



Treasurers Report to AGM March 2022

1. Summary

The Club's audited accounts for the financial year ended 31 October 2021 are available on the Club's website.

COVID-19 again had a major impact on the Club's finances, with \$296,121 being paid out in refunds following cancellations due to lockdowns. That said, the Club was able to realise a 51% increase in income over 2020, through increased accommodation revenue, a rise in membership fees, and revenue from rent relief, Job Keeper and other government grants. A significant increase in costs to the club was insurance, with our total premiums rising from \$59,859 to \$108,959, an increase of 82%. These premiums increased again in 2022 and will likely continue to do so.

The operating result was an accounting loss of \$16,847, a 90% improvement on 2020's result.

2. Income Statement

	2021	2020
Income	\$ 625,460	\$ 415,040
Operating expenses before interest, depn, amtn	-\$ 377,030	-\$ 311,209
Operating result before interest, depn, amtn	\$ 248,430	\$ 103,831
Less: interest on loan	-\$ 12,304	-\$ 22,761
Operating result before depn & amtn	\$ 236,126	\$ 81,070
Less: Depn, amtn on land and buildings	-\$ 165,130	-\$ 165,350
Less: AASB16 Depn and interest on leases	-\$ 87,843	-\$ 88,361
Operating result	-\$ 16,847	-\$ 172,641

3. Capital Expenditure

With the Club operating on a maintenance-only basis, there was no significant capital expenditure for the year. However, there are significant items that have been deferred which will likely come due in the coming year, such as the replacement of fridges at Waragun and structural repairs to Kyilla.

4. Ongoing Matters

The Club has applied to the NSW Small Business Commissioner to provide mediation with NPWS over rent relief for 2020. We are waiting for a date to be provided. The Club has

received legal advice that this mediation will likely be unsuccessful, but is an obligatory step before taking the case to the NSW Civil and Administrative Tribunal (NCAT). At this point we expect there to be information forthcoming from other similar cases that have been taken to NCAT, which should give an indication of the costs and likely outcome, which will guide us on whether we appoint legal representation and proceed to the tribunal.

Rent relief for 2021 is being handled by SLOPES on behalf of us and 64 other clubs, rather than the one-on-one negotiations that NPWS required for 2020. This will hopefully result in less work on our part, and a more equitable outcome.

5. Cash Position

As at 31 October 2021 the Club had cash at the bank of \$70,053 and a loan balance of \$290,430. The Club repaid the loan as income from memberships and lodge bookings came in, but was obliged to redraw as refunds were issued. That said, the closing balance is a significant improvement on the balance of \$499,460 for 31 October 2020.

The loan provides a redraw facility of \$555,872 and expires on 4 December 2023. Cashflow forecasts indicate the Club can meet its ongoing financial commitments by redrawing funds as needed. Should the coming season prove to be less “eventful” than the last, it’s likely the Club will be in a position to pay off the loan in its entirety, however given the utility of having this line of credit on hand to cope with further unexpected financial challenges, the Club will maintain a minimum balance in order to keep the loan active and thus the redraw facility available until its expiry date. It is intended that the facility will be re-negotiated prior to expiry.

The Statement of Cashflows discloses net cash flow from operating activities of \$274,496 as compared to \$64,297 in 2020.

6. Conclusion

The Club remains in a good and improving financial situation, having coped well with the impacts of COVID-19.

Russell Kerrison
Treasurer