

DIRECTORS REPORT

30 JUNE 2024

1. General Information

Information on Directors

The names of each person who has been a Director during the year and to the date of this report are:

Names	Position	Appointed/Resigned
Bruce Robinson	Chairman	23 January 2022
Paul Sullivan	Vice Chairman	29 October 2023
Elva Watson	Director	18 October 2015
John O'Shea	Director	23 January 2022
Debbie Atterton	Director	29 October 2023
Angus Gall	Director	29 October 2023

Non Current

Barry Rumble	Director	22 October 2017
Jim Crisp	Director	22 October 2017
Glenn Hanna	Director	22 October 2017
Pat Holman	Director	22 October 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated Paul Sullivan temporarily stepped down as Director in May 2024 to become a management consultant to the Club during transition in leadership. Bruce Robinson, John O'Shea and Elva Watson have all been in office for the full financial year. Barry Rumble, Jim Crisp, Glenn Hanna and Pat Holman resigned 29 October 2023. All other Directors have been in office since 29th October 2023.

Company Secretary

The following person have held the position of Company Secretary for the financial year:

- David Cunningham, from 29 June 2009 to 22nd April 2024
- Danielle Rushworth, since April 2024.

Principal activities

The principal activities of South West Rocks Country Club Ltd during the financial year were the provision of sporting and recreational facilities for members and their guests. No significant changes in the nature of the Club's activity occurred during the financial year.

Short term objectives

The Club's new short-term objectives are to:

- Build a healthy working environment.
- Focus on customer service
- Build a strong cashflow balance to support club activities.
- Improve Governance and Financial Management

Long term objectives

The Club's long-term objectives are to:

- Foster a family friendly culture and environment.
- Maintain and improve the quality of the Club's facilities.
- Improve communication to all stakeholders.
- Futureproof the financial stability of the club.

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- Improve the work environment for staff, to retain the existing quality and attract new quality employees.
- Strive to attract board members with relevant knowledge and

- understanding of the entity's objectives.
- Attract new members and support existing members who will utilise and benefit from the club to assist in providing strong cash flow.
- Build knowledge through training in financial and risk management.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Environmental issues

The Club's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Members' guarantee

South West Rocks Country Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members that are subject to the provisions of the company's constitution. At 30 June 2024 the collective liability of members was \$7,248 (2023 : \$10,046).

Meetings of Directors

During the financial year, 13 meetings of regular directors were held. (not including committees of directors) Attendances by each director during the year were as follows

Directors Meetings		Number eligible to attend	Number attended
Bruce Robinson	Chairman	13	13
Paul Sullivan	Vice Chairman	8	7
Elva Watson	Director	13	13
John O'Shea	Director	13	11
Debbie Atterton	Director	13	11
Angus Gall	Director	13	12
Scott Colomb	Director	13	10
Non Current			
Barry Rumble	Director	4	2
Jim Crisp	Director	4	4
Glenn Hanna	Director	4	4
Pat Holman	Director	4	3

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2024 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Scott Colomb

Director
Scott Colomb
Dated 26/09/2024

John O'Shea

Director
John O'Shea
Dated 26/09/2024

NOTICE OF ANNUAL GENERAL MEETING 2024

Notice is hereby given that the Annual General Meeting of Members will be held in the South West Rock Country Club Auditorium on **Sunday, 3rd November 2024 commencing at 9.00am.**

- To confirm the minutes of the Annual General Meeting held 30 October 2023.
- To consider the 2024 annual financial report, directors report and auditors report.
- To deal with the First, Second and Third Resolutions for which due notice has been given in accordance with the Constitution.
- Any other business of which proper notice has been given by order of the Board of Directors

BUSINESS

Notice: Any financial member attending the Annual General Meeting who requires clarification on any matter pertaining to the financial statements contained herein, please put your questions in writing to the Secretary Manager no later than seven (7) days prior to the AGM, so the questions may be answered fully at the meeting.

FIRST RESOLUTION

That pursuant to the Registered Clubs Act:

- The members hereby approve and agree to reasonable expenditure by the Club for professional development and education of Directors until the next Annual General Meeting and being:
 - The reasonable travel and accommodation costs of Directors attending Registered Clubs Association Annual General Meeting.
 - The reasonable costs of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
 - The reasonable costs of Directors attending other registered Clubs, for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
- The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those that are Directors of the Club.

