

Members,

Well, we started the financial year at a flying pace and here we are at the end of the year in lockdown again. It's a strange world we live in these days, isn't it?

We have all had our challenges this year,

In 2020, after being closed for 10 weeks, we re-opened on June 1, 2020, and finished that financial year with a flurry. The new financial year saw pent-up demand and customers generally excited to get out, socialise and enjoy their clubs again. This continued throughout the 20/21 financial year as life came slowly back to "normal". Our clubs enjoyed very buoyant trade initially which were slowly replaced by more regular trading levels. The many significant operational changes that we put in place during the shutdown paid dividends and our financial performance improved throughout the year.

The success of Catering HQ at Lantern Club was one such change, and based on their success, we made the decision to appoint them to partner with us again on the Mingara site, servicing our members with the dining option in Indigo. After commencing on site pre-Christmas, Catering HQ had a couple of early "settling in" issues but have found their groove and the food they are providing to our members is fantastic.

Early in 2021, the unexpected resignation of our Head Chef at Springwood Sports Club for personal reasons, saw us make the relatively easy transition to Catering HQ to again partner with us in Gather. Our Blue Mountains based members are giving us wonderful feedback about the variety, quality and portions they are experiencing.

Following on from the fire in March 2020 at The Greens The Entrance, the long running negotiation with our insurers has somewhat come to an end, with our club agreeing on a settlement of \$12.3 million for building and contents of the club. The negotiation of the business interruption insurance is still in negotiation at the time of writing this report. The insurance settlement now allows us to move forward with the planning for the building of a new club on site at The Entrance. Planning and then the approvals process will take some time before we can commence construction. At this stage, we anticipate we should have the new club open in the early part of 2023. To provide some amenity for our local members, we plan to open a kiosk, called The Greenkeeper Shed which will serve breakfast and lunches to members in the coming months. The bowling members of The Greens The Entrance are enjoying being able to bowl but are eager to have their club back again. We appreciate their patience and understanding during these protracted negotiations.

At the same time, Central Coast Council (CCC) has been cooperative in our requests to purchase the land which The Greens is located on. Donated originally by the Taylor family, the club has leased the property from CCC for the entire period and despite several attempts, has never been able to acquire the property due to a technical classification issue of the land. CCC is now proactively seeking to change the classification, so as to enable discussion to take place between CCC and ourselves to purchase the property. This is a great step forward to secure the long-term future of the club and to allow the reconstruction of the building. We look forward to being able to share good news at some time in the coming months.

Our Construction team have been busy during the year again. This time working to create a new multi-purpose room at Mingara and refreshing the creche for our member's little ones. The new multi-purpose room is proving a hit with our bingo crowd and will also be a great space for our sub and affiliated clubs to make use of for their various meetings.

Our main lounge refurbishment is the next stage of our detailed masterplan works for the Mingara site. The new amenities have just been completed and have gone from being the oldest and most uninviting toilet amenities in the group, to now being the absolute finest in the whole organisation. The main lounge is now closed for refurbishment, with the first stage anticipated to be ready in time for the summer period. It will be setting a new benchmark for quality bars on the Central Coast.

Ming Dragon, our Asian restaurant partner at Mingara has also undergone some changes, both cosmetic and in terms of offering. Lunchtime will now see a delicious yum cha offering, with the a la carte Chinese cuisine being available for dinner in the evenings. There are no real yum cha offerings on the Central Coast and we think this will be particularly popular.

As I mentioned previously members, the reopening of your clubs after the 2020 COVID-19 shutdown led to a relatively good year of trading, particularly early on. Revenue from operations across the Group increased from \$71.6 million to \$89.9 million. EBITDA increased from \$15.2 million to \$24.54 million this year, an increase of \$9.34 million or 61%. Net profit this year has increased from \$3.6 million last year to \$9.7 million this year, an increase of \$6.1 million, however members should note this is not a typical year and the results are not likely to be replicated in the future. The revenue figure includes \$4 million in insurance proceeds related to the fire at The Greens The Entrance. Our Balance Sheet shows total assets have increased from \$148 million last year to \$151.4 million. Net assets have increased from \$101.5 million last year to \$111.2 million, an increase of 10.9%.

The club's results provided the opportunity to make some substantial early payments on the club's commercial bills. This has reduced our debt position substantially from \$26.6 million last year to \$22.3 million at the end of the financial year. The advance payments are able to be redrawn if needed to fund the next raft of construction works currently underway at the Mingara site. Whether redrawn or not, the advance payments have positioned the club well. Please note the additional payments on our commercial bills are shown in the Balance Sheet as cash, as they are able to be withdrawn easily and are technically a "cash" asset.

One of the great concerns we had during the 2020 shutdown, was our ability to support the community in the short term. I am pleased to report we were still able to maintain a very significant contribution to the communities in which we are located. Across the 5 venues during the 2020/2021 year we contributed more than \$1.9 million. Our Chair will report in more detail on our support of the community however, some highlights are worth noting are;

- **Elsie's Retreat**, our first ever palliative care unit on the Central Coast.
- **March 2021 Floods**, the devastation from this natural disaster which hit the Port Macquarie-Hastings region from March was enormous. The days that followed and continuing up to Easter were very much consumed by the support our team gave to each other and the community at large.
- **Lantern's Sporty Kids Program**, we made a significant investment working with local primary schools in the Canterbury-Bankstown area, implementing new sporting equipment and health and wellbeing programs.
- **The Greens The Entrance**, despite there being no club for the past twelve months, we have made a contribution of \$180,000 towards this year bowls.

Members, this last 18 months or so have seen very exceptional circumstances. Across the globe, this pandemic has caused enormous difficulties for us all. In some circumstances, many have paid the ultimate price. Your club, though facing challenges, will survive. With your support and continued patronage, we will eventually come back to some normality. Throughout this time, your Board of Directors have been courageous, professional and supportive of our Teams. Admirably led by Chair Phil Walker, your Board has a solid strategic plan and a clear vision of where the organisation is heading. Our members are very well served by their Board.

Similarly, the team of people we have assembled across our five sites continue to do us proud. In normal times, they are awesome. In these troubled times, they have been nothing less than amazing. They make me proud with their dedication to each other and our organisation. My thanks to each and every one of them.

Members, a sad fact of life is that every year we lose loved ones. To those members who have lost someone special and close to them, our condolences to you for your loss. I share your pain.

Thank you members, for your continuing support of our group of clubs. Aren't we fortunate to live where we do, where we have wonderful facilities, where we can go to spend time with family and friends, enjoy a meal, a drink and create wonderful memories? Knowing the club you belong to has all that to offer as well as contributing so much via it's community support program. Making a significant contribution to the quality of community life is just who we are.

We look forward to seeing you in your club again soon.



Paul Barnett
Chief Executive Officer
Mingara Leisure Group



Mingara's 50th Birthday Celebrations

Members now that we have reported to you about the highs and lows of the past year, we should pause and celebrate the 50th birthday of your club Mingara! I'll bet the founding members of Mingara never dreamed that the little club they created in Shirley & Clive's loungeroom would become a local institution. A place that would welcome all people, would support so many worthwhile causes, both sporting and community. How could they have imagined the jobs which it would create, the training and development it would provide and the careers it would launch.

Can you imagine how many children we have taught to swim over the last 25 years? How much of a difference we have made to the lives of people going to bingo, catching up with friends and family for coffee or dinner, for celebrations, weddings and sadly even funerals. We are an integral part of life in our local community, and that is something to celebrate. Happy Birthday Mingara, and here's to the next 50!.

