

Chief Executive Officers Report

On behalf of the Board of Directors and all team members I have great pleasure in presenting the Annual Report for the year ending 30 June 2018.

Throughout the 2017/18 financial year the Clubs Board and Management have worked tirelessly to ensure members enjoy a multitude of benefits. This has been achieved through a commitment to due diligence, transparent governance and measured planning. The direct results of this progressive approach has been an increase in foot traffic and revenue stemming from the passionate support of loyal patrons. Through this support the Club has been able to post positive cashflows and record revenues, once again placing the Bowlo in superior financial strength.

Renovation

During the past 18 months the Clubs Board and management have been busy developing the next stage of the Club capital development plan. Once finalised, this will complete the last stage of a 5-year asset management plan to totally refit the Clubs trading areas and infrastructure as well as position the Club to building on a draft masterplan for future expansion.

This process begun in April and will continue through until the end of 2018 and will involve the following asset additions:

- Expanded gaming room with two alfresco areas
- New heating ventilation and air conditioning system
- New bowls locker room
- New administration areas
- New event meeting room
- New furniture and fixtures
- New electrical engineering
- Provision of a new hydrant system
- New PA/AV and IT systems

The expenditure associated with this program of works will total over 2 million dollars and will be financed with cash surplus's and without leveraging debt. Due to the forecast decreases in energy consumption through the replacement of air conditioning plant coupled with projected increases in revenue this capital investment has a forecast return of 5 years.

Financial

Our financial performance over the last 12 months has been very strong delivering a positive net cash return of \$676 006 and net profit result of \$188 558. Total operating income increased by \$292 149 (4.85%) to \$6.32 million, the largest in the Clubs trading history. This increase was realised across all major trading departments as follows, beverage \$89 437, gaming \$189 042, food \$98 600, placing all departmental revenue streams at the highest revenue position in the Clubs history and in growth by 2.93 million in the last 10 years and literally doubling.

Beverage net profit increased to \$314 969 and catering contributed positively to the Clubs net profit position with a profit of \$41 929 and gaming produced a net contribution of 1.955 million. Once again the Club managed to absorb an unprecedented depreciation expense of \$737 590, to which it receives no tax benefit as an income tax exempt entity. The Club increased its community donations and support to \$70 455 an increase of \$22 272 and also contributed \$144 762 to bowls development. The Club continues to carry no debt and with over 1.9 million dollars in cash at the Clubs disposal the business is well positioned to invest in members services. A broad financial overview can be gained from the following table.

	2017/18	2016/17	% Change
REVENUE	\$6 321 888	\$6 029 739	4.85%
EXPENSES	\$6 133 330	\$5 913 009	3.72%
NET PROFIT	\$188 558	\$116 730	61.5%
COMMUNITY DONATIONS	\$70 455	\$48 183	46.22%
BOWLS EXPENDITURE	\$144 762	\$159 216	(9.07%)
DEPRECIATION	\$737 590	\$736 517	0.14%
ASSETS	\$7 392 228	\$7 203 607	2.61%%

A new direction

This past financial year has been a period of great change and new beginnings for the Club. In October last year the Clubs Board cemented a new strategic plan which will define the Clubs focus and vision into the next 5 to 10 years. This plan was backed by a new draft masterplan that is linked to a short-term asset management plan. These plans will build on the previous capital development and shape the Clubs trading areas to take advantage of opportunities and diversification strategies. This year also great internal change with the retirement of Senior Executive Officer Philip Wheaton. Phil was central to the Clubs development over the last 24 years having held the position of Chief Executive Officer for 12 years during which time he developed a small Club into a medium size Club. Like many others my career was heavily influenced by Phil and together we shared a partnership that added over 3 million in revenue and record annual positive cashflows of over 1 million dollars. I would like to thank Phil for his hard work and commitment to the Club which will forever be etched in the Clubs history.

As well as Phil's exit I too made the decision to resign my role as Chief Executive Officer after nearly 8 years in the role in May this year. My decision was based purely on my own personal desire to spend more time with my growing family, an area of my life I felt I had not shown the level of respect I was proud of. This coupled with the offer of a great role both professionally and developmentally left me with the hardest, yet most easily justifiable decisions I have ever had to make. I would like to thank the staff and Board members who throughout my tenure and after my exit were genuine friends and respected the tremendously difficult job a CEO has in balancing decisions for the greater good of the business, community, members and staff. I would also like to thank those members who supported me over the 16 years I worked at the Club. It is these relationships with the staff and members I will truly miss. I also would like to thank my wife Sam. She has supported me throughout and without question allowed me the time I believed I needed to invest in the Club. I will continue to work with the Clubs new CEO, Walter Sauer to ensure a smooth transition and I encourage everyone to support Walter as he takes the Club into the future.

Lastly, I would also like to pay my respects to life member Richie Clutterbuck who passed away this year. Richie was a passionate and involved member of the Club who saw the Club as an extension of himself and would tell anyone who would listen that the Bowlo was the greatest Club in the state. He was a fantastic sportsman whose record for winning major bowls tournaments may never be matched. Off the green and the in the Boardroom Richie also achieved highly, he was a member of the Clubs governing body for 42 years and a Club President for 4 terms. He oversaw numerous renovations and investment of members funds and was instrumental in the careers of many Club managers and employees. The Club has definitely been affected by Richie and this effect will live on into the future.

Patrick Crick