

# Treasurer’s Report – AGM 10<sup>th</sup> December 2025

Club Cowra  
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## Executive Summary

The 2025 financial year represents a strong turnaround for Club Cowra. After posting a \$100,309 loss in 2024, the Club delivered a **\$219,140 profit** in 2025, driven by strong trading results across all core areas and a significant capital decision: the sale of the Bartlett Street rental property.

Importantly, when considering the operational profit and removing the Gain on Sale of Bartlett Street (\$304,775), the Club still outperformed FY2024. This highlights financial improvement and the delivery of effective management strategies.

This turnaround has strengthened liquidity, reduced borrowings, and positioned the Club well for future investment.

## Key Financial Performance Overview

### 1. Revenue Growth Across All Trading Areas

Area of Trading	FY2024	FY2025	Difference
Bar Sales	\$1,431,767	<b>\$1,703,101</b>	▲ \$271,334
Kitchen Sales	\$1,734,707	<b>\$2,160,936</b>	▲ \$426,229
Poker Machine Income	\$2,692,365	<b>\$3,025,177</b>	▲ \$332,812
Motel Income	\$1,440,002	<b>\$1,452,497</b>	▲ \$12,495

Overall trading income increased from \$7.30M (2024) to **\$8.34M (2025)**, an increase of over **\$1M**.

## 2. Gross Profit Improvement

- 2024 Gross Profit: \$5,847,872
- **2025 Gross Profit: \$6,435,250**

This reflects continuous operational improvement and stronger margins across the bar, kitchen, and gaming.

## 3. Net Profit Comparison

Year	Net Profit / (Loss)
2024	(\$100,309) loss
<b>2025</b>	<b>\$219,140 profit</b>

## Impact of Strategic Asset Sale – Bartlett Street Property

The sale of the Bartlett Street property generated:

- Sale Proceeds: \$480,000
- Gain on Sale: \$304,775

This asset disposal was a deliberate strategic decision to:

- Strengthen the club's liquidity
- Reduce debt
- Remove ongoing depreciation and maintenance obligations
- Focus on the core business (Club and Motel)

### Profit Without the Asset Sale

Net Profit FY2025: \$219,140

Less Gain on Sale of Bartlett Street: (\$304,775)

Adjusted Operational Result: –\$85,635 (Improvement on 2024 by \$14,674.)

## Liquidity, Debts & Balance Sheet Strength

### 1. Liquidity Improvement

Metric	FY2024	FY2025
Cash & Cash Equivalents	\$327,043	<b>\$349,727</b>
Current Liabilities	\$967,271	<b>\$446,743</b>

Reduction in current liabilities is significant - linked to loan restructuring and the asset sale.

### 2. Debts Reduced

Debts	FY2024	FY2025
Total Debts	\$2,432,549	\$1,647,501

Debts reduced by \$785,048.

This has improved liquidity ratio, interest expense & long-term financial stability

## Investments in People & Systems

Both the Board and Management made proactive investments that strengthen the Club's long-term capability but do not appear directly in the profit calculation.

### 1. Workforce & Training Investments

Notable increases:

- Training Expenses increased from \$46,316 to \$56,722
- Wages increased across service departments driven by:
  - demand growth
  - quality staffing focus
  - retention strategies

These investments align with the strategic goal to:

- Improve customer experience
- Enhance staff capability
- Build a strong service culture

## 2. System & Process Improvements

Though not itemised separately in the accounts, the capital expenditure list and expense improvements demonstrate ongoing investment in:

- updated back-of-house systems
- upgraded equipment, including poker machines (\$342,140 in 2025)
- improvements to efficiency and reliability in operations

## Property, Plant & Equipment Investment

Total Capital Expenditure:

- 2024: \$465,733
- 2025: \$536,610

These investments support revenue growth, staff and customer experience along with modernising systems and club offerings.

Even though CAPEX increases depreciation, these decisions build long-term Club value.

## Operational Highlights

All departments saw year-on-year growth with improved profitability.

### Membership Costs & Social Amenities

Increases reflect a deliberate reinvestment strategy:

- Member Discounts increased to enhance value
- Entertainment and events investment increased to grow visitation

These are strategic community-facing decisions aligned with the Club's objectives.

## Summary: A Year of Stabilisation and Strategic Reset

FY2025 was a year of decisive action by the Board and Management:

- Returned to profitability
- Improved cash flow
- Reduced debt substantially
- Sold an underperforming non-core asset to strengthen financial stability
- Invested in staff, systems, and the premises
- Achieved revenue growth across all major departments

These outcomes demonstrate a proactive Board and an engaged management team committed to strengthening the Club's long-term sustainability and enhancing service to members, patrons and the community of Cowra.

### My Conclusion

Reflecting on our 2024 and 2025 Annual Reports, one of the most meaningful indicators of the Club's purpose is our continued contribution to the Cowra community. Through both the 2024 and 2025 financial years, Club Cowra has continued to demonstrate a strong commitment to supporting our community. In FY2024, the Club contributed a total of **\$87,479** through Donations, Sponsorships & ClubGrants. In FY2025, this amount increased significantly to **\$117,713**, representing a **34.6% uplift** in support to local causes, groups, and community needs.

These financial contributions speak to who we are as a Club. Every dollar that goes back into Cowra amplifies our impact and fulfils our responsibility as a community-based organisation. Importantly, the improvement in profitability this year has strengthened our ability to continue this work. *As our operational performance improves, so does our capacity to give, sponsor, and support.*

For me personally, this is one of the core reasons I am so deeply invested in the success of Cowra Services Club. A strong Club doesn't just serve meals or provide entertainment—it helps to create opportunities, supports families, and uplifts our community. Our financial performance this year ensures that we can continue to stand behind the people and the organisations who make Cowra home.

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