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**Subject:** Pride Financials including F18 & F19 Audited Financials

**Date:** Tue, 11 May 2021 13:28:00 +1000

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Dear Shareholders in Pride

We write to you today with both relief and happiness, with Pride having survived an extraordinary 8-month COVID shutdown and with the rebuilding of Pride well underway. For those who have visited since the post-COVID re-opening, you'll know that Pride has never looked or felt better. Indeed, Pride has just completed 10 sessions of Midsumma Festival shows across 9 days, together with all Pride's usual events, its been an exhaustive effort. As a board, we can't help but be excited with what's being delivered and we're thrilled so many people have come back after COVID to experience Pride. We are also proud we were able to retain all our core staff, as many (excluding the visa-holders) received JobKeeper. Mitchell, David, Minh and Simon (all of whom have been with us since we first opened) are back, as are other key staff such as Una, Xander & Seb. We have also been able to hire new staff such as Monique and Mia. It's a growing and fabulous team.

During the COVID shutdown, aside from securing Pride's ability to re-open, we were able to catch up with some of the official paperwork, including having the F18 and F19 Financials for Pride of our Footscray Ltd externally audited (which are attached to this email for your information and records). Given Pride's revenues were below one million dollars in each of those years, external audit was not legally required but given Pride's number of shareholders, we wanted to have the results externally audited to have their accuracy confirmed independently to both ASIC and this group. The audited figures were then officially lodged with ASIC on 2 January 2021. We understand these reports were late and greatly appreciate your patience in waiting on them. We have explained our position to ASIC so the regulator's aware of the situation and have committed to Pride doing everything it can to lodge in line with guidelines going forward, with F20 to be lodged shortly (again externally audited). Thank you again for your understanding and support.

Also attached are the Financial Reports for F18 and F19 for Pride of our Footscray Community Bar Pty Ltd, the subsidiary of Pride of our Footscray Ltd which is responsible for the day-to-day operations.

## OVERVIEW OF PERFORMANCE

	<b>F18</b>	<b>F19</b>	<b>F20*</b> (Closed 3.5 months of F20 due to COVID) <b>(*Subject to external audit)</b>	<b>F21*</b> (Closed 4 months of F21 due to COVID) <b>(*Thus Far &amp; subject to external audit)</b>
<b>Pride of our Footscray Ltd</b> (Parent Company)	<b>\$943</b> (Revenue) <b>\$315,756</b> (Expenses including provision for non-recoverable loan to establish Pride)	<b>\$0</b> (Revenue) <b>\$42,306</b> (Expenses)	<b>\$0</b> (Revenue) <b>\$31,219</b> (Expenses)	<b>\$0</b> (Revenue) <b>\$25,071</b> (Expenses)
<b>Pride of our Footscray Community Bar Pty Ltd</b> (Subsidiary Company)	<b>\$211,923</b> (Revenue) <b>\$324,210</b> (Cost of Sale & Expenses)	<b>\$584,047</b> (Revenue) <b>\$639,620</b> (Cost of Sale & Expenses)	<b>\$836,056</b> (Revenue) <b>\$946,612</b> (Cost of Sale & Expenses)	<b>\$827,443</b> (Revenue – including government grants) <b>\$717,799</b> (Cost of Sale & Expenses)
<b>TOTAL REVENUE</b>	<b>\$212,866</b>	<b>\$584,047</b>	<b>\$836,056</b>	<b>\$827,443</b>
<b>APPROX MONTHLY INCOME PER ACTUAL REGULAR TRADING MONTH</b>	<b>\$39,474</b>	<b>\$48,670</b>	<b>\$98,359</b>	<b>\$143,903</b>
<b>TOTAL EXPENSES</b>	<b>\$639,966</b>	<b>\$681,926</b>	<b>\$977,831</b>	<b>\$742,870</b>
<b>OVERALL RESULT</b>	<b>(\$427,100)</b>	<b>(97,879)</b>	<b>(\$141,775)</b>	<b>\$84,573</b> (Including government grants)
<b>BOARD COMMENTS</b>	Venue purchased, renovated and opened in quick time – a hidden venue upstairs, not the prominent local hotel originally hoped for.  The poor liquor licence inherited restricted capacity to 88 people and did not allow patrons to come before 5pm or stay after 1am.	Reduced loss from \$427,100 to \$97,879.  Increased revenue to over half a million dollars.  Suffered the poor liquor licence until March 2019, when a very rare 3am licence was granted to Pride, a valuable asset it retains.  Mathew O'Keefe extended his loan	Revenues of over \$800,000 despite being closed for COVID for 3.5 months of F20.  Was in a small profit/break-even position when closed by COVID.  Closure for the last 3.5 months of F20 put the year into loss.  Reputation rapidly growing as a destination night	Month by month revenues up almost 50%.  Revenues of over \$800,000 despite being closed in July, August, September and October due to COVID and Nov open but heavily restricted.  With two months to go, on track to deliver a small profit if

	<p>Could not serve some products including cocktails until later council approvals.</p> <p>Some confusion by the public over what a 'Community Bar' was.</p> <p>Banks refused to lend money to Pride. Loans had to come from Mathew O'Keefe (approx. \$160,000) and from a finance co (\$25,000, guaranteed by Mathew O'Keefe).</p> <p>A large loss for the year attributed to difficult trading conditions, the poor liquor licence and the paper-loss provision for the loan to the subsidiary to establish venue.</p>	<p>to Pride to \$165,000 whilst Margaret O'Keefe lent approximately \$20,000 to ensure the bar could pay bills during difficult conditions.</p>	<p>club.</p>	<p>performance continues consistently, with the figures subject to external audit.</p> <p>Pride's performance and reputation continues to grow strongly, with a reputation for supporting its people, supporting live entertainment every night it's open and for reflecting the values of its community.</p> <p>A very successful Midsumma Festival delivered, which positions Pride well for future festival years and Pride will therefore look further into Fringe Festival and the Melbourne International Comedy Festival.</p> <p>The improved performance should enable Pride to pay down debts.</p>
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## Next Steps

The figures indicate significant improvement in Pride's performance and everyone at Pride is committed to ensuring that continues by providing a safe, fun and friendly venue that entertains people whilst supporting artists to deliver great shows. Everyone can play a part in that by being at Pride, telling people about Pride, sharing Pride's social media and in many other ways. Please keep up your amazing support and enthusiasm for all that's going on. And come and use your 20% shareholder discount in the bar!

In terms of next steps, an AGM has been held for F18 whilst a double-AGM will be held once the externally audited F20 figures are ready, so that F19 and F20 can be presented on the same day and we will then be up to date. Again, thank you for your patience as we do this.

For questions on the Financials attached today, please feel free to send through questions to [shareholder@prideofourfootscray.bar](mailto:shareholder@prideofourfootscray.bar) and we'll address them in the upcoming AGM. Please try to limit your questions to two or three each as there are 200 shareholders.

Thank you for everything you all do and thank you particularly for your incredible support through the COVID shutdown period. Pride would not have been established without your support and equally it would not have got through COVID without the great support it got (from

you, from patrons, from suppliers, from Vic Gov and more). It's just wonderful we're back to pursue the cause and bring joy to the West and beyond.

Thank you

PRIDE BOARD

Mat, Pauline and Maggie