

2019-2020 97th Annual Report

**Leichhardt Bowling and
Recreation Club
Limited**

ABN: 29 000 896 560

January 31st 2021

**88-92 Piper Street
Leichhardt, NSW 2040**



**the
bowlo
LEICHHARDT**

AGM NOTIFICATION

Notice is hereby given that the 96th and 97th Annual General Meeting of Leichhardt Bowling and Recreation Club Limited will be held at the premises being 88-2 Piper Street Lilyfield NSW, on Sunday 31st of January 2021 at 11am.

BUSINESS

The business of the Annual General Meeting will be as follows:

- 1. Apologies.**
- 2. To confirm the minutes of the 95th Annual General Meeting, held on Sunday 4th of November 2018 and to deal with any business arising from those minutes.**
- 3. To confirm the minutes of the 96th Annual General Meeting, held on Sunday 31st of January 2020 and to deal with any business arising from those minutes.**
- 4. To receive and consider the President's Report, Secretary Manager's Report, Directors' Report, Financial Report and Auditor's report for the year ending 30 June 2019.**
- 5. To receive and consider the President's Report, Secretary Manager's Report, Directors' Report, Financial Report and Auditor's report for the year ending 30 June 2020.**
- 6. To receive and consider any reports of affiliated clubs.**
- 7. To confirm that pursuant to section 41j of the Registered Clubs Act 1976 all the assets of the club are "core assets" (except for shares held with IAG totaling \$2430)**
- 8. To consider the Ordinary Resolution set out below.**
- 9. To declare the results of the election of the Board and to conduct any further elections that may be necessary.**
- 10. To elect a patron or patrons.**

General business.

ORDINARY RESOLUTION

- (a) That the members hereby approve expenditure by the Club to a maximum of \$16,000.00 until the next Annual General Meeting of the Club for the following:**
- (i) The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.**
 - (ii) The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by ClubsNSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.**
 - (iii) The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.**
 - (iv) The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.**
 - (v) The reimbursement of reasonable out of pocket expenses incurred by directors travelling to and from Board meetings or other duly constituted meetings of any committee of the Board.**
 - (vi) The reasonable cost of meals and beverages for each director at Board meetings or whilst on duty.**
 - (vii) The reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.**
 - (viii) The reasonable cost of Club apparel being provided to directors as required.**

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- (b) The members acknowledge that the benefits in paragraph (a) are not available for members generally but are only for those who are directors of the Club.**

Notes to Members on Ordinary Resolution

1. **The Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors in respect of their duties. Included in the Ordinary Resolution is the reasonable cost for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.**
2. **The Club expended \$0.00 on the above items during the financial year.**

Procedural Matters

3. **To be passed, the Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the Ordinary Resolution at the meeting.**
 4. **The Registered Clubs Act provides that:**
 - (a) members who are employees of the Club are not entitled to vote; and**
 - (b) proxy voting is prohibited.**
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CHAIRMAN'S REPORT

Dear Valued Members,

Welcome to the Leichhardt Bowling Club Annual Report for 2019/20.

The past 12 months has been a year of unprecedented challenges and although the COVID-19 pandemic continues to have an impact on our business, your Board continues to work to ensure the viability of this important community asset.

Firstly, I would like to thank the Club's Secretary Manager Sebastian (Baz) Compton for his exceptional commitment and enthusiasm for the Club and our members. I would also like to thank the Board members for their dedication and work throughout the year.

As noted in 2019, the Board engaged Augusta Advisors to help in the development of a strategic vision for the club which has culminated in a number of productive meetings with Inner West Council and Mayor Darcy Byrne, as well as a number of other organisations.

The Club has also engaged Russel Corporate Advisory, one of NSW's leading Registered Club strategic planning consultants, to help us better plan for a sustainable, long-term future.

To our bowlers, congratulations to everyone who has been successful in our Club Championship tournaments, despite the impact the pandemic has had on our sport.

Also, a big thank you to the Ladies and Men's Bowling Committees for their input, dedication and support.

Unfortunately, due to the pandemic, the 2020 State Pennant competitions were abandoned mid-season. No doubt our Ladies and Men's teams are eagerly looking forward to the 2021 season, and we wish them every success.

Thank you to our Greenkeeper Craig Stephens who adapted to the challenges of the closure of the Club in good faith, while keeping our greens in exceptional condition for our bowlers and community to enjoy.

Specials thanks to our Bar Manager Jan Priest and her team who have battled through a challenging and uncertain year, and their fantastic effort over a busy festive season.

Special thanks to Aziz and his team in Leo's Kitchen who continue to provide fantastic food for our members and guests.

A very special thank you to our long term sponsors, the MANNING family, PILCHER RESIDENTIAL and JCM CONTRACTING for their continued support. We are proud to partner with these fantastic local businesses who continue to play a key role in supporting our Club.

Finally, to all our members and guests, thank you for your continued support which the on-gong existence of 'The Bowlo', as a not-for-profit community club, depends on.

