



5th May 2021

CHAIRMAN'S UPDATE

Dear Fellow Member,

As we head toward the upcoming Annual General Meeting I thought it was important to provide a brief overview of the last year and some context regarding the Special Resolution that will be considered at the meeting.

We are very pleased to advise you that the Steelers Club will post one of its strongest financial results ever.

Despite the uncertainty that we all faced with the onset of the COVID pandemic we have continued to strengthen our financial position. (I encourage you look over the Annual Financial Statements available on our website.)

This was a watershed year where the structural changes we have tackled and put in place over the last three years have not only enabled us to survive but to continue to build for the future. Some of these structural changes include;

- The sale of our share in the St George Illawarra Dragons - refocussing our rugby league investment into junior development and pathways
- Conclusion of our contract with our gaming machine supplier and purchase of the gaming floor,
- Negotiation of a new beverage supply contract,
- A thorough a review of our main bar cost of goods and inventory management,
- The opening of our new upstairs function room, Scarlett's.

The result of these initiatives has seen the club go from strength to strength and the profit delivered for the financial year ended October 2020 of \$1.28 Million provides for reinvestment in the club. We have strengthened our balance sheet, improved our cash position and committed significant capital to essential repairs and maintenance and improving the quality of visitor amenity. Something that hasn't always been an option for our club.

Yet we recognise there is more to do and we have begun work on upgrading facilities and infrastructure such as air conditioning and over the next few months members will see renewal and improvements to bathrooms and the opening of a new cocktail bar in the club.

Upgrades to our gaming floor will add further cash and capacity to invest, all of which has been based on sound analysis and business principles.

All of this has been the result of an enormous amount of work by many people: our staff very ably led by our General Manager Sharon Arrow and a dedicated Board that have committed countless hours to our drive to improve. Thank you to my Board colleagues for the unseen work you have been doing it setting us on a path to a stronger future. We are very fortunate to also have the support, wisdom and commitment of the independent Chair of our Risk and Audit Committee, Bob Elvy.

We also acknowledge the tireless work of Gerry Murphy and our football staff in responding to the dramatic impact of COVID on local football in 2020. The rebuilding work continues in community rugby league and we thank our family of sponsors who stuck by us throughout the challenging times.

At the last AGM we foreshadowed a review of the club's constitution given that it was created nearly 40 years ago. After consultation with ClubsNSW we engaged club experts Pigott Stinson lawyers to assist us with the process. The review identified a significant number of amendments necessary to bring the constitution into line with best corporate practice and the requirements of the Corporations Act, Gaming Machines Act, Liquor Act, Registered Clubs Act and their associated regulations. Accordingly, it was recommended that the Club adopt a new Constitution rather than a myriad of special resolutions.

The Board considered this recommendation and has worked over several months in conjunction with our advisors to set up a new Constitution that will provide the best practice framework for the next 40 years.

Importantly our objects and purpose remain true to our founding documents.

The Board has approved an explanatory memorandum for members regarding the new constitution and encourages members to read the explanatory memorandum and contact the club if you have any questions. The Board will recommend that members consider and adopt the new Constitution at the Annual General Meeting.

Over the last five years the Board has taken steps to significantly improve the long term viability of the Club and put the necessary reforms in place to prepare Steelers for the future. We have developed a 5 year strategy and associated business plan for the immediate 12 months, which addresses underlying issues and will reset the business. There is still work to be done and our next major initiative, debt reduction, will be a focus in the near term and in this regard the Board has already made its first principal repayment utilising the cash generated in the 2020 financial year.

We lost a number of great supporters over the last 12 months including long serving Director and Chair, Peter Newell OAM, Director, Col Markham and Life Member, Ray Nicholson. We thank them for their service to Steelers and respect the legacy they leave through their tireless work for our members and the rugby league community.

A special thanks to all of our staff at Steelers for the outstanding customer service that has become our hallmark under Sharon's leadership. Thank you to those that went above and beyond during the uncertainty of COVID and the commitment to continue to improve.

Most of all I would like to thank our loyal and dedicated members for their patience and ongoing support, and for sticking with us throughout the uncertainty of last year.

Our best wishes to all members for the year ahead.

Yours faithfully

Graeme Gulloch
Chairman