SECOND ORDINARY RESOLUTION

- The members hereby approve and agree to reasonable expenditure by the Club until the next Annual General Meeting of the Club for the following activities of the Directors:
 - The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee meeting on the day of that meeting where the Board or Committee meeting coincides with a normal mealtime.
 - Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by Directors which activities and the expenses there from are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence.
- The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only those who are Directors of the Club

THIRD ORDINARY RESOLUTION

That in conformity with the Registered Clubs Act, members authorise (and declare to be reasonable) the payment of a monthly honorarium at the annual rate of \$4000, payable monthly in arrears and prorated on a daily basis for any broken period of less than a calendar month at the start or end of their term, to the Chairperson of the Club in respect of service on the Board until the next Annual General Meeting.

General Explanatory Note – This and the other proposed resolutions deal with proposed benefits for directors and a proposed honorarium for the Chairperson.

Expenditure and the provision of benefits as proposed by the resolutions (including the proposed honorarium for the Chairperson) are only permissible under legislation, where reasonable and with the approval of a resolution of the members.

Statement of Profit or Loss and Other Comprehensive For the Year Ended 30 June 2024

	2024 \$	2023 \$
Revenue	10,618,278	9,904,750
Changes in inventories of finished goods and work in progress	61,070	18,479
Raw materials and consumables used	(2,617,386)	(2,492,919)
Employee benefits expense	(3,464,792)	(3,152,083)
Depreciation and amortisation expense		
PPE Depreciation	(890,764)	(735,883)
Other expenses	(3,882,555)	(3,260,061)
Finance costs	(283,094)	(213,401)
Profit before income tax	(459,243)	68,882
Income tax expense	-	-
Profit from continuing operations	(459,243)	68,882
Profit for the year	(459,243)	68,882
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		
Items that will be reclassified to profit or loss when specific conditions are met		
Total comprehensive income for the year	(459,243)	68,882



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Statement of Financial Position 30 June 2024

ASSETS	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	4	549,287	913,055
Trade and other receivables	5	94,162	43,286
Inventories	6	393,433	382,325
Other assets	9	65,814	37,727
TOTAL CURRENT ASSETS		1,102,696	1,376,393
NON CURRENT ASSETS			
Property, plant and equipment	7	14,271,930	14,858,359
Intangible assets	8	49,923	48,059
Other assets	9	-	4,843
TOTAL NON CURRENT ASSETS		14,321,853	14,911,261
TOTAL ASSETS		15,424,549	16,287,654
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	373,108	404,128
Borrowings	11	578,834	566,245
Current tax liabilities	15	52,488	39,983
Short term provisions	12	215,561	258,557
Other financial liabilities	13	248,499	202,321
TOTAL CURRENT LIABILITIES		1,468,490	1,471,234
NON CURRENT LIABILITIES			
Borrowings	11	3,444,822	3,851,247
Long term provisions	12	19,697	14,390
TOTAL NON CURRENT LIABILITIES		3,464,519	3,865,637
TOTAL LIABILITIES		4,933,009	5,336,871
NET ASSETS		10,491,540	10,950,783
EQUITY			
Reserves		4,687,597	4,687,597
Retained earnings		5,803,943	6,263,186
TOTAL EQUITY		10,491,540	10,950,783

Statement of Changes in Equity for the Year ended 30 June 2024

2024	Note	Retained Earnings \$	Asset Revaluation Surplus\$	Total \$
Balance at 1 July 2023		6,263,186	4,687,597	10,950,783
Profit attributable to members of the entity		(459,243)	-	(459,243)
Balance at 30 June 2024		5,803,943	4,687,597	10,491,540
2023				
Balance at 1 July 2022		6,194,304	4,687,597	10,881,901
Profit attributable to members of the entity		68,882	-	68,882
Balance at 30 June 2023		6,263,186	4,687,597	10,950,783

Statement of Cash Flows For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		19,113,200	18,054,757
Payments to suppliers and employees		(18,495,703)	(17,130,520)
Interest paid		(283,094)	(213,401)
Net cash provided by/(used in) operating activities		334,403	710,836
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cost of plant and equipment		(304,335)	(2,697,624)
Net cash provided by/(used in) investing activities		(304,335)	(2,697,624)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		(393,836)	1,643,349
Net cash provided by/(used in) financing activities		(393,836)	1,643,349
Net increase/(decrease) in cash and cash equivalents held		363,768	(347,690)
Cash and cash equivalents at beginning of year		913,055	1,260,754
Cash and cash equivalents at end of financial year	4	549,287	913,055

CHAIRMAN'S REPORT

Welcome to the Chairman's Report for the year ended 30th June, 2024.

As you would be aware the latest 12 months has been extremely challenging for everyone.

The "cost of living crisis" has been the worst in 30 years, and the NSW Club Industry has experienced its worst years for many years, with some fine traditional Clubs forced to close. Other Clubs in our region have also been similarly affected.

