

29th November 2021. – Treasurers AGM Report for the 2020/21 financial year

Good evening, All

We survived!

This pretty much sums up a very challenging COVID defined year both financially and operationally. We can't thank enough our management, staff, coaches, and volunteers who persevered and contributed to a year where tennis continued to be played despite restrictions and lockdowns. 2021/22 will unfortunately continue in this vein.

I would particularly like to acknowledge our President Chris Lees, in tandem with Jackie De Vivo and Kylie Brown, who have undertaken some very heavy loading during this time, and to ensure the centre functioned during fast shifting positions from NSW public health orders and TNSW guidance. Chris's assistance in relation to supporting the staff during a difficult time is greatly appreciated and acknowledged. Thank you to our staff and coaches who have maintained their professionalism and customer service in dealing with a public who have had to endure lockdowns and restrictions.

Financial Accounts – FY 2020/21 year

Financially, we thank the local, state, and federal authorities for their ability to support the club through grants, Job Keeper, Job Saver, and rental waivers. This has contributed to GTC remaining profitable in the 2020/21 financial year.

The club is in a healthy financial trading position, with all ATO debts and most creditors all up to date in payment terms. We were fortunate to receive a club grant of \$132,000 from the NSW Government which has updated our court lights to LED. Courts 12 & 13 remain with the old lights as we are obtaining a DA to move the light poles allowing a future expansion of these 2 courts to ITF standards. This will need to be completed by 31 May 2022 and there are funds set aside to complete this. We have seen a lower electricity cost despite higher usage, and eventually I would like to have our existing buildings convert to solar panels so to drive down further electricity costs, which is one of the largest expenses in our P&L.

Trading income for FY 2021 was significantly up on the 2020 year by \$154,166, mainly attributed to coaching income and a strong uptake in the NSW Government Active Kids program, doubling of competition income generated through the popular Central Coast super series weekend events, strong café, and pro-shop sales, and \$20,000 in increased court-hire.

Tournament income was a large hit for the club as tournaments and weekend events like JDS, inter-club, etc were cancelled. Over the 2020/21 year, the club held only 1 TNSW sanctioned tournament, and if it had not been for our own UTR tournaments, our income levels would have further reduced in this area. As everyone would agree tonight, tournaments are an extremely lucrative and necessary income stream for the club of this size. Thank you to Kat Lees in ensuring our UTR events operated professionally and completed on time.

Gross Profit rose from 40% to 47%, however if I strip away coaching and related coaching items, and extrapolated only retail sales, GP is at 72%.

I would think we should see further efficiencies in operations now that we are fully operating off the InTennis software program which was introduced in July 2020. The program allows

us to operate court-hire, membership, stock control, and coaching on-line, thereby reducing time on the front desk.

In terms of the expense line salary increases marry the receipt of Job Keeper payments as required by law. Whilst this was a positive benefit to both the club and staff, GTC had to pay superannuation on higher Job Keeper payments than normal salaries, adding a further \$5,130 cost which we won't see in the 2021/22 year. Offsetting Job Keeper, salaries would have been maintained at 2020 levels.

We have engaged with HR company Employsure, to ensure all staff contracts, pay rates, and employee risks were maintained and updated.

I am pleased that the club invested further in property maintenance up by 100% on the 2020 FY, and I would like to recognise the Phillips family for their substantial contribution in maintaining and upgrading the facilities. This has saved the club significantly in lieu of engaging trades and voluntary hours, ensuring our members and guests enjoyed well maintained facilities.

Cleaning and waste removal was up significantly to be COVID compliant.

I would also like to thank our sponsors who supported us during this time, and whilst the monetary contribution was lower than 2020, many of our sponsors provided in-kind services, such as David O'Brien & Associates who undertake our accountancy work, Law Quarter for our legal work and with the support of Alex Silcock our VP, and Star FM for our radio advertising, all of which adds up to an estimate of \$30,000 per annum.

Actual & Forecast 2021/22

Much like the previous financial year, it is estimated that with COVID government support, a similar profit should be achieved.

For the 4 months to 31/10/21, NP is \$60,895, generated mainly from government support.

The club currently has \$95k in its bank account including the upcoming tournament income, which has been allocated to working capital (\$50k), junior development account (\$5k), and capital works of \$40k. Separately there is \$42k set aside for the replacement poles and lighting on courts 12 & 13.

Whilst originally, we had forecast \$624,000 in trading and coaching revenue, this has now been revised down to \$478,000 given we had not operated from July to October. However, if we continue to operate without additional interruptions, gaining more tournaments next year, I am confident we will generate revenues of over \$500,000 for this financial year.

These forecast revenues do not include:

- \$70,000 in COVID support payments to date with a further final \$12k to come in next month.
- A grant of \$31,000 to replace the current shed provided to us by the Member of Gosford, Liesl Teish.
- Other than local UTR tournaments and a rescheduled GTC club championships in 2022, no additional TNSW tournaments have been included as the tournament planner has yet to be finalised.

I would expect both salaries and prices to increase due to a November 1 award pay rise for all staff, and current inflation rates. This will mean raising prices across the board, particularly in café and pro-shop items.

Whilst again I am not recommending an increase in membership for this AGM, and that we have passed on half price membership for this financial year, I do expect membership to increase for the 2023/24 financial year, and this will be determined by the upcoming committee.

In saying this we have introduced a "Play More" membership - \$350 per annum for adults and \$175 for juniors in addition to the standard memberships offered. This has been introduced to grow more participation, broaden our membership offering to those that use GTC more, and increase our revenues.

Infrastructure improvements.

There has been continued headway towards improving our courts and facilities for the 60,000 plus visitors and players who use GTC.

At present we have the following grants submitted, all requiring DA's.

- Stronger Communities fund – retaining wall \$765,000.00– submitted May 2021 – should know by November
- Greater Cities and Regional Sport Facility Fund (Round 2) – submitted 7 October for \$493,694 to assist with Disabled toilets and build of new toilet block on upper level. Outcome is due December 2021 and project is to be completed by June 2023.
- Office responsible Gambling - resurfacing courts \$274,950 - Submitted 27/7/2021 – should know late November 2021
- Volunteer Grant - ride on mower \$5000 – submitted 27/5/2022 – again we have been verbally advised by Liesl Tisch's office that we have been successful.

I have recommended for GTC to a further and final acceptance of \$11,500 to have a drafts person complete architect drawings in preparation to submit DA's in February/March 2022.

Conclusion

I have again nominated for treasurer so that I can assist the incoming committee to see our plans come to fruition for the GTC infrastructure plan. I think once our DA's are submitted and approved, it will provide the platform to succeed with grants, which we now have a proven track record via the LED lighting grant, and shed grant, not to mention the many minor grants we have obtained in the past. I am very confident for the future of this club and the opportunities that will come once new infrastructure is in place.

Lastly, thank you to my committee colleagues who all contributed significantly. One of our greatest assets is our committee and given the professional backgrounds of each and every member, we are truly blessed with talent required to take GTC to the next level.

I would now like to recommend this report as read and the audited 2021 financial accounts to this AGM, to be entered into tonight's minutes.