Other bank loans	9,360,000	9,600,000
	33,260,000	35,900,000
Loan facilities available		
Primary bank loan	8,140,000	7,390,000
Other bank loans	-	9,600,000
	8,140,000	16,990,000

16. EMPLOYEE BENEFIT LIABILITIES

	2024 \$	2023 \$
Current		
Annual leave	834,190	934,735
Long service leave	451,366	444,341
	1,285,556	1,379,076
Non-current		
Long service leave	98,403	74,673

17. OTHER LIABILITIES

	2024 \$	2023 \$
Current		
Members' subscriptions in advance	54,333	43,285
Non-current		
Members' subscriptions in advance	142,690	152,823

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

18. RELATED PARTY DISCLOSURES

a. Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company is considered key management personnel.

The Key Management Personnel (KMP) of the Company during the year are:

Mark Climo	President
Brian Goodall	Vice President
Dianne Hyde	Director (until November 2023)
Luke McPhie	Director
Peter Cooper	Director
Scott Murphy	Director
Patrick Shortall	Director
Lupcho Mazevski	Director (from November 2023)
Debra Cosmos	Chief Executive Officer/Company Secretary
Shandelle Rue	Chief Financial Officer
Amy Traviss	Chief Human Resources Officer
Jason Petrolo	General Manager - The Shellharbour Club

The total remuneration/honorarium paid to key management personnel (KMP) of the Company during the year is as follows:

	2024 \$	2023 \$
Remuneration/honorarium	1,191,144	1,131,916

b. Other Related Parties:

Other related parties include immediate family members of KMP; entities that are controlled or significantly influenced by those KMP individually or collectively with their immediate family members.

From time to time, the Club may enter into a commercial transaction with an entity or an individual that a director or KMP may have an interest in or be related to. In all instances, the Club ensures that the transaction is conducted on an arms length basis and that the director or KMP has no involvement in the transaction with the exception of:

Dianne Hyde, a Director of Warilla Florist - supplied goods (flowers) to the Club totalling \$120 (2023: \$1,555).

19. COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

The Company had no capital commitments as at 30 June 2024 (2023: \$1.34m).

Contingent liabilities

There were no contingent assets or contingent liabilities as at the reporting date which would have a material effect on the Company's financial statements as at 30 June 2024 (2023: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

20. AUDITOR'S REMUNERATION

The auditor of Shellharbour Workers' Club Ltd is Ernst & Young (Australia).

	2024 \$	2023 \$
<i>Amounts received or due and receivable by Ernst & Young (Australia) for:</i>		
An audit or review of the financial report	93,700	88,000
Tax compliance	10,000	9,000
Compilation of financial statements	7,488	7,228
	111,188	104,228

21. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period which may affect either the Company's operations or results of those operations or the Company's state of affairs.

22. MEMBERS GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$ 2.00 (2023 : \$ 2.00) each. At 30 June 2024, the number of members is \$26,031(2023: \$26,950).

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Disclosure of subsidiaries and their country of tax residency, as required by subsection 295(3A) of the *Corporations Act 2001*, does not apply to the Company as the Company is not required by accounting standards to prepare consolidated financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Shellharbour Workers' Club Ltd, we state that:

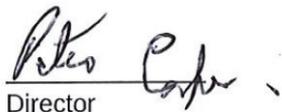
In the opinion of the directors:

1. the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 30 June 2024 and its performance for the year ended on that date; and
 - complying with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Regulations 2001*;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act* is true and correct;

On behalf of the board



Director
26 August 2024



Director
26 August 2024

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

Opinion

We have audited the financial report of Shellharbour Workers Club Limited (the "Company"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 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 30 June 2024 and of its financial performance for the year ended on that date; and
- b. complying with *Australian Accounting Standards - Simplified Disclosures* 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 (including Independence Standards)* (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.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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:

- 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 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 judgment and maintain professional scepticism throughout the audit. We also:

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

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

We communicate with the 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.



Ernst & Young



Daniel Cunningham
Partner
Sydney
26 August 2024



SHELLHARBOUR WORKERS' CLUB LTD

ABN 69 001 068 864

**CNR. WATTLE & SHELLHARBOUR ROADS
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