

Chief Executive Officers' Report

I am pleased to present the 105th Annual Report to Members for the financial year ended 30th June 2019.

Two thousand and eighteen has been a year of great challenges and change for the club. We have undertaken the largest renovations project in our history which commenced in April last year and has seen completion in June this year. Sixteen months of construction work has had a tremendous effect on all trading areas – bar, functions & events, bistro and of course gaming, all of which have experienced significant downturn in income. The noise, dusty environment as well as moving facilities internal around the venue have all contributed to a result that is well below forecasted expectations.

The project was conceived years ago and was a major part of the club's staged 10-year planning strategy. It shows the foresight of past boards and managers to making sure that we continue to be relevant in today's ever-changing environment by continuously improving facilities for members and visitors.

Going forward, the focus now will be to update and expand said 10-year strategy and to identify new opportunities and projects.

Financially, we have fallen short of budget by (\$622,908) and are behind income on last year by (\$468,434). Further, unplanned issues that had to be rectified during renovations including roof replacement, hydrant system and some major electrical compliance work totalled around \$400,000 which were added to the overall project cost. This has seen us finish the year with a trading loss of (\$474,291). In detail,

- Bar trading was behind budget (\$203k), behind last years' sales (\$87.6k) or (\$611) a day.
- Gaming is (\$282k) behind budget and (\$201k) behind 2018 net. A significant shortfall averaging (\$23.5k) a month.
- Catering is (\$101k) down on 2018 and down on budget by (\$109.7k). June result was better than we have seen this last year. Food cost and wages for the year are contained under the circumstances.
- Expenses for the year have been under control throughout the building process.
- Taking all this into account, the club has been able to trade through this period and performed well under the circumstances and was able to reduce an almost (\$800k) deficit to (\$474k).

Whilst I am not "proud" of this result, it has left us with a new venue which is well above what one would expect when describing a regional bowling club in NSW; something we can all be very proud of.

The club this year had to also absorb depreciation of assets totalling \$610,501. Adding to this was a necessary tidy up of our asset register and writing off \$49,137.68 of items dating back to 2003. Community donations total \$52,729 which is lower than last year due to the shortfall in gaming income.

We have introduced a new venture, "The Magnolia Café" to the portfolio which is a café set in a shipping container and situated in our back-garden area with access also from Beardy Street. We will continue to improve this area over the coming year.

However, we will not just be investing into bricks & mortar. Operationally, the club will go through a period of transformation and embracing the advances of electronics and technology; all of which are becoming more prominent in everyday life and with a view to enhancing the experience we can offer our members and guests.

Although none of these can make up for a friendly smile and welcoming, professional service. Without staff a club would just be an empty shell. Our industry always has been and still is about people and with thousands of interactions every week between our staff and our customers, any occasional negative feedback fades into insignificance in comparison.

I would like to thank my team – Graham, Greg, Carl and Samantha for their support and dedication and our duty managers and all other staff here at the club for their contribution. You all make me very proud to be a part of this organisation.

Another major change this year was the departure of Patrick Crick after many successful years as the club's CEO. I am very grateful for Pat's support during the building process and for also offering to assist in getting me settled into the role.

The long-term success of any club would not have been possible without the strategic direction and governance of a committed board. Success does not just happen; to President Terry Ogilvie, Cheryl Ogilvie, Richard Kembrey, Marie Knight, Gay Riordan, Wayne Cannon and Andrew Carey, please accept my sincere thanks for creating the environment and the club we have become and for your support and encouragement through my first year.

To our members, a big "thank you" for your support and patronage through this past year and under often difficult circumstances. I also ask members to read and support the changes to our constitution. These have been raised to ensure continuity and the ability to fielding a board in the future and with declining numbers of active bowlers amongst the membership in mind.

A handwritten signature in black ink, appearing to read 'Walter Sauer', with a stylized flourish at the end.

Walter Sauer
Chief Executive Officer