

**ANNUAL GENERAL MEETING OF THE  
 NEWCASTLE RUGBY LEAGUE LTD**  
**HELD 294 TURTON RD BROADMEADOW**  
**TUESDAY 10 DECEMBER 2019 COMMENCING AT 5.30PM**

**MINUTES**

	<b><u>AGENDA ITEM</u></b>
<b>1.0</b>	<b>WELCOME AND APOLOGIES</b>
1.1	<u>Meeting opened</u> 5.30pm
1.2	<u>Attendance</u> As per attendance register
1.3	<u>Apologies</u> As per attendance register
1.4	<u>Visitors</u> As per attendance register
<b>2.0</b>	<b>MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING</b>
2.1	<u>To receive and consider the Minutes of the Annual General Meeting held 11 December 2018.</u> - Received and accepted.
<b>3.0</b>	<b>ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 SEPTEMBER 2019</b>
3.1	<u>To receive and consider the Annual Report of Newcastle Rugby League Ltd, including the Financial Statements and Auditor's Report for the year ended 30 September 2019.</u> - Received and accepted.
3.2	<u>CEO financial report</u> <u>2019 result</u> - While the board had forecast an operating loss the final numbers were disappointing - As alluded to by Nick there were some expenses carried across from the previous year (approx. \$30k) - Also the inclusion of long service movement was not included in the original budget <u>Knights funding</u>

- Ultimately the biggest contributing factor has been the loss of the Knights funding and establishing additional revenue streams to help off-set this loss
  - o 2013: \$300k funding – 40% of total income
- To off-set this funding loss the league identified the need to both reduce expenses and establish new revenue streams or increase existing

#### Reducing expenses

- 2014 total expenses \$700k
  - o 2019 total expenses \$560k (including \$30k carried over from 2018)
  - o 2020 forecast total expenses \$522k (reduction of approx. \$180k)
  - o Remaining shortfall approx. \$120k

#### NLC sale & reinvestment

- Identified that the sale of the NLC and reinvestment of funds offered an opportunity to generate a significant increase in revenue
  - o NLC rent \$40k per year (same amount in 1989)
  - o With the property valued around \$2m this equates to a ROI of 2%
  - o A realistic ROI of around 7% (\$120k plus p/year)
- Decision made to sell the property (December 2017) and reinvest funds

#### Raymond Terrace investment property

- In July 2019 commercial property at Raymond Terrace purchased which settled 30 Sept 2019
- 4 established tenants with the opportunity for an additional tenant.
- Rental income of approximately \$150k p/year
- Also provides the league with a substantial asset (as did the purchase of the NLC property many years ago)

#### 2020 budget

- The inclusion of this additional revenue in the 2020 budget results in a forecast surplus of approximately \$23k

#### In closing

- It has been a five-year process to recover from the withdrawal of the funding which has had a significant financial impact on the League
- The League is confident that the decision with regards to the leagues club sale and the recent property purchase along with adjustments to our operating expenses provides some long-term financial security for Newcastle RL.
  - o It has also eliminated the reliance on significant external funding (whether from the Knights, NRL, NSWRL) to maintain operations

Call for questions relating to the financial report

#### Grand Final

- Discussion held regarding viability of remaining at MJS. Recommended that the League go back to holding the grand final at a local ground

	- The League is reviewing options and will take into consideration issues such as the ability of the district clubs to operate catering / drinks.
<b>4.0</b>	<b>APPOINTMENT OF POSITIONS FOR THE YEAR ENDED 30 SEPTEMBER 2020</b>
<b>4.1</b>	<u>Auditor: Nominee – Cutcher &amp; Neale</u> - Accepted
<b>4.2</b>	<u>Patron: Nominee – Mr TJ Winney</u> - Accepted
<b>4.3</b>	<u>Honorary Solicitor: Nominee – Bilbie Dan</u> - Accepted
<b>5.0</b>	<b>ELECTION OF BOARD OF DIRECTORS</b>
<b>5.1</b>	<u>No election required.</u> - Current Board of Directors in office until November 2020.
<b>6.0</b>	<b>PROPOSED AMENDMENTS TO NEWCASTLE RUGBY LEAGUE CONSTITUTION</b>
<b>6.1</b>	<u>Proposed amendments to Newcastle Rugby League Constitution presented by CEO.</u> - Detailed rationale document will be distributed to members prior to any vote being held on possible amendments.
<b>7.0</b>	<b>ADJOURNMENT</b>
<b>7.1</b>	<u>Meeting closed</u> - 5.55pm.