As detailed further in the Secretary and Treasurer's Reports, due to our vulnerable going concern position, key strategic decisions must be made by you, our Members, in the coming months to ensure our club can be enjoyed by the generations ahead and we look forward to presenting pathways to a sustainable future to ensure we survive and thrive as an independent bowling club into perpetuity.

SCOTT BOWERS
ACTING CHAIRPERSON

SECRETARY'S REPORT

Dear Members,

On behalf of the Board of Directors I would like to thank you for your continued support and patronage of Leichhardt Bowling and Recreation Club, particularly through what has been an incredibly challenging year. A massive thanks to our Directors who have worked tirelessly to guide us through this unprecedented year and a further massive thanks to our Bar Manager Jan Priest and all our staff who have battled through a stressful, challenging and uncertain year.

One of the hardest years to date

For the first time in our Club's 98-year history, due to the COVID-19 pandemic we were forced to close. Further, since reopening, we have been subject to strict rules and regulations that have had a severe impact on our on-going trading conditions.

Whilst we have had a strong finish to 2020, the impact of the enforced closure of the club due to COVID-19, on top of the challenging trading conditions the Club has faced in preceding years, we still remain in a vulnerable position.

As noted by the auditor at 30 June 2020, our cash position was in a negative and it is a testament to the strategic decision-making of the Board and the hard work of our staff that we have managed to remain in a position where we can remain trading.

Doors closed but lights on

While it has been an incredibly challenging year, your Board has been busier than ever with the interior of the club and bar renovated during the COVID-19 closure.

A massive thanks to our volunteers who helped with the renovation, particularly David Smedley, Garth Manning and Shannon Hunt. We are very proud of the result we achieved on an extremely tight budget with countless hours put in by the Board and volunteers to ensure our members and guests had a fresh and clean club to return to.

Further, through the sale of redundant gaming machine entitlements we have funded the conversion of a bowling green into an outdoor beer garden which has not only reduced our operating expenses but has opened a new revenue stream which we can't wait to utilise in 2021. Our gaming room has also had a light renovation to allow our members and guests comfort, amenity, and safety during these unprecedented times.

Post-lock down, the club has bounced back to life with the return of live music and a fantastic end to 2020 with new record days, and weeks, set – an amazing achievement considering we have been

operating through heavy restrictions and limited days which is a testament to the leadership of the Board and the hard work and determination of our staff.

The path ahead

Whilst we are in a vulnerable going concern position due to the disaster of 2020 and the continuing COVID-19 pandemic, your Board continues to diligently explore pathways to secure our future. The Board has extensively explored financing options with a range of lenders and has continued our work with Augusta Advisors (as noted last year) to fully explore and appreciate pathways to futureproof the club for generations to come. Whilst our current vulnerable position is highly dynamic due to our challenging cash position and the ongoing nature of the COVID-19 pandemic, the Board eagerly awaits the opportunity to present to our members for their consideration our options to move forward in the coming months.

Yours faithfully,

BAZ COMPTON
SECRETARY MANAGER

TREASURER'S REPORT

Dear Members,

Whilst 2019-20 was another significantly challenging year for the Club both operationally and financially, the adoption of all the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) has provided the framework for the Club to move to 'best practice' accounting procedures.

As noted in previous AGM reports, bowling clubs across NSW are facing fundamental challenges to their future with a combination of a tired business model and declining gaming revenue. Year-on-year, our bar takings have declined 26.5% which is above expectations considering we were closed for a quarter of the year and reopened operations under heavy restrictions. However, much more concerning is gaming revenue which is down 42.9% year on year, with 2019 declining 15% on 2018. Whilst our gaming decline is not helped by our tired gaming room, as noted in last year's Secretary Report the gaming decline in Registered Clubs is a state-wide trend and there is little data to suggest this trend will subside. With this in mind the Board has worked tirelessly over the previous 18-month to explore strategic pathways to future proof our club.

As at 30th June 2020, the Club's current liabilities (\$366,620) exceed its current assets (\$122,614) by \$244,406. Not a good look by anyone's measure. However through the Club's rigorous updating of the auditing and accounting processes, streamlined staffing and rostering protocols, gradual decrease of employee annual leave liabilities (which currently sit at an unsustainable \$55,869), rationalisation of operating expenses, fundamental changes to the business model, sale of redundant gaming machines and importantly, the finalisation of strategic options on ensuring the long term viability of

the Club, our Auditor - Bishop Collins, has been able to prepare our June 2020 financial statements on a 'going concern' basis. This is extremely good news for the Club, its members, its employees and the community in general.

These are extraordinarily tough times though, and with the COVID-19 pandemic still looming large, uncertainty over trading and cash flow will hang heavy. The Board however will continue to exercise its due diligence throughout the financial year and work closely with the Secretary Manager to ensure the Club's longevity.

GARY TALBOT

DIRECTOR

(The position of Treasurer on the Board was still vacant at the time of publication of this Report.)

