



Group Chief Executive Officer's REPORT

The past eighteen months will be a time we remember for decades to come. It will be remembered for how we adapted to a life with no precedent, the way we worked with a new rulebook, and how we were asked to follow a roadmap to help us deal with the challenges being faced across the world.

COVID-19 brought about extraordinary personal and economic ramifications that will be felt for generations to come. And whilst the true cost and scale of the pandemic is unknown, what we do know is that it has changed the way we live our lives, manage our businesses, and nurture our relationships, forever.

When we returned from the first lockdown in 2020, CHRG delivered a number of initiatives to our business to improve our efficiency, consolidate our operations and adapt to health orders and restrictions put in place to protect our people, members and guests.

Fortunately, our members and community continued to support CHRG and additionally, they supported the measures we implemented – from COVID Management Plans to Flood Evacuation Disaster Plans. And as a result, our business performed exceptionally well throughout the

2020/21 financial year. Our trading results provided us with peace of mind that our business model for the months and years ahead were sound, and we are excited about 2022 and what can be achieved.

Unfortunately, the second lockdown, which resulted in a 14-week closure across our venues, lead to a resultant financial impact on Q1 and Q2 of the 2021/22

period. However, we are optimistic that our recovery in Q3 and Q4 will be strong.

Our confidence in our performance is borne from our confidence in our people. The adversity they experienced was unparalleled and yet they have relentlessly worked together to look after each other – demonstrating so many examples of kindness, respect and support

that has added to the rich fabric of this organisation – across our Board, Management and staff.

COVID-19 provided incredible insight into the strength of the communities in which we operate, communities that are the cornerstone of our business. Communities made up of our staff, members and stakeholders who benefit from being connected to an enduring culture, and an organisation working hard to deliver sustainable outcomes for the communities it serves.

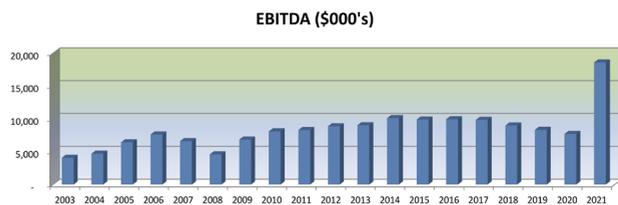
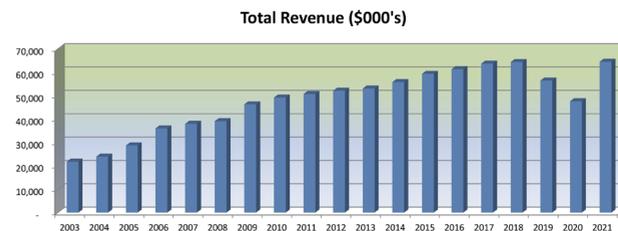
CHRG is on track to deliver its medium to long-term strategic growth plan and deliver some incredible projects across our diverse and multifaceted organisation and, despite the challenges, the 2020/21 financial trading year was extremely successful for the Group. The Total Revenue for the Group, as displayed on the graph to the left, has seen an increasing trend over the years – resulting in the growth of our EBITDA. Additionally, the reinvestment of our trading profits has resulted in an increase of our Net Assets over the same period.

The Group's Net Profit after tax for the year amounted to \$7,812,902 compared with \$5,281,765 loss after tax for the prior year, an increase of \$13,094,667 (247%) from the prior

year. This result was achieved after recognising \$9,434,794 (2020: \$8,068,649) for depreciation and amortisation, \$1,322,081 (2020: \$675,270) for finance costs, \$20,643 for decommissioning of assets (2020: \$4,249,690) and \$2,128,091 (2020: \$1,692,509) for donations.

Importantly, CHRG has continued its commitment to our local communities, having donated \$2,128,091 to worthwhile social, sporting and infrastructure programs. This is well above CHRG's legislative commitment of \$685,000, and significantly more than what was donated in 2020. However, we believe it is fundamental for our organisation, and organisations like ours, to continue to provide support to the community. In fact, CHRG provides more direct and indirect funding to the Parramatta, Hills and Hawkesbury communities than any other business or organisation in the region – spending millions of dollars each year on sports, community sporting infrastructure, Veteran services and community support programs.

