

President's Report 2021 - 2022

Dear Member

The 2021 - 2022 Financial Year can best be characterised in 3 x 4-month periods:

July 2021 – October 2021

The Financial Year commenced with the clubhouse closure due to a Covid 19 Public Health Order. The club did not re-open until mid-October, which had a significant effect on the first 4 months of trading. The club's operating income dropped by \$645,000 compared to the corresponding period in the previous financial year 2020 - 2021.

November 2021 – February 2022

The clubhouse was open during this period, however the club's operating income dropped by \$391,000 compared to the corresponding period in the previous financial year 2020 - 2021. The following factors contributed to this result:

- Exclusion of non-vaccinated patrons from the clubhouse on re-opening
- Staff shortages:
 - Key personnel resignations
 - A lack of people wanting to enter the hospitality industry
 - Covid infections amongst the staff causing reduced service offering
- Covid outbreak on the Central Coast caused a lack of consumer confidence
- Fire in the clubhouse
- The start of El Nino (the conditions which contributed to above average rainfall)

March 2022 – June 2022

The club's operating income dropped by \$58,459 compared to the corresponding period in the previous financial year 2020 - 2021. The following factors contributed to this result:

- The continuation and impact of La Nina
- \$70,000 write-down of profit due to over realised membership revenue from the previous year.
- Additional costs associated with customer increased service levels
 - Entertainment
 - Courtesy Bus
 - Raffles
 - Additional bar staff
 - Beer price increase that was not passed on to patrons

In a year that can only be described as 'annus horribilis', I asked myself 2 questions:

- Could we have managed the business better?
- Could we have made decisions in previous years to reduce the impact of the influences that were out of our control, such as Covid 19 and the El Nino weather effect?

The answer in short:

- In the period from October 2021 to February 2022, we could have tightened our belts further and possibly added \$50K to the bottom line. This would have affected customer service levels, and we elected against that strategy.
- In previous years, we could have increased our focus in Gaming. After the Covid 19 Public Health Order was repealed, our industry peers reaped the rewards associated with stimulus money in the economy finding its way into the large Gaming venues. Our view was to strategically grow all revenue streams with a balanced perspective ie Golf, Food and Beverage, and Gaming. Having said that, our investment in Gaming is underutilised and will be a focus in the future.

Whilst a drop in profit from \$1.35 million to \$0.25 million is never palatable, net cash from operating activities of \$912,000 resulted in the club's bank balance to grow to \$2.3 million.

Looking to the future:

- Earlier this year, our 2022 – 2027 Strategic Plan was developed. Our Vision Statement and Mission Statement was reviewed and clearly supports the future direction of our club.

Vision Statement: *We aspire to be the best golfing, dining, and social experience on the Central Coast for our members and community.*

Mission Statement:

- *An efficiently managed business that has a sound financial foundation.*
- *A golf course that is rated in the top 100 public access courses in Australia, that is a fair test of golf but an enjoyable experience for golfers of all abilities, coupled with an improved golf program.*
- *A modern clubhouse that takes advantage of its unrivalled ocean views, with first class hospitality and a variety of entertainment.*
- We have received the first draft of the Clubhouse Master Plan from BSPN. We hope to have 3D rendered drawings of the proposed Stage 1 Development in due course.
- The first stage of the Golf Course Development Plan is underway. An aerial drone surveyed the course recently which will provide Perrett Webb with invaluable data, mapping and information.

Caution: The Clubhouse Master Plan and the Golf Course Development Plans are still un-costed and the Board must follow the Governance protocols before any expenditure is approved.

In Closing

Whilst 2021 – 2022 was not a great year, we are positioned with a clean and healthy Balance Sheet. Our key personnel areas such as General Management, Accounting and the Kitchen are now back to levels that will return strong operating results.

I would like to formally welcome our new General Manager Peter Ehlen, to Shelly Beach Golf Club and to thank all our great staff for the way they performed in this past year's very challenging environment.