



SECRETARY'S REPORT

2024

Dear Members,

It is my privilege to present the Secretary's Report for the financial year ending 30 June 2024. This year has been one of reflection and adaptation as the club continues to navigate a changing economic landscape and shifting member preferences.

Financial Performance and Shifting Revenue Strategies

The club achieved total revenue of \$2,333,388 for the year, reflecting an 8.7% increase on 2023. This is despite a decline in our gaming revenue of 9.8%, to \$303,072, which is consistent with the broader trend small clubs are facing across NSW due to changing customer habits and increased regulatory pressures.

The club's revenue growth was predominantly driven by bar sales, which rose by 8.9% to \$1,747,952, reinforcing food and beverage as the key driver of our revenue streams.

While food and beverage operations are already the cornerstone of our business strategy, we will continue to enhance these offerings to further improve our profitability.

These results also highlight the importance of our strategy to continue to improve and diversify our income streams.

Key initiatives include the introduction of a new contract caterer, Hannah's Kitchen, in March 2024, and a new booking system which will increase operational efficiencies and allow us to more effectively target a variety of new target markets such as corporate functions.

Hannah's Kitchen's ability to execute high volume during peak trade combined with their corporate experience has significantly elevated the club's food and beverage profile, earning widespread praise from members and guests. We are excited to continue building on this partnership and look forward to another successful year ahead.

This year also saw our ongoing relationship with Lily Fields Distilling Co. This relationship provides our members and guests with a distinctive point of difference compared to other local hospitality venues and carries significant weight in our journey to diversify our offerings. Congratulations to Shannon and Jen on another successful awards season – we look forward to enjoying many more medal-worthy G&Ts in 2025.

This year, significant progress was made towards resolving a long-standing zoning anomaly that has burdened the club with annual council rates peaking at \$72,000 in recent years – approximately 350% higher than neighbouring clubs zoned as RE2 (Private Recreation).

Another significant milestone was achieved with the signing of a major beer supply agreement in late 2024. This deal, secured under favourable terms after lengthy negotiations, will significantly improve our beverage margins.

Expenses and Operational Costs

Our expenses increased across several key areas, reflecting inflationary pressures and operational growth. Staff wages rose by 10.8% to \$791,498. While staffing costs remain the club's largest expense, this reflects our ongoing goal to service the expectations of our growing number of members and guests, and increased investment in higher-skilled management.

The creation of the General Manager position in late 2024 has been a key milestone in driving these improvements. Under the leadership of Darren Price, the club has implemented tighter financial controls, streamlined daily operations and improved resource allocation. These improvements have already resulted in enhanced service delivery and strengthened overall financial management, particularly around wage costs.

Insurance costs grew by 29%, reflecting rising premiums, while utilities and maintenance expenses saw modest increases.

Net Financial Position

The club recorded a deficit of \$190,871, which included \$130,032 depreciation and amortisation expenses which reflect the significant investments we have made in the club in recent years. Overall, our financial position remains stable, with total assets of \$8,727,931.

The club retained a modest surplus in net cash from operating activities, a significant improvement year-on-year, and a new loan facility of \$250,000, commencing in October 2024, provides flexibility to support strategic investments and manage cash flow.

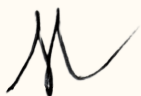
Planning for our future

Our goals to drive operational efficiencies and enhance financial performance is evident in our results in the financial year to date during which time we achieved a 14% growth in revenue alongside a 9.7% reduction in wage costs compared to the previous corresponding period – an outstanding achievement given the 5.75% award wage increase implemented on 1 July 2024.

As we continue through the current financial year, our focus remains on balancing revenue growth with prudent cost management.

While challenges persist, the club is well positioned to continue to adapt and thrive. I extend my sincere thanks to our volunteer Board, staff, members and The Bowlo community for your continued support. Together, we are building a sustainable and successful future for Leichhardt Bowling and Recreation Club.

Yours sincerely,



Baz Compton
Company Secretary
Leichhardt Bowling and Recreation Club