

## **Presidents Report 2019**

On behalf of the Board of Directors of Gladesville RSL Community Club I have pleasure in presenting to you the 48th Annual report and financial statements for the year end 31 December 2019.

### **2019 Trading**

As with most of the Club Industry, our trading had plateaued for the last few years and it became obvious we needed to have a good look at our business in order to be financially viable into the future. This was the reason the decision was made to do a major refurbishment of the ground floor and façade.

Whilst the end result is worthwhile, there is a lot on disruption and inconvenience to go through when doing a refurbishment of the size we completed. We tried to minimize the impact but unfortunately both gaming and beverage revenue were significantly lower.

The reduced visitation impacts on all areas of revenue, whether it be raffle/bingo sales or our ATM commission. With our cash reserves being spent on the refurbishment and the Seniors Living Development we are no longer receiving the same level of bank interest.

Even Youth Club participation was down which provides further pressure as this results in this facility needing more financial support than expected.

Whilst revenue was down 8% on the previous year, on the positive side above the line expenditure was able to be controlled and was 2.5% down on last year. Our EBITDA was \$1,365,335 and we posted a modest net profit of \$65,319.

### **Club Grants & Donations**

In 2019 the Club continued to support the community to the value of \$140,000 through the ClubGRANTS program and ad hoc donations.

This includes the provision of category 2 grants of cash and or in-kind donations to our sporting sub-clubs, Gladesville RSL Sub Branch, Gladesville RSL Women's Auxiliary, Gladesville RSL Youth Clubs, Legacy, Combined Pensioners & Superannuates Association and Ryde Sports Foundation.

In excess of \$30,000 was provided as category 1 cash grants to worthy community groups including Veterans Benevolent Fund, Gallipoli Scholarship Fund, Little Heroes Swim Academy, Sydney Community Services, The Happy Hens Social Enterprise, Ryde Secondary College and Giant Steps Australia.

### **Plans for 2020**

At the time of writing the Club has just reopened after the Covid-19 enforced shut down of the Club for 9 weeks. This was a very difficult time for the Club and in particular for our staff who were stood down for this period.

During this time where we had no revenue coming in, every effort was made to reduce expenditure during this time. We must thank all of our suppliers for being so supportive during this time, especially as most were suffering themselves.

It is pleasing the shutdown was not as long as expected and whilst trading is restricted and the economy is suffering, at least our doors are open again. We ask for Members to be patient during this time as there is still a long road ahead. Before committing to some of our usual Club activities returning, the Board needs to be confident in our financial position.

For the first time in many years the Club is now carrying a debt from the refurbishment and Seniors Living projects. An important consideration now is being able to meet the covenants the bank has placed on us.

Covid-19 has had a substantial impact on this club and many more clubs far and wide and it will take us a while to recover. The remainder of this year will be a working towards getting us back on our feet. There are a lot of challenges ahead and it won't be easy, but with Management and Board working together we should adapt to what's ahead.

Once again, I ask members to be patient as we do not want to rush decisions and put ourselves under a financial strain.

### **Seniors Living Development**

Even without the Covid-19 shutdown, pre-sales for our seniors living development were slow. The increased regulation in the Industry and structure of the leases also means the ongoing profit from the development is not at the same level it was when we started the project.

As a result, we took the opportunity during the shutdown to put the project on hold and review our position. This will take place in the coming months as we consider our options.

As the Board has done throughout, a lot of effort will be put into conducting due diligence on the options tabled.

### **Club Refurbishment**

By the time you read this, the club refurbishments will be coming to an end. We will have completed a full renovation of the ground floor including the gaming room, new toilets, new bar and coffees shop lounge and foyer including a new memorial. The front façade will have been updated to give the Club some much needed street appeal.

### **In Closing**

To our managers, the Board thank you for what you have gone through it's been tough on you not having a job to go to but things are improving.

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To our fantastic staff, part of this year also has been hard on you but as I said before things are improving. On behalf of the Board we thank you. To the administration staff, your contribution keeps the club moving forward. Also, to those who directly serve and assist our members in such a friendly professional manner you are outstanding.

I cannot forget the work our CEO has been carrying out during this year and during the pandemic. It's been hands on and on behalf of the Board well done on your efforts to keep us ahead.

To my fellow Directors, thank you for your support we have made some hard decisions during the year and it's not going to get any easier for what's ahead but if we keep that team effort going, we should achieve our goals.

Despite our needs to grow and future proof this fine club it is essential that we continue to acknowledge, to honour and to remember our veterans past and present. This club has a long history and heritage. As we open our arms to the younger generations, as members it is important, we will maintain the traditions on which this club was built.

Before I close, I must thank all our sporting clubs for your efforts in keeping your clubs active and supporting our club.

During the year in review, regrettably there have been members and loved ones depart to all involved in the club, we extend to you our deepest sympathies and condolences and to all that are ill we wish you a speedy recovery.

Last of all, on behalf of the Board of Directors, management and staff we say thank you, to you our loyal members for your support and patronage throughout the year.

Jim Butt

President