SWR Country Club was no exception with costs far exceeding budgeted figures, and the Board became aware of some significant Repairs & Maintenance that needed attention. These will be attended to in coming months. Action needed to be taken to address the "status quo" and to put the Club on a firmer base, to be able to grow in the future.

You will see in the Financial Reports and in the Auditors Report that the Board took a decision to write off the costs (\$123,000) of the Hotel Study, as this project is not on the drawing board in the immediate future. As another board may elect to, but costs are prohibited now. Also, there was a write off of the costs associated with the closure of the Gym (\$136,000), as an inspection by our Insurers advised the Gym was not compliant, the costs associated with trying to make the Gym compliant far outweighed the income it was producing or was going to produce.

There are substantial increases over 2023 figures for Bank Interest, Insurance, Power and Legal fees amounting to an extra \$182,000 to our expenses.

Significant changes have been made to our management structure and to all levels of staffing to place the Club on a path to success, resulting in a refund from the Taxation Department of Payroll Tax of \$53,515. We wish to thank Paul Sullivan for stepping into the Club as a Consultant (resigning from the Board) and performing an enormous job in re-structuring the Club. We thank the tireless work of Danielle Rushworth as interim Licensee and Secretary-Manager, and the immediate impact Peter Tyler has had as Operations Manager.

The Bistro was leased out to our caterers (Nathan and Henry) and this has worked out extremely well for the Club, not only saving the Club money, but providing a much better dining experience.

Our Golf Course was honoured by Golf NSW with holding the NSW Country Championships and a \$50,000 Pro event as an NSW Open qualifier event. This event has been promised again next year by Golf NSW. Congratulations to all our Green Staff and to Dave Hobday in presenting the golf course in top condition. And to also the work done by this group in maintaining our Bowling Greens, Croquet courts, Football and Cricket fields, Tennis courts, and the presentation of the gardens and lawns at the Club's entry.

I would like to thank all my fellow Directors for the time and energy put in during this testing year. Thank you to John O'Shea, Ellie Watson, Deb Atterton, Angus Gall, Scott Colomb and Paul Sullivan.

To the management team led by Danielle and Peter, all the supervisors and staff who have got behind the changes and moved the Club forward, a big thank you.

And to you the Members who continue to support your great club, thank you.

Regards

Bruce Robinson
Chairman

SECRETARY MANAGERS REPORT

The 2023 – 2024 financial year has been one to present us with significant change to both our operations and management structure throughout.

In April 2024, I stepped into the temporary role of Secretary Manager (Licensee) and it has given me great pleasure to lead such a dynamic team, and work hand in hand with the Board of Directors and Paul Sullivan.

Peter Tyler has been embraced by all as General Manager Operations and will take on the role of Licensee in due course, Brandon Connor is our newly appointed Golf Operations Manager, "Welcome".

Hard business decisions have been made with the forefront of the Club's future as its main priority, the Gym closure being one.

Our Club continues to support our local community financially by way of employment, creditor payments, sponsorships and donations through the Club Grants Scheme. 2023 – 2024 saw us donate just over \$40,000.00 through the Club Grants Scheme alone.

The new management structure in place will focus on delivering the objectives within the Club's Strategic Plan over the next 5 years, which is very exciting for our members, staff and community. With a strong focus on sporting, financial sustainability and reinvestment of facilities.

The changes that have been made thus far have allowed us to build a strong resilience workforce, one that I am proud to be a part of.

It must be noted that Paul Sullivan's commitment, knowledge and mentorship to the club and staff has been paramount in drafting the pathways we are headed.

To my valued colleagues, thank you for your support and dedication to the Club and its movement. We cannot do what we do without you.

Valued Members thank you for your patronage and trust as we navigated our significant changes and continue to improve our business operationally and financially.

Many Thanks

Danielle Rushworth
Secretary Manager

BUSINESS OBSERVATIONS REVIEW

In the last 7 months consulting to the Club, I have been given the opportunity to meet with key decision makers, industry influencers, senior managers and CEO's representing the Clubs and Hotel Industry. I have tried to summarise the observations from this diverse group of industry leaders.

The whole hearted consensus is that the industry is witnessing a period of stagnation and heightened competition. Revenue sources are becoming increasingly concentrated, profit margins are shrinking, operational costs are rising. Our members, our customers behaviours are shifting towards reduced discretionary spending, complicating our efforts for price increasing. The constant threat of political reforms through alcohol and gaming further exacerbates bar challenges. To thrive amidst these challenges, is the short term business development planning linked and longer term strategic planning to provide a comprehensive guide to navigating future uncertainties and positioning 'our Club' for sustained growth and success.

Paul Sullivan
Consultant



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