Mangrove Mountain Memorial Club
& Golf Course

18 Hallards Road Central Mangrove
Club : (02) 4373 1129
Proshop : (02) 4373 1075

FINANCE REPORT - ANNUAL **9th November 2025**

There have been no material or significant changes to the principal activities of the Club, nor the accounting procedures applied to the financial statements for the year to 30th June 2025, which have been subject to the formal annual audit by CWBS Accounting Professionals, and Garry Chapman is in attendance to provide his report, and answer any difficult questions.

The 2024-25 Financial Year has seen a continuation of some of trading challenges that the whole hospitality industry has faced since the COVID-19 pandemic, and this includes the competition for human resources, and the increased costs of many of our supplies, which the Board continues to manage and try to minimise the impact on our Members and patrons.

Our CEO, Michael Ekert, just under 12 months ago now, and we have seen some good progress in a number of Management areas where the Board had identified the need for improvements, and at least in part these have contributed to the declared profit of $23,179 for the year to 30th June 2025. This compares to the loss of $39,694 in the prior year – so a $63,000 positive turnaround for the year.

The Club has seen some continued growth in parts of the business, in particular the patronage of the Bar, noting the drop-off in Off-Sales, and almost complete loss of Tobacco sales, driven by the under the counter market. As there is now a compliance cost involved in Tobacco sales, the Board has determined that we will cease offering Tobacco products for sale in the Club from now on.

There has been a significant rise in the contribution from the Gaming area as Management has upgraded machines and provided the eBet services for simpler handling. The Board remains vigilant over the Gaming area to ensure we meet our compliance obligations, but there is no doubt that this is an incredibly important part of the Club, and enables us to service the Community in many ways that would otherwise be out of reach.

The Golf operations have been subject to some disruptive weather that has curtailed the financial performance, with the course closed for 35 days, including 7 competition Saturdays. The Restaurant operations continue to suffer from the increased costs and resource issues, and the Board is fully

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aware of the importance of maintaining a consistent quality of food and service from this area of the Club operations.

The 2024-25 Year was a steady continuation of the prior year, with a few minor differences which meant we turned a profit rather than a loss, showing yet again what a fine line the Club treads between revenues and expenses, and how we achieve our objectives around Club renovations to make the place a more attractive venue for the Community, and encourage more patrons as both Members and casual visitors.

The final result for the Financial Year is a Profit of $23,179 which is compared to the loss last year of $39,694 and the profit the year before of $33,000. This equates to less than 1% of our total revenues of $3.34 million for the year, which are noted to have increased by another 8.5% from the previous year – both from the inflationary price rises on goods, but also from increased patronage from our over 1,100 Members.

The final result is a good one – and the Board remains confident that this does not materially change our position that the Club should look to maintain a sound financial position across all the four key areas of operations.

In 2024-25 we did not receive any Government grants or support, and were again unfortunate in not being successful in the various infrastructure grants that the team worked hard to apply for. We have submitted a number of grant applications in the past 4 months, involving considerable effort from the Board and Management, with the aim of being able to fund the next planned stages of the upgrade program for the Club, and we had hoped to be able to announce some wins today – but as yet we have received no news, good or bad, on the applications submitted.

The total Equity at the end of the year is $4.25m as compared to the $4.26m at the same time last year, and we have not made any changes to the current valuations of the business last reviewed in 2022. We will be doing so again before the end of this year.

In terms of our annual revenues across the 4 key areas, they can be broken down as:

- Increase of 7.2% in the Bar and offsales revenues

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- Gaming returns of 8.6% which is just on budget, but on an increased Turnover of over $10 million for the year
- Reduction of 10% on Golf operations mainly due to weather conditions
- No major change to the Catering operations, which were ahead of budget for sales and revenue

The Board is very pleased to note the ongoing robust management of Total Borrowings of $322,200 for the year, an increase from the $190,700, but noting we have spent over $110,000 this year on the initial works to upgrade the balcony and stormwater systems, as well as $160,000 in new equipment, and we continue our drive to manage our debt position with the bank, in order to position the Club in the best way for the next stage of the renovations we are so keen to implement.

The main elements of the year's performance are:

- Maintenance of the overall level of debt – 11.48% against the 12% limit set by the Board
- Improved cashflow and retained cash on hand of $216,484
- Costs of Sales as an reduced percentage (28.9%) of the Revenues (was 31.5%) – well managed by the team
- Insurance premiums remaining fairly stable at $120,000 – for all classes other than Workers Comp – 11% increase on expiring premium costs
- Buildings have been maintained at the same fair values
- No changes to Land Values (3 yearly review in 2025 to come)
- Total Assets have increased to $5.01m from $4.88m last year
- Total Equity has remained almost unchanged at $4.25m
- Gaming Returns – the Year has seen a significant increase from the previous one, with average Monthly Turnover of $835,000 (was $635,000) and a Return of 8.6% against the 8.5% last year.
- Membership numbers have stabilised, and have reached 1,179 by the end of the year, which was slightly down on the prior year (1,220).
- Capital outlay was more substantial this year and included:
    - Balcony Refurbishment $105,000
    - IT and Comms upgrades $10,000
    - Gaming - E-Bet & CRT Systems $97,200

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- Gaming - Poker Machines x 3 $14.800
- Golf Course - Toro GR 3400-D Mower $24,490
- Golf Course - Toro Workman $11,775
- Rental Property repairs $11,000

We have continued with the Return & Earn scheme with the funds going directly towards reducing the Club debts, and the various regular and special Raffles and the Member's Badge Draw provide some additional services to the Community while contributing to Bar and Restaurant revenues from attendees.

The Club has sought to increase the number of special shows, live music and other entertainment options for Members, and these have seen a variety of results across the year, and we continue to support local sporting groups such as the Soccer Club, the Mountain Community Race Day, the Mangrove Country Fair, and Stonewall Equestrian events. The Club can provide an excellent venue for functions, and the team has increased the number of major lunch / dinner events for Car Clubs, Schools, Sports Clubs and other organisations.

In conclusion, the Club has come through another year in fairly good shape, while facing a number of challenges in common with many other hospitality businesses, with a managed level of debt, still under the 12% level recommended by the Auditor, stable or growing revenues in most areas of the Club activities, and an overall financial position with a small profit, and nothing in the financials that sees the Club in any financial stress.

We commend the performance of Michael Ekert in managing the Club operations for his initial 8 months in the role, and congratulate all of the Club staff for their ongoing contribution to the business.

The Board is keen for the Club to maintain and grow its profile in the local community, with the support of our Members and Guests, and we look to continue to increase the membership and continue the success of the Club in the coming years.

Peter Coates

Treasurer 10/10/25