

Chief Executive Officers' Report

I am pleased to present the 106th Annual Report to Members for the financial year ended 30th June 2020.

The past year has been another year of great challenges and change for our club. Whilst we were still recovering from the loss of trade after renovations, we progressed into a period of severe drought and associated water restrictions – something never experienced in our community – followed by a bushfire crisis on our doorstep. Rains and flooding came next and if all that was not enough, Corona Virus or COVID-19 has brought the entire world to a standstill.

On the 23rd March, at a staff meeting called at short notice, I had to stand down all our staff, following the government directive of a forced shut down for a period of up to six months. Effectively, we all were about to join the dole queue. Having to face all staff and advising them that they could no longer be “usefully employed” was amongst the hardest tasks in my working life thus far.

With JobKeeper being introduced shortly after, we were able to retain staff in our employ and receiving a wages subsidy from the government for 28 eligible staff. A handful of our casual colleagues had to apply for unemployment benefits.

On the first of June we could reopen for trade under strict Covid restrictions. Whilst imposed restrictions were new for all of us, our members, visitors, and staff have taken it all in their stride. The overarching relief of being allowed to return to some sort of normality; being able to venture out of our homes as well as the ability to return to work.

Through all this, our lives and our entire world have changed, and we need to adjust to a new reality as we move forward. Our key to survive and be relevant into the future means to identify new opportunities. To diversify, to re-invent, to look outside the tried and tested structure of a traditional club business model, presents a significant challenge for our board, management and indeed our entire industry.

Financial

Our financial performance through the past twelve months has been an area of concern yet again. Our total income has fallen behind budget by (\$652.959) and behind the previous year by (\$107.860). In detail,

- ✓ Bar income below budget by almost (\$500.000) and below last year by (\$345.000). A 25% drop of trade.
- ✓ Gaming net was down on the previous year by (\$67.000)
- ✓ Catering and functions income was (\$553.000) below last year, confirming the overall economic situation of business in general.
- ✓ Expenses and overall wages have been managed well under the circumstances and when taking into consideration minimum rostering requirements
- ✓ Overall bottom line result for the year is a deficit of (\$383.414) which, although an improvement from last year by \$91.000 still represents a significant (book) loss

Cashflow and controlling debt are well managed which is most important especially in the current trading environment.

We had to absorb depreciation of \$603,247 this year, which includes recent renovations as well as other assets being written off over their respective terms.

Whilst the bottom line outcome this year is a large deficit and for the second year in a row, I need to point out that with a forced closure and a series of natural disasters, we still managed to reduce a \$500,000 maxed out overdraft account and accumulate around \$300,000 in cash in addition to a \$250,000 term deposit.

Our future success will depend on identifying opportunities, careful planning and updating our ten-year plan and strategy. Not just our club but indeed the entire world is now a changed place with traditional customer behaviour no longer in place and a “new reality” we now live in.

I also need to express my sincere thanks and gratitude to Graham Heffernan, Greg Farrell and Carl Hofkamp who have been there throughout the lockdown and have been instrumental to keeping it all afloat and moving forward.

To my staff, I am very grateful for your support and understanding through what has been a frightening experience from the dreaded Covid shut down and I thank you all for your ongoing support and commitment.

To my board of directors – President Richard Kembrey, Andrew Carey, Terry & Cheryl Ogilvie, Marie Knight, Gay Riordan and Wayne Cannon – sincere thanks and my deepest gratitude for your support and advice throughout another challenging year. Your input and advice is always appreciated.

Finally, our members who are flying our flag and continue to support us through thick and thin; thank you for getting behind the club and for your support.



Walter Sauer
Chief Executive Officer