

## **21<sup>st</sup> November 2022 – Treasurers AGM Report for the 2021/2022 Financial Year**

Good evening, All

Last year I expressed that we had survived following the COVID 19 pandemic and again I will continue with these sentiments for the 2022 financial year which has just passed. We have now hopefully come through the worst of it, although it has been a very slow pathway out of the pandemic and to return to normal trading conditions. Wet weather has also played havoc with our tournament and competition schedules, particularly from November 2021 onwards.

Our staff, coaches, and committee have done an amazing job to support the club during these difficult conditions, and I would like to thank Jackie de Vivo and her team, many of them here tonight, for their dedication and support. To head coaches Jono and Alex, thank you for your continued development of talent that we at GTC should be proud of, and to ensure GTC continues as the Central Coast prime regional tennis facility and centre of excellence for tennis player development.

To all my outgoing committee colleagues, you have all provided great advice and support, and again to Chris who is an outstanding president volunteering significant time to the club and its activities. I would also like to provide enormous thanks to Mike Phillips who will be taking a committee sabbatical in the upcoming year, who not only provides an enormous amount of time with the club, but also for the saving of thousands of dollars in managing labour costs, trades persons, and recycling existing materials.

I would also like to acknowledge both Kylie Brown's efforts in obtaining new grant funding to assist across a multitude of improvements, some of which you see today – new LED lights and poles for courts 12 & 13, the construction of the new shed replacement for the upper centre, and the repair for the retaining wall. To Paul Phillips, who adds such great value in maintaining our facility and putting in the extra effort to ensure our facilities are well presented. And to Jodie Smith, who has supported the club with social media, and along with Kylie, connecting us into all 3 forms of government.

Lastly, I would like to extend my thanks to Kat Lees, and her team of tournament officials who battled with the weather elements at each tournament event that GTC hosted ensuring GTC could either finish events on time or maximising tennis matches for participants, which helped us through other areas such as the Café, BBQ, and pro-shop.

Without the dedication of all those I have recognised tonight, the club would have been more severely impacted financially, possibly not unlike the 2018 financial year where the GTC reported its last financial loss.

### **Audited Financial Accounts – FY 2021/22**

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Gosford District Tennis Association trading as Gosford Tennis Club, reported a full year's trading loss of \$31,413. Whilst this is a disappointing result, it did come under a backdrop of 4 months (July – October) where the operations ceased due to the COVID lockdowns, the challenges of the TNSW tournament roll-out schedule as we came out of lockdown, and significant wet weather events that hampered both coaching, competition, and tournament income.

Whilst a loss was reported, a profit of \$130,000 would have been recorded had capital assets expensed of \$163,000 not been itemised in the profit and loss operating expenses.

We are again grateful for the financial support that came from State and Federal government grants, and I would like to recognise Liesl Teish, Adam Crouch, and Lucy Wicks, our State and Federal representatives for their allocation of grants to the GTC.

The 4 months on non-trading can be seen in the detailed profit and loss statement within the audited report where:

- Tournament income was down by nearly 60%
- Membership income, generated heavily during this period was down 50%, with the club offering a 50% discount to encourage a return of players.
- Coaching income down 35%
- Competition income down over 40%

Despite the issues at hand, we did manage to ensure all our staff, and creditors were paid on time, the current tax position is up to date, and all superannuation commitments met.

I would also like to take this opportunity to thank our sponsors who have provided either cash or in-kind services to GTC over the past 12 months.

Gross Profit excluding coaching, grants, and sponsorship, was at 81% which is in line with our target of 80% and up by 7% on 2021.

As mentioned previously we have been fortunate to attain a record amount of grants (\$222,399) during this financial year, which was critical to maintaining the facility and replace some aging infrastructure, such as the replacement of lighting to LED's, the replacement of the upper centres main shed, and the repair of the retaining wall behind courts 10 & 11. Major storms had in some ways a positive impact providing some \$65,000 in NSW storm related grants, and in this financial year we expect a further \$50,000 following the September flooding.

Notable expenditure included cleaning and waste removal, covering both higher Covid19 cleaning requirements, and the dismantling of the shed with some of the items stored over many years no longer required. Website costs more then doubled mainly due to a refresh of the website which was offset by a funding grant of \$4,000.

Separately, the Ladies Midweek committee have provided the main body their financial report to the 30 June 2022, highlighting a cash profit of \$955, and a net cash position of \$3,999. Again, the LMW competition was heavily impacted by Covid-19 and the wet weather, so this is a terrific result considering these events.

### **Actual & Forecast 2022/2023**

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This financial year will see the club return to full trading operations and profitability.

The clubs' current financial position as of 30<sup>th</sup> September 2022, reports a net profit of \$23,000 on total revenues of \$146,600, up \$139,000 on last year, and up 9% on pre-covid trading in 2020 and 2019. Gross Profit stands at 87%. This is an excellent result considering there was 32 full days of wet weather during this one quarterly period.