The Group worked hard to build cash reserves, streamline our businesses, and invest in our people and premises throughout the last financial year to prepare for





Group Chief Executive Officer's REPORT

the uncertainty ahead. Fortunately, we adopted a conservative approach, which enabled us to face the challenges of our recent lockdown and remain in a strong financial position. Therefore, despite the significant impact of the recent lockdown on our cash reserves, we are in a solid position to reopen our venues and activations in 2022.

The successful reactivation of our business is due in no small part to the incredible efforts of our Asset and Facilities Management team who used the shutdown period as an opportunity to carry out repairs, maintenance, and compliance work throughout the Group. Their efforts, combined with the efforts of our operational teams and centralised support services over the past 18 months, sees the Group well-positioned for the future. Importantly, there is minimal need for significant capital expenditure, thus allowing us to further consolidate, build cash reserves and retire debt.

I would like to acknowledge the incredible support of the Board of Directors during the past year and during the recent lockdown. The financial support package that the Board approved in the first few weeks of lockdown provided invaluable support to our staff, while financial assistance from the Federal Government was forthcoming. The support was not dissimilar to financial support

package provided to staff during the first lockdown – offering them peace of mind and certainty while they assessed their individual situations.

CASTLE HILL RSL

Castle Hill RSL Club enjoyed trading success throughout the year with positive results and a significant reduction in operating expenses as a result of several management initiatives.

Our policy of reinvesting in our premises to ensure that our facilities remain modern and well-appointed, allows us to continue to provide exceptional hospitality experiences while consolidating our operations and expenditure. We will continue implementing our robust preventative maintenance program, which will see an upgrade of our facilities and amenities, when required.

This year saw the completion of a major renovation to our indoor and outdoor gaming areas and the outcome is stunning, spacious, and luxurious. Members will notice the new service pods which replace the old service window, as well as the new well-lit promotions area and exclusive service bar. The results are outstanding, and the fresh new décor is bright and lovely. Importantly, the changes have been well-received by members.

The next major change will be the refurbishment of the main foyer, with separate entry and exit doors, as well as a reworking of the internal spaces to provide additional room for members and visitors to sign-in, book show tickets and interact with our friendly staff. These exciting changes will be complemented by beautiful new finishes and a rejuvenation of the overall space, as it is the gateway to our hospitality services at Castle Hill RSL.

CLUB PARRAMATTA

Since reopening this spectacular \$45 million state-of-the-art modern hospitality and leisure venue, following the first lockdown in 2020, Club Parramatta has grown from strength to strength – quickly becoming one of the leading hospitality venues in Parramatta, despite the CBD largely remaining closed, along with CommBank Stadium (previously known as Bankwest Stadium) and Parramatta Park activities temporarily ceasing.

Club Parramatta's trading performance has exceeded our conservative projections and its success is forecast to continue to grow. We are extremely excited about 2022, as the Parramatta CBD and the broader City of Parramatta reawakens.

Work is continuing on the neighbouring 550-space multi-level underground car park, which

will serve the club and community well. Offering generous driveways and parking spaces, the state-of-the-art car park is waterproof and secure, and the electric car charging bays should prove popular, as we are starting to see an increase in sustainable cars. The car park is due for completion by mid-2022 and we are excited to bring this facility to our members.

If you have not visited Club Parramatta, please put it on your 'must visit' list. It is very special and offers an outstanding hospitality experience, comparable to popular five-star properties. The team should be very proud of what they have achieved, and they are deserving of every accolade of success.

LYNWOOD GOLF & COUNTRY CLUB

Lynwood Golf & Country Club has certainly had an exciting 2020/21 with two lockdowns and two considerable floods. This year's flood hit in May 2021 – just 13 months after the devastating flood of 2020 and was even larger and more destructive with a depth of 13.2m of water spread across 90% of the site. This was just 9 months after the course had reopened after the previous flood.

The flood had the potential to be catastrophic and based on

horticultural experts, we feared extensive destruction and a repair bill of millions of dollars. Fortunately, Lynwood's greens team swung into action to immediately begin rebuilding the course, following the waterline, one hole at a time. It is a truly remarkable achievement!

The resilience and tenacity of the Lynwood team is astonishing, with their endless research and dedication seeing them return the course to pristine condition within a few months. They should be congratulated for their hard work, dedication, and diligence, because today, Lynwood is spectacular once again.

The course is in such wonderful condition, that we have just confirmed several major golf events, including two State Junior Championships followed by the NSW PGA event in April 2022. This will be a wonderful opportunity to showcase our facilities and showcase the Group's investment in sport, both in the Hawkesbury and broader region. The driving range and practice facilities are second to none in, with both member and visiting golf professionals extremely impressed – many of whom use the facilities when home from their professional tours.

We are passionate about supporting the growth of golfing professionals, and to this end, we

Group Chief Executive Officer's

REPORT

recently restructured the Junior Golf Academy to increase the number of scholarship positions from 10 to 30, and established a number of tiers to nurture elite junior golfers through to development squads.

Lynwood's representative teams have enjoyed great success, across the membership, with the Men's Pennant Team beating Castle Hill Country Club in the Division 2 Pennants and the Ladies narrowly missing the win. This was an outstanding result considering the disruption of the floods and our members practicing at other courses prior to the finals. A big congratulations to all our representative teams who continue to do Lynwood proud.

Fortunately, repair of the course was completed just ahead of the recent lockdown, and golf became one of the few permissible activities, with membership and visitation flourishing as a result. Special thanks to the pro shop staff who worked with very difficult restrictions during the lockdown, while managing golf.

To Lynwood's golf members – thank you. Your support and understanding over the past 18 months has been astonishing and we are very grateful for your patience while we endured course closures and disruption due to the

floods and COVID restrictions.

Hospitality, golf, and sports-related activities feature heavily in the medium to long-term strategy for Lynwood Golf & Country Club. Despite the challenges, we are continuing to develop and implement our plans for the site to provide a modern hospitality, sports, and leisure service to ensure the Club remains relevant to the changing needs of one of the fastest growing residential communities in the region.

CASTLE HILL FITNESS & AQUATIC CENTRE

Castle Hill Fitness & Aquatic Centre is a treasured community facility and is enjoyed by the young and the young at heart. In addition to having one of the largest senior's memberships of any fitness facility in NSW, Castle Hill Fitness & Aquatic Centre also boasts a large number of elite sportspeople who use the facility for their training to support them in excelling in their chosen field.

While navigating the many restrictions imposed on the fitness sector, the dedicated and professional team managed to keep the centre running, finding innovative ways to provide services to members. This was greatly appreciated by members as it

offered immeasurable physical and psychological relief for those wanting to continue with their physical activity before, during and after lockdown – be it exercise, gymnastics, Kinder gym, swimming squads or learn to swim programs.

Over the years, these programs have supported the growth and development of many athletes – some who have participated recreationally, and others who have excelled and pursued professional pathways in their chosen sport.

• **Ellie Cole OAM** – who is widely regarded as Australia's most successful Paralympian having recently represented Australia at the Tokyo Olympics, winning her 17th medal. Ellie is a talented athlete and spent a long-time training and working at Castle Hill Fitness and Aquatic Centre. She is a role model and inspiration to many.

• **Nathan Doyle** – a high performance coach of the Australian Paralympic team in Tokyo who has earned the reputation as a leading coach in the country. Nathan is now based in Queensland but was the Head Coach of the swim program at Castle Hill Fitness and Aquatic Centre before moving to Queensland. The Doyle name is entrenched in Castle Hill, with Nathan's mother Michelle the Manager of our aquatic centre.

• **Dominic Clarke** – a Tokyo Olympian who started his journey as a seven year old at Castle Hill Fitness and Aquatic Centre in 2005, before moving to the newly built SGAC elite gymnastics centre in 2017. Dominic is an amazing ambassador for the sport, competing on the world stage for several years, making the finals of the Tokyo Olympics, and providing inspiration to many young athletes.

• **Belinda Cox** – a Tokyo Olympics Head Coach for Australian Trampoline was employed by Castle Hill Fitness and Aquatic from 2004-2017 before moving to the newly built SGAC elite gymnastics centre in 2017. Belinda is an incredible ambassador for the sport and the area, and we are proud that she was such an intricate part of a program which introduced so many locals into the sports world. Belinda has been responsible for the development of so many athletes and is recognised and respected throughout gymnastics circles. She is a great friend to Castle Hill Fitness & Aquatic Centre.

Congratulations to these talented ambassadors for the journey they have had, the contribution they have made to their respective sports, and the inspiration they have provided to so many. CHRg is a massive supporter of sport, and we recognise the positive benefits of health and life skills it provides to so many.

In challenging times, you see the strength of an organisation and its culture, and I have been proud of how our people responded and looked after each other during this time – whether it was phone calls, social media, structured events, and activities via video conferencing. Everyone supported everyone else, and the focus of our people was firmly on helping each other through. Even our friends at Walgett RSL provided \$2,000 to be distributed to our staff, which triggered many "Acts of Kindness" being exchanged across CHRg.

I am in awe of the CHRg team and the way they have supported each other, our contractors, suppliers, and our members throughout this extremely difficult period. I would especially like to thank the Senior Leadership Team for their efforts – they have stayed focused on the needs of the people and have remained strong throughout this crisis, and I greatly appreciate their efforts and resolve.

Allan Deapoli, Rachel Ferris, Andy Abey, Brett Andrews, Denis Sullivan, Mark Lai, Matt Bailey, Nadeem Ali, I firmly believe we have the best Senior Leadership Team in the industry, and I am proud to work with you. They say that the strength of a team is how they deal with a crisis and given we have been in a crisis for 20 months; I could not be prouder of your efforts in guiding our people through these times.

Group Chief Executive Officer's REPORT

I would also like to acknowledge Brett Crastin for his positive contribution to the Group over the past 18 years. We thank him for his service and wish him every success.

As we recover from lockdown and approach Christmas and the new year, we are extremely excited about 2022. The new year will see a renewed energy and excitement and we look forward to the return of large shows, large celebrations and activation of our premises and spaces. We are looking forward to celebrating all the great community events such as Australia Day, ANZAC Day, Easter, Melbourne Cup and even just the simple celebration of the weekend.

As you are aware, there has been a few changes to the Board of Directors with the passing of long-term Director, Mr. Ron Smith who served the Board for 47 years and was a true ambassador of the Group. Not only did we lose a dedicated and professional Director, but we also lost our

historian and a great friend. Thank you for the memories, Ron. You will never be forgotten and always respected by myself and the team. RIP friend.

Another significant change has been the retirement of Major General Warren Glenny as President and Director. Warren has been a wonderful leader and ambassador for the Group and is a true statesman. Always professional and respectful, earning the loyalty and respect from everyone he meets and I am grateful for his friendship and mentoring throughout our association.

During his tenure as President, he has guided the Board to unprecedented success. Thank you Warren, you have earned the respect from staff, contractors, members and stakeholders, and you can be very proud of the legacy you leave.

Thank you to President John Payne and the Board of Directors for their continued encouragement, commitment and professionalism.

The Board's commitment to protect our people, has allowed us to manage this crisis in a financially responsible and compassionate manner and I will always be grateful for the Board's support. It is a pleasure to work with such a professional and cohesive Board of Directors that genuinely have the best interests of the Group and our members at the forefront of their decisions.

Thank you and we look forward to a new beginning in 2022.

David O'Neil A.C.C.M.
**GROUP CHIEF EXECUTIVE
OFFICER**

