



General Managers Report – AGM 2020

Dear Members,

For my first General Manager's Report of the Hills Club it is hard to know where to begin.

I commenced in early February at the latter part of the club's financial year as the Covid-19 pandemic was beginning to infiltrate our lives. 6 weeks later we were in forced shutdown and I was in the regrettable situation of having to stand down the club's 35 odd staff members. I have to say this was the most unpleasant situation I have encountered in all the years I have worked in this industry. The hardest part being standing down all for the club's employees for an uncertain timeframe. The club remained shut down for the remaining period until the end of the club's financial year ending 31st May 2020. This naturally had some significant impacts on the end financial result for the year.

Total trading revenues were down approximately \$1,000,000 and at the same time total expenses were down approximately \$400,000.

The bottom-line result was \$646,860 loss before taking into consideration a \$600,000 revaluation of the land and buildings.

It is important to note that there was a write off on the asset register to the amount of \$172,748 which was a result of a tidy up of the club's asset register. There were many items that had been made redundant through the renovation in May along with replaced technology that was being depreciated although no longer present. Added to this were items of furniture that had been disposed of that was still being depreciated.

It is important to note in other income was the club's receipt of \$150,000 from Arden which was an agreed incentive payment on the successful signing of a PDA.

Finally, the club received \$150,000 in job-keeper payments which offset against wage costs and a \$50,000 cashflow boost which was assistance given to businesses to cover basic running costs.

There were some difficult decisions that were made including the cessation of the greenkeeping services, and the use of volunteers to maintain the greens and the grounds. The club members should be very grateful for the efforts that these volunteers have achieved in assisting the club keeping costs to a minimum and maintaining the grounds and greens as well as they have.

By year's end there appeared to be some light at the end of the tunnel. After some decisive action the club had secured the club's financial position with the successful acquisition of a loan facility, cleared all trade creditors off the books and progressed with a much-needed revitalisation of the club's premises including a new outdoor gaming room. At the time of writing this it is safe to say that the investment into this area has proven to be worthwhile. All of the staff are back on deck and the club has been trading very well considering the ongoing restrictions.

I would like to thank all those who have contributed to the club in recent months through the Covid-19 pandemic. The staff of the club have experienced a tough year and I personally really appreciate the support they have displayed for the club and the manner in which they approached the process of being stood down and then called back to duty. Thank you to all of the club's management team and in particular operations Manager Melissa Davies for her support in my commencement as GM and beyond.

The turnaround of the club in more recent months would not have been possible without the unwavering support of board members. They have taken a leap of faith in supporting many decisions that have been proposed despite my short time at the club. There is no doubt that the club has endured a tough period of declining trade and the covid-19 pandemic however it is clear that the current board are determined to deliver good outcomes for the club's future, and they spend considerable time contributing in many ways.

Finally thank you to all of the members who continue to support the club as it is your support that keeps the club going year on year. Whilst there are some challenges still ahead, I very much look forward to ensuring your club is as good as it can be for the years to come.

Kind Regards,

A handwritten signature in blue ink, appearing to read 'Angus Rimmer', with a stylized, cursive script.

Angus Rimmer
General Manager