



Dear Valued Member

CITY CLUB GROUP (SYDNEY AND STOCKTON)

ANNUAL FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER 2021

We are pleased to enclose the annual financial report for the year ended 31 December 2021. As you will note from page 7 of the report, the Group has incurred a loss of \$941,267.

As a Board we are aware that this may potentially be concerning to members, however we would like to outline some key points to alleviate those potential concerns.

In this regard we refer to you page 4 of the financial report.

The 2021 financial year was significantly impacted by Covid, with both clubs being closed for almost 5 months of the financial year. In spite of this devastating challenge, the Group has continued to generate strong, positive, operating cash flows. The net cash flow from operating activities was \$1,343,409, a commendable achievement given the restrictions under which clubs continued to operate.

Further, the Group's liquidity also remained strong with \$3,612,159 held in cash or term deposits, representing 92% of current assets. As an aside, the Group is debt free and owns all of its assets, including investment properties and both club premises.

The board trusts this covering letter, along with the notes to the accounts, reassures members that your clubs and assets are being responsibly managed and will continue to be managed in the best interests of all members

Bill Hayes-Williams

President

5 April 2022

F. J. Mulligan

Vice-President

5 April 2022