The current bank account balances show total funds of \$77,000 and the club is owed \$67,000 in grants which should be in place by 31 January 2023. All creditor & ATO payments are up to date.

With looming costs increasing due to the current inflationary environment, GTC is expected to see higher wage, food, drink, electricity, repairs, and maintenance costs over the next 12

months. This will result in the club increasing retail, competition, and membership prices to meet these demands.

The challenges of balancing affordability with making sufficient profits to meet the continuing maintenance of aging infrastructure across the 2 facilities will continue. Only large grants will allow us to do the upgrades we believe are necessary to sustain the club over the next 20-30 years and at the same time keep tennis affordable for all members. This is in the vicinity of \$3.5m.

There are several positives ahead for the club over the next financial year or 2:

- Following the revamp of tournaments and events at both a Regional and State level, the GTC has been allocated several major events, 2 regional events, and the Regions Champion of Champions event in late 2023. This brings additional revenue to the club and more working hours for our staff.
- The replacement of the shed, new lawn mower for the lower centre, lower centre club security doors, and new LED lights & poles, have been fully paid for.
- Associated costs with the Development Application submitted in August have all been paid for, and any new costs would be covered under any future grants.

The clubs next major project is to have courts 10 & 11 resurfaced which we have a current quote of \$85,000 with the aim to complete this by May 2023. Whilst I don't have the final washup of the current retaining wall repair, we would be possibly seeking a small loan from TNSW to finalise this project, unless we were able to secure a major sponsor with naming rights. This will be up to the incoming committee to determine.

### **Recommendations for the current and 2023/2024 Financial Year**

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As treasurer I have responsibility to set and recommend to both the outgoing committee and tonight's AGM the following:

- Membership fees for the 2023/2024 financial year
- Honorariums for the new upcoming elected executives of the committee
- Nomination of an Auditor for the preparation of 2022/2023 financial year reports.

I would like to address the last 2 points first as membership will take a little longer to discuss.

#### **Honorarium**

Following the last committee meeting held on November 7<sup>th</sup>, it was agreed for the AGM to vote for an honorarium of \$600 + GST to those elected to President, Secretary, and Treasurer, to cover personal costs borne by the position in their committee work. I am now recommending this and ask for the members tonight to vote in the affirmative.

#### **Auditors report.**

I am recommending that Brent Connor of Balanced Audit and Assurance be retained as our auditor for the 2022/2023 financial year. Brent saved the club over \$2,000 in auditing costs to that of our previous auditor PKF Newcastle and has undertaken his work in a professional and accurate manner. I again ask the members to vote in the affirmative.

## Membership

The 30 June 2022 financials demonstrate the need to revisit all our income and costs to keep pace with inflation and wages growth. We are the only Central Coast club to have:

- a fully serviced retail and office space
- large upkeep of grounds (25,000 square metres), and 23 tennis courts with a maintenance person to ongoingly manage.
- Due to being on crown land we receive no external council funding as many of the other centres on the Coast do.
- We pay over \$6,250 in NSW TA court affiliation fees annually or based on our current membership represents \$12.50 for every member.
- This represents the first increase in membership fees since 2018.

On the above points and in line with our last committee meeting it is now proposed that the following memberships apply for the 2023 – 2024 financial year:

Category	Definition	Membership	Current	Proposed
<b>Adult</b>	18 years & over	Full	\$50.00	\$75.00
<b>Family</b>	Comprises 4 persons	Full	25% discount	25% discount
<b>Seniors</b>	60 years & over	Full	\$25.00	\$40.00
<b>Junior</b>	up to 18 years	Full	\$25.00	\$40.00
<b>Junior - Hot Shot</b>	Blue, Red, & Orange	Full	\$5.00	\$40.00
<b>Ladies Midweek</b>	Another club member	Joining Fee Only	\$0.00	\$15.00
<b>Social</b>	Flexible Play	Social Play Only	\$15.00	\$15.00
<b>Play More - Junior</b>	up to 18 years	Full	\$270.00	\$270.00
<b>Play More - Adult</b>	18 years & over	Full	\$350.00	\$350.00

All categories currently exist, except for the Ladies Mid-Week joining fee, which is new and covers for LMW players who are members of other clubs, however, are required to join under the Association membership. The cost covers an affiliation fee and admin fee for processing. The joining fee does not provide the benefits of a full membership which include:

- Full voting rights at an AGM or extraordinary meeting where members are required to vote.
- Free off peak and Sunday court-hire upon availability
- 5% Discount on all pro-shop merchandise products including re-stringing.
- Ability to play organized GTC competitions (LMW Mid-Week competition allowable), club championships, and club representation.
- Regional, Inter-District, and Badge competition selections.
- It also now incorporates both hot shot and junior membership under one same fee.

I also seek full support of these changes as outlined and recommended by the outgoing committee.

## Conclusion

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I would now like to recommend this report as read and the audited 2022 financial accounts presented at tonight's AGM to be entered into the minutes.

**